



## **ORDINARY COUNCIL MEETING**

# **MINUTES**

**Ordinary Meeting of Council was held  
in the Council Chambers, Welcome Road, Karratha,  
on Monday, 20 November 2023 at 6pm**

A handwritten signature in black ink, appearing to read "VMiltrup", is positioned above a horizontal line.

**VIRGINIA MILTRUP  
CHIEF EXECUTIVE OFFICER**



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The City of Karratha warns that anyone who has any application lodged with the City of Karratha must obtain and should only rely on

**WRITTEN CONFIRMATION**

of the outcome of the application, and any conditions attaching to the decision made by the City of Karratha in respect of the application.

Signed: VMiltrup  
**Virginia Miltrup - Chief Executive Officer**

## DECLARATION OF INTERESTS (NOTES FOR YOUR GUIDANCE) (updated 13 March 2000)

A member who has a **Financial Interest** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (c) Preside at the part of the Meeting, relating to the matter or;
- (d) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

### NOTES ON FINANCIAL INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have a **Financial Interest** in a matter. I intend to include these notes in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
  - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the *Local Government Act*; or
  - 6.2 Where the Minister allows the Councillor to participate under s5.69 (3) of the *Local Government Act*, with or without conditions.

### INTERESTS AFFECTING IMPARTIALITY

**DEFINITION:** *An interest that would give rise to a reasonable belief that the impartiality of the person having the interest would be adversely affected, but does not include an interest as referred to in Section 5.60 of the 'Act'.*

A member who has an **Interest Affecting Impartiality** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest;

- (a) in a written notice given to the Chief Executive Officer before the Meeting; or
- (b) at the Meeting, immediately before the matter is discussed.

### IMPACT OF AN IMPARTIALITY CLOSURE

There are very different outcomes resulting from disclosing an interest affecting impartiality compared to that of a financial interest. With the declaration of a financial interest, an elected member leaves the room and does not vote.

With the declaration of this new type of interest, the elected member stays in the room, participates in the debate and votes. In effect then, following disclosure of an interest affecting impartiality, the member's involvement in the Meeting continues as if no interest existed.

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# MINUTES

## 1 OFFICIAL OPENING

The Ordinary Meeting of Council held in the Council Chambers, Welcome Road, Karratha on Monday, 20 November 2023 was declared open at 6.00pm. Cr Scott acknowledged the traditions of the Ngarluma people, on whose land we are gathered here today.

## 2 PUBLIC QUESTION TIME

No public questions received.

## 3 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE PREVIOUSLY APPROVED

**Councillors:** Cr Daniel Scott [Mayor]  
Cr Daiva Gillam [Deputy Mayor]  
Cr Gillian Furlong  
Cr Brenton Johannsen  
Cr Pablo Miller  
Cr Travis McNaught  
Cr Kelly Nunn  
Cr Sarah Roots (*via telephone*)  
Cr Tony Simpson  
Cr Joanne Waterstrom Muller

|               |                  |  |
|---------------|------------------|--|
| <b>Staff:</b> | Virginia Miltrup | Chief Executive Officer                      |
|               | Emma Landers     | Director Community Experience                |
|               | Alistair Pinto   | Director Corporate & Commercial              |
|               | Lee Reddell      | Director Development Services                |
|               | Simon Kot        | Director Strategic Projects & Infrastructure |
|               | Henry Eaton      | Manager Governance                           |
|               | Jodie Swaffer    | Minute Secretary                             |

**Apologies:** Nil

**Absent:** Nil

**Leave of Absence:** Nil

**Members of Public:** There was 1 member of the public in the gallery.

**Members of Media:** Daniel Spence, Pilbara News

## 4 REQUESTS FOR LEAVE OF ABSENCE

Cr Furlong and Cr Roots requested Leave of Absence for the 11 December 2023 Ordinary Council meeting.

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### COUNCIL RESOLUTION

**Res No** : **155271**

**MOVED** : **Cr Miller**

**SECONDED** : **Cr Simpson**

**That Council approve leave of absence for Cr Furlong and Cr Roots for the 11 December 2023 Ordinary Council meeting.**

**CARRIED 10/0**

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**FOR** : Cr Scott, Cr Furlong, Cr Gillam, Cr Johannsen, Cr Miller, Cr McNaught, Cr Nunn, Cr Roots, Cr Simpson, Cr Waterstrom Muller  
**AGAINST** : Nil

## 5 DECLARATIONS OF INTEREST

No Declarations of Interest.

## 6 PETITIONS/DEPUTATIONS/PRESENTATIONS

Mr Harry Rosen, Executive Chairman of WRS Bioproducts made a deputation in relation to agenda item 12.1 Development Application DA22-176 – Proposed Intensive Agriculture (Aquaculture Facility – Algae Farm) – Multiple Lots, Gap Ridge in support of the Officer's Recommendation.

### Introduction

The City of Karratha granted WRS Bioproducts Pty Ltd a Development Approval to develop 120 hectares of ponds and ancillary infrastructure for Intensive agriculture (aquaculture facility) on 16 April 2020. Of the ~198 hectares of ponds that are the subject of the current application for a Development Approval now being considered by the Karratha Council on the 20 November 2023, 120 hectares have already been approved.

The granted DA application was merely Stage 1 of the applications WRS intended to make, once Rainstorm was granted "title" over Lot 4229 and the UCL. Indeed, not only did WRS enter into option agreements over these parcels of land with Rainstorm, but Lot 4229 was specifically mentioned in the Council's minutes of the 19 August 2019.

At the time the DA application for 120 hectares was made, WRS thought that it would ultimately have up to 270 hectares available to it to construct its ponds. WRS' rationale for making its initial DA application was that the 120 hectares was already available (Rainstorm having title over Lots 267 and 300) which would enable us to commence the project expeditiously and prove the viability technically. WRS always knew that it would need to construct between 200 and 270 hectares of ponds to make the operations financially viable.

### WRS' Land Size Requirement

Algal ponds generally do not exceed 300cm in depth. Algae produce energy by photosynthesis, a process by which plants use sunlight, water, and carbon dioxide to create oxygen and energy in the form of sugar. When algae are concentrated in the water using good farming practices, it greatly diminishes the light penetrating the growth medium causing little algal growth at the bottom of the pond and a dilution of water entering the harvester resulting in poor productivity.

WRS will process 500,000 liters of algae laden brine per hour to produce an acceptable ROI. Additionally, ponds will be rotated when the algal concentrate in the pond being harvested is depleted by 50% during harvesting to enable regrowth to occur within a reasonable time. This allows continuous harvesting. Taking all these factors into account the minimum size of the ponds required for a viable site should at least 200 hectares.

### WRS' Credentials - Algae Innovation and Commercial Development

In the early 1980s, Dr Simon West and Harry Rosen successfully commercialised algal technologies invented by Dr West to produce natural beta-carotene. In 1985 Betatene Ltd (founded by West, Rosen and others) listed on the ASX raising sufficient funds to construct its operations at Whyalla (ponds and harvesting plant) and at Melbourne. In 1996 Betatene was sold to Henkel Corporation, a diversified German multinational, for approximately AUD\$100 million. As part of the transaction, Harry was recruited by Henkel as Vice-President Corporate Development focusing on the international nutraceutical industry, a position that kept him in the USA for a number of years.

It has been over 34 years since Betatene was commercialised, yet its operations, now owned by the chemical giant BASF, remain the world's largest microalgal operation.

### Algae – A Diverse Source of Raw Material

Microalgae are plants that predominantly grow in an aquatic environment and like most plants, use sunlight and carbon dioxide as energy to grow.

Microalgae are an incredible source of renewable and sustainable raw material used to produce foods, nutritional ingredients and chemicals based on their rapid growth compared to land-based crops. Algae do not compete for valuable resources as they can be grown on non-arable land using non-potable saline water or wastewaters.

Algae play a crucial role in protecting our environment. The total amount of organic carbon produced by algae by photosynthesis is approximately seven times greater than terrestrial plants, making them one of the most important sources of producing atmospheric oxygen.

### WRS – Corporate Overview

WRS aims to become a global leader in the production of high-value ingredients from multiple algal species. It will initially focus on producing beta-carotene, a pro-vitamin A ingredient. Once commercially established we intend to produce additional products such as lutein, astaxanthin and DHA from diverse algal species.

Our products will be used in the dietary supplements, functional foods, food colour (where consumers increasingly demand natural colours), cosmetic & animal feed markets.

Our ground-breaking platform technologies form the basis of the next generation in algae processing and are a significant enhancement over existing technologies.

### Karratha – An Ideal Location to Cultivate Algae

Site selection is critical to ensure the viability of algae operations, particularly when using extensive farming. To maximise algae growth and thus profits, operations generally need to

be located in a warm climate and intense sunlight. Warm weather extends the growing season; extreme sunlight stresses the algae inducing it to increase antioxidant production as a protection mechanism against free radical damage caused by ultraviolet radiation.

#### Potential Benefits to Karratha Community

- Three companies will conduct business operations at the Rainstorm site (EcoMag Ltd, Rainstorm Dust Control and WRS). There is significant synergy between the companies, and it is contemplated that they will share significant costs, both operating and capital. This will ensure the best commercial results of each company once their businesses are established. This will constitute the first implementation of the Eco Hub concept contemplated by the City of Karratha and act as a model to encourage other companies to do likewise at Karratha spurred by a progressive City Council.
- One of India's largest pharmaceutical companies has invested in WRS (the "investor"). The Investor made an initial investment in WRS over two years ago. These funds were used to construct and operate a small pilot plant in Karratha and Melbourne. More recently, after WRS demonstrated the success of the small plant, the Investor further invested in WRS for the purpose of constructing a larger demonstration. If our larger trial replicates the first study, we expect that the Investor will fund the commercial construction and likely become a substantial investor in WRS. Having a company of the stature the Investor in WRS may encourage other companies to Karratha. In any event, this itself introduces a multinational player into Karratha with the potential of commencing other high value industries in the region unrelated to mining.
- WRS business model is based on the application of innovative technologies using the region's natural resources to establish a global industry, new products and employment opportunities having national implications for securing investment in a global oriented industry.
- The forecasted annual revenue from ~200 hectares of ponds only for the production of beta-carotene is significant with most production being exported. Revenues will increase substantially when WRS commences cultivating other algae. The high-value products will be exported by airfreight.
- WRS will employ tertiary qualified staff in areas including process engineers, laboratory assistants and research and development Scientists. These skills and the support for new industries provides a basis for enhancing the skills of the region.
- WRS is clearly a leader in producing products from algae. However, to implement its technologies to other algae will require a collaboration with academic institutions in Western Australia. This research relationship supports the region seeking to establish a university presence in Karratha which can also impact in diversifying the skills base in the region.
- Hutt Lagoon, situated near Port Gregory, is used to grow and harvest the algae *Dunaliella salina*. It is operated by BASF after its acquisition of Betatene. It attracts many tourists. With more to see and do at Karratha, WRS' pink lakes have the potential to be an important tourist attraction in the future (<https://www.abc.net.au/news/2019-09-12/chinese-tourists-flock-to-pink-lake-at-gregory-western-australia/11490566>).

#### Odour

While I did not work at Betatene sites at Whyalla and Hutt Lagoon, I never smelled anything repugnant when visiting these sites. Indeed, the harvested algae (therefore concentrated) was processed in Melbourne where I did work for some time and no smell emanated from the product.

#### Bird Activity

Biodiversity Australia reported on the impact that bird activity resulting from operating our algal farm. (Biodiversity is a team of Environmental Management Consultants who provide specialist environmental management services for the Resources and



Infrastructure, Government and Defence Aviation and Residential sectors). Their report was completed in November 2019 and provided to the City).

The algae cultivated by WRS is grown in an environment that is hyper saline. It thrives in this environment as very little else can grow. As such there is very little in our ponds that would normally attract birds.

#### Conclusion

If WRS successfully implements its business strategies, Karratha will become a central component of the global algal industry commercially and academically and will attain a global presence and reputation for innovation beyond mining.

## **7 CONFIRMATION OF MINUTES AND BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETINGS**

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### **COUNCIL RESOLUTION**

**Res No : 155272**  
**MOVED : Cr Furlong**  
**SECONDED : Cr Gillam**

**That the Minutes of the Special Meeting of Council held on Monday, 23 October 2023 and Ordinary Meeting of Council held on Monday, 30 October 2023, be confirmed as a true and correct record of proceedings.**

**CARRIED 10/0**

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**FOR : Cr Scott, Cr Furlong, Cr Gillam, Cr Johannsen, Cr Miller, Cr McNaught, Cr Nunn, Cr Roots, Cr Simpson, Cr Waterstrom Muller**  
**AGAINST : Nil**

## **8 ANNOUNCEMENTS BY PERSON PRESIDING WITHOUT DISCUSSION**

No announcements by person presiding without discussion.

## **9 CHIEF EXECUTIVE OFFICER**

No CEO Office reports.

## 10 CORPORATE & COMMERCIAL

### 10.1 FINANCIAL STATEMENTS FOR PERIOD ENDED 30 SEPTEMBER 2023

|                                       |  |
|---------------------------------------|--|
| <b>File No:</b>                       | FM.19  |
| <b>Responsible Executive Officer:</b> | Director Corporate & Commercial  |
| <b>Reporting Author:</b>              | Corporate Accountant   |
| <b>Date of Report:</b>                | 25 October 2023  |
| <b>Applicant/Proponent:</b>           | Nil  |
| <b>Disclosure of Interest:</b>        | Nil  |
| <b>Attachment(s):</b>                 | <ol style="list-style-type: none"> <li>1. Statement of Financial Activity</li> <li>2. Variance Commentary – Statement of Financial Activity by Nature and Type</li> <li>3. Statement of Financial Position</li> <li>4. Net Current Funding Position</li> </ol> |

#### PURPOSE

To provide a summary of Council's financial position for the period ending 30 September 2023.

#### OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION

**Res No** : 155273  
**MOVED** : Cr Simpson  
**SECONDED** : Cr Furlong

That Council **RECEIVE** the Financial Statements for the financial period ending 30 September 2023 as shown in Attachments 1 to 4.

**CARRIED 10/0**

**FOR** : Cr Scott, Cr Furlong, Cr Gillam, Cr Johannsen, Cr Miller, Cr McNaught, Cr Nunn, Cr Roots, Cr Simpson, Cr Waterstrom Muller  
**AGAINST** : Nil

#### BACKGROUND

Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996* requires the City to prepare a monthly statement of financial activity including the sources and application of funds, as compared to the budget.

#### DISCUSSION

The following table is a summary of the Financial Activity Statement by Nature and Type compared to the Budget as of 30 September 2023:

| 2023/24                         | Original Budget | Amended Budget | Year to Date Budget | Year To Date Actual | YTD Variance | Variance % | Impact on Surplus |
|---------------------------------|-----------------|----------------|---------------------|---------------------|--------------|------------|-------------------|
| Operating Revenue (incl. Rates) | 131,228,517     | 131,228,521    | 72,206,095          | 74,710,004          | 2,521,960    | 3.5%       | ↑                 |
| Operating Expense               | (114,792,455)   | (114,792,459)  | (32,132,767)        | (27,954,405)        | 4,160,616    | -13.0%     | ↑                 |

|                                     |              |              |                   |                   |                   |              |          |
|-------------------------------------|--------------|--------------|-------------------|-------------------|-------------------|--------------|----------|
| Non Operating Revenue               | 14,973,905   | 14,973,905   | 1,364,195         | 990,280           | (401,884)         | -27.4%       | ↓        |
| Non Operating Expense               | (67,643,003) | (67,643,003) | (12,098,410)      | (2,173,327)       | 9,826,824         | -82.0%       | ↑        |
| Non Cash Items Included             | 31,470,521   | 31,470,521   | 7,829,128         | 7,995,210         | 166,082           | 2.1%         | ↑        |
| Restricted PUPP Surplus BFWD 1 July | 62,129       | 62,129       | 62,129            | 62,129            | 0                 | 0.00%        |          |
| Unrestricted Surplus BFWD 1 July    | 4,739,380    | 4,739,380    | 4,739,380         | 4,739,380         | 0                 | 0.00%        |          |
| Restricted PUPP Surplus CFWD        | 31,064       | 31,064       | 31,064            | 31,064            | 0                 | 0.00%        |          |
| <b>Surplus/(Deficit) 23/24</b>      | <b>7,929</b> | <b>7,929</b> | <b>41,938,686</b> | <b>58,338,207</b> | <b>16,273,598</b> | <b>39.1%</b> | <b>↑</b> |

This table shows a surplus position of \$58.4m, a positive variance of \$16.3m compared to the budgeted surplus position of \$42m, which is subject to consideration of year-end accruals and accounting adjustments.

The restricted balance referred to in the preceding table and throughout this report comprises Pilbara Underground Power (PUPP) Service Charges levied in 2014/15, which are subject to the 10-year instalment option offered by Council. The brought forward unrestricted surplus position prior to finalisation of prior year transactions is \$4.7m.

In accordance with the materiality threshold adopted by Council for the reporting of variances in Operating Revenue and Expenses, the following comments provide an explanation of material variances which contribute significantly to the total YTD budget variance shown in the above table. Further details are provided later in this report in the Variance Commentary - Statement of Financial Activity by Nature & Type.

| Operating Revenue  |   |   |
|--------------------|---|---|
| 1,953,808          | ▲ | Waste Management - Increase in Commercial & Industrial, Construction & Demolition and Liquid Waste streams                            |
| 932,935            | ▲ | Financial Services - Timing adjustment EOY Accrual journals   |
| 840,634            | ▲ | Karratha Airport - Billboard Advertising Revenue - Timing adjustment EOY Accrual journals   |
| 224,857            | ▲ | Wickham Recreation Facility - Nil budget. Water Softener and Waterline pipe replacement contribution                                  |
| 177,072            | ▲ | Karratha Airport - RASI Grant extended to November 2023   |
| 124,120            | ▲ | Karratha Airport - Timing - Annual Service Charges raised earlier than anticipated  |
| 87,000             | ▲ | Waste Management - Awaiting replacement plant P8020. RFQ due December 2023  |
| <b>4,340,426</b>   | ▲ | <b>Positive Variances</b>   |
| (614,760)          | ▼ | Karratha Airport - Timing - Transactions for Rental Cars & Car Parking relate to EOY accrual  |
| (603,120)          | ▼ | Rates - Rates levied pending adjustment for additional exemptions   |
| (550,000)          | ▼ | Partnerships - Woodside agreement for contribution to Roebourne Streetscape being finalised, to be invoiced prior to end of quarter 2 |
| (225,191)          | ▼ | Karratha Airport - Decrease in passenger screening revenue resulting from credits issued to airlines following RASI grant requirement |
| <b>(1,993,072)</b> | ▼ | <b>Negative Variances</b>   |
| <b>2,347,355</b>   | ▲ | <b>Net Positive Variance</b>  |

| Operating Expenses |   |   |
|--------------------|---|---|
| 1,500,000          | ▲ | Hillview/Balmoral Road Upgrade - Contract awarded and pending submission of the Contractors Management Plans, Contract, Aboriginal Heritage, Security etc |
| 864,789            | ▲ | KLP, WRP, Indoor Play Centre & REAP - Timing adjustment ABC allocations   |
| 800,460            | ▲ | Employment Costs - Timing - Overheads allocation to be processed  |

|                    |   |   |
|--------------------|---|---|
| 699,086            | ▲ | Depreciation - Timing adjustment depreciation allocations   |
| 637,049            | ▲ | KTA Airport - Timing - Awaiting receipt of security screening expenses. Car Park Equipment installation carried forward from 2022/23  |
| 599,000            | ▲ | Lot 7020 Development - Contract awarded, pending design documentation milestone   |
| 537,062            | ▲ | Kerb Renewals & Road Reseal Program - Works commenced. Purchase orders issued October 2023  |
| 473,076            | ▲ | Parks & Gardens - Karratha Open Spaces delayed due to ACH Restrictions, works now commenced. Roundabout Upgrade delays, works now commenced and awaiting invoices. ERS Upgrade delays, works yet to commence as still in design phase |
| 450,000            | ▲ | Footpath Dampier Road Stage 7 - Contract awarded October 2023, construction due to commence   |
| 399,192            | ▲ | KLP Outdoor Court Shading - Preferred tenderer selected pending contract negotiation to award   |
| 376,278            | ▲ | Waste Management - Timing adjustment ABC allocations  |
| 349,205            | ▲ | CBD Bus Shelters - Contract awarded October 2023. Design & Construction due to commence   |
| 299,580            | ▲ | 7 Mile Waste Shade Dome & Pad - Project re-tendered, closing November 2023  |
| 258,821            | ▲ | Playground Replacements - Delays to works commencing. Awaiting final timeframe for contractor to start  |
| 258,481            | ▲ | Economic Development - NEDC Conference expenditure delayed. Delay in invoices for Cumulative Impact Plan  |
| 200,062            | ▲ | Liveability - Timing adjustment ABC allocations   |
| 200,000            | ▲ | Boat Ramp Maintenance - No response received to RFQ, resubmitted October 2023   |
| 172,106            | ▲ | KLP, Karratha Airport, City Services - September invoices not received  |
| 164,418            | ▲ | Jingarri Sites Housing Construction - Construction ongoing with delays due to materials & labour  |
| 157,590            | ▲ | Footpaths & Footpath Lighting - Awaiting invoices from contractor, 2022/23 works brought forward to 2023/24   |
| 127,104            | ▲ | 7 Mile Waste Facility - RFQ for Tyre Shredder delayed   |
| 102,243            | ▲ | Insurance - Timing adjustment insurance allocations   |
| 91,490             | ▲ | Madigan Road Homemaker Centre - Project not proceeding due to funding   |
| 88,000             | ▲ | Cemetery Enhancement - Delays to receiving designs from consultant. Final designs due and RFQ to be advertised shortly  |
| 80,000             | ▲ | Hampton Oval & Dampier Foreshore - Project delayed due finalising installation design   |
| 80,000             | ▲ | Waste Services - Cyclone Green waste Collection - invoice not yet received  |
| 74,700             | ▲ | Murujuga Access Road - Project delayed due to site investigations and pending "remobilisation" of design team   |
| 73,063             | ▲ | Waste Management - Cleanaway Contracting invoicing delays   |
| 71,685             | ▲ | Roebourne Youth Precinct - Timing - Accrued expenses  |
| 62,867             | ▲ | Fleet & Plant - Fuel - September upload in progress   |
| 55,000             | ▲ | Wickham Boat Beach Jetty - Project delayed pending requests to specialist consultants   |
| 54,833             | ▲ | KTA Airport - Timing - June 2023 Horizon Power account, originally budgeted in FY 23/24, was expensed in FY 22/23   |
| 50,000             | ▲ | Roebourne Streetscape Masterplan - Payment pending completion of design documentation milestone   |
| <b>10,407,242</b>  | ▲ | <b>Positive Variances</b>   |
| (5,914,088)        | ▼ | Corporate Services Admin - Timing adjustment ABC allocations  |
| (379,091)          | ▼ | Kevin Richards Club Room - Project delayed due to Contractor delivery and defective work  |
| (94,894)           | ▼ | Parks & Gardens - Works completed earlier than expected for park furniture & fencing  |
| <b>(6,388,073)</b> | ▼ | <b>Negative Variances</b>   |
| <b>4,019,169</b>   | ▲ | <b>Net Positive Variance</b>  |

| Non Operating Revenue |   |   |
|-----------------------|---|---|
| (256,250)             | ▼ | Liveability - Grant - Timing adjustment EOY Accrual journals.                                       |
| (87,000)              | ▼ | Proceeds on Assets Disposal - Waste Management - Awaiting replacement plant P8020 to realise asset. |
| (30,000)              | ▼ | Loss on Asset Disposal - Waste Management - Awaiting replacement plant P8824 to realise asset.      |
| <b>(343,250)</b>      | ▼ | <b>Negative Variances</b>   |

| Non Operating Expenses |   |   |
|------------------------|---|---|
| 1,946,879              | ▲ | Carry Forward Budget Reserve - Allocations to be adjusted based on updates to reporting guidelines  |
| 1,500,000              | ▲ | Hillview/Balmoral Road Upgrade - Contract awarded and pending submission of the Contractors Management Plans, Contract, Aboriginal Heritage, Security etc   |
| 695,291                | ▲ | Lot 7020 Development - Contract awarded, pending design documentation milestone   |
| 634,055                | ▲ | Information Technology Hardware Refresh - Procurement delays for hardware and CCTV  |
| 545,385                | ▲ | KTA Airport - Car Park Equipment project installation schedule carried forward from 2022/23. Replacement of Screens will be awarded October 2023  |
| 537,062                | ▲ | Kerb Renewals & Road Reseal Program - Works commenced. Purchase orders issued October 2023  |
| 450,000                | ▲ | Footpath Dampier Road Stage 7 - Contract awarded October 2023, construction due to commence   |
| 428,360                | ▲ | Parks & Gardens - Footpath Lighting Program awaiting invoices from Contractor. Roundabout Upgrade delays, works now commenced and awaiting invoices. ERS Upgrade delays, works yet to commence as still in design phase |
| 399,192                | ▲ | KLP Outdoor Court Shading - Preferred tenderer selected pending contract negotiation to award   |
| 349,205                | ▲ | CBD Bus Shelters - Contract awarded October 2023. Design & Construction due to commence   |
| 299,580                | ▲ | 7 Mile Waste Shade Dome & Pad - Project re-tendered, closing November 2023  |
| 288,000                | ▲ | Landfill Operations - Delays to replacement of P1102 & P8824  |
| 258,821                | ▲ | Playground Replacements - Delays to works commencing. Awaiting final timeframe for contractor to start  |
| 258,785                | ▲ | Jingarri Sites Housing Construction - Construction ongoing with delays due to materials & labour  |
| 160,000                | ▲ | Tech Services - Delays in procurement of replacement plant. Carried forward amount from 2022/23 for P8822   |
| 129,325                | ▲ | Partnership Reserve - Allocations to be adjusted based on updated reserve balances  |
| 88,000                 | ▲ | Cemetery Enhancement - Delays to receiving designs from consultant. Final designs due and RFQ to be advertised shortly  |
| 74,700                 | ▲ | Murujuga Access Road - Project delayed due to site investigations and pending "remobilisation" of design team   |
| 60,000                 | ▲ | Liveability - Delays in purchase of additional vehicle for new manager, commencing September  |
| 50,000                 | ▲ | Roebourne Streetscape Masterplan - Payment pending completion of design documentation milestone   |
| <b>9,023,315</b>       | ▲ | <b>Positive Variances</b>   |

## FINANCIAL MANAGEMENT UPDATE

### Local Government Financial Ratios

| Period End 30 September 2023   | Target Ratio | Original Annual Budget Ratio | YTD Actual Ratio |
|--|--------------|------------------------------|------------------|
| <b>Current Ratio</b><br>Current Assets less Restricted Assets ÷ Current Liabilities less liabilities associated with Restricted assets | ≥ 1          | N/A                          | 2.63             |
| <b>Asset Sustainability Ratio</b><br>Capital Renewal and Replacement Expenditure ÷ Depreciation  | ≥ 0.90       | 0.80                         | 0.29             |
| <b>Operating Surplus Ratio</b><br>Operating Surplus (excl. capital grants & contributions) ÷ Own Source Revenue                        | ≥ 15%        | 15.1%                        | 66.1%            |
| <b>Own Source Revenue Ratio</b><br>Own Source Operating Revenue ÷ Operating Expenses   | ≥ 0.90       | 0.97                         | 2.53             |
| <b>Debt Service Cover Ratio</b><br>Operating surplus before interest expense and depreciation ÷ Principal and interest Expense         | ≥ 10         | 39.9                         | 37.6             |

### Statement of Financial Position

|                    | Sept-23     | Aug-23      | % Change |
|--------------------|-------------|-------------|----------|
|                    | Current     | Current     |          |
| <b>Assets</b>      | 163,059,037 | 151,630,967 | 7.54%    |
| <b>Liabilities</b> | 35,654,196  | 27,805,246  | 28.23%   |
|                    | Non Current |             |          |
| <b>Assets</b>      | 751,467,795 | 757,506,958 | -0.80%   |
| <b>Liabilities</b> | 4,163,293   | 4,241,948   | -1.85%   |
| <b>Net Assets</b>  | 874,709,343 | 877,090,732 |          |

Current Assets increased by 7.54% from August to September, which was attributable to the increase in Unrestricted Cash and Cash Equivalents reflecting the receipt of rates in September offset by the decrease of Trade and Other Receivables. Current Liabilities increased by 28.23% due to increase in Trade and Other Payables. Non-Current Assets decreased by 0.80% which was attributable to the depreciation of Property, Plant and Equipment and Infrastructure assets. Non-current liabilities decreased by 1.85% due to decrease in Provisions and Long-Term Borrowings.

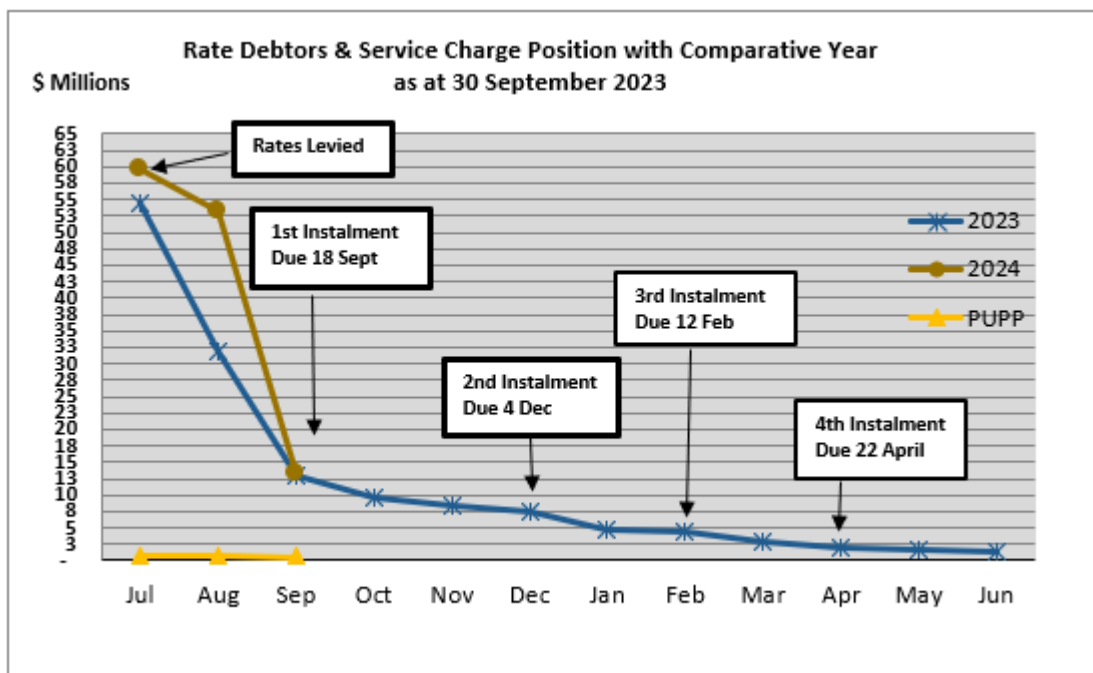
### Debtors Schedule

The following table shows Trade Debtors that have been outstanding over 40, 60 and 90 days as at the end of August. The table also includes total Rates and PUPP Service Charges outstanding.

| Debtors Schedule |                   |                   |              |                    |
|------------------|-------------------|-------------------|--------------|--------------------|
|                  | September         | August            | Change %     | % of Current Total |
| Sundry Debtors   |                   |                   |              |                    |
| Current          | 5,772,551         | 7,842,574         | -26%         | 74.8%              |
| > 40 Days        | 1,412,811         | 1,458,023         | -3%          | 18.3%              |
| > 60 Days        | 26,752            | 7,029             | 281%         | 0.3%               |
| > 90 Days        | 500,052           | 146,485           | -441%        | 6.5%               |
| <b>Total</b>     | <b>7,712,167</b>  | <b>9,161,140</b>  | <b>-16%</b>  | <b>100%</b>        |
| Rates Debtors    |                   |                   |              |                    |
| <b>Total</b>     | <b>13,411,700</b> | <b>53,396,485</b> | <b>-75%</b>  | <b>100%</b>        |
| PUPP Debtors     |                   |                   |              |                    |
| <b>Total</b>     | <b>618,177</b>    | <b>648,270</b>    | <b>-4.6%</b> | <b>100%</b>        |



A total of \$46.5 mil of Rates (including ESL and waste charges) have been paid to end of September, representing a collection rate of 77.6% to date.



There was no material change in September in the PUPP Debtors balance, with the decrease in balance reflecting payment. PUPP payments have now been received on 99.71% of properties and of those paid, 98.74% have paid in full, with 1.26% paying by instalments.

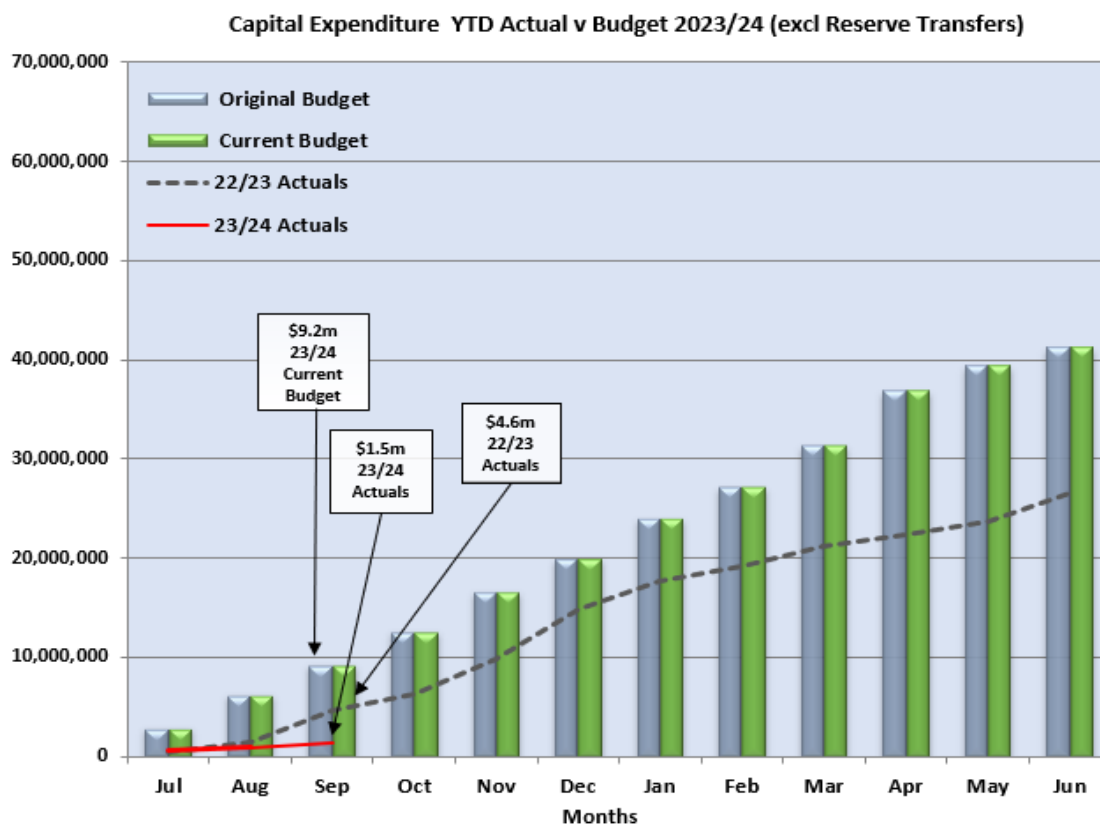
Collection of outstanding debts greater than 40 days is continuing in line with Council policy. The following table highlights outstanding balances for each ageing period for Trade Debtor balances in excess of \$5,000.

| Debtor Code | Name                             | 40 Days   | 60 Days   | Over 90 Days | Commentary  |
|-------------|----------------------------------|-----------|-----------|--------------|---|
| C525        | Cedrent Enterprises (WA) Pty Ltd | 95,557.10 | 0.00      | 0.00         | Annual lease reconciliation for car park at Karratha Airport. Reminder email sent 12/10/23.     |
| L006        | CHC Helicopters (Australia)      | 0.00      | 300.50    | 15,003.57    | August 2023 lease at Karratha Airport and accrued interest. Reminder email sent 12/10/23.       |
| N186        | North West Alliance Pty Ltd      | 0.00      | 56,410.57 | 0.66         | Relates to Waste Disposal for July 2023. Reminder email sent 12/10/23.                          |
| N256        | William John Newcombe            | 0.00      | 29.83     | 5,379.10     | Clean up work undertaken at property due to non-compliance of direction notices in 2020 & 2023. |

### Capital Expenditure

Council's current 2023/24 Capital Expenditure budget is \$41.2m which includes significant projects such as: Hillview/Balmoral Upgrade, Hancock Way – Six House Construction, KRMO Oval Lighting and Pole Upgrade, and the KLP Oval Lighting Replacement. The following table shows capital expenditure is 84.3% below budget for the year to date.

| CAPITAL EXPENDITURE |                  |                  |               |                        |                     |                    |
|---------------------|------------------|------------------|---------------|------------------------|---------------------|--------------------|
| Asset Class         | YTD              |                  |               | ANNUAL                 |                     |                    |
|                     | YTD Budget       | YTD Actual       | Variance %    | Annual Original Budget | Annual Amend Budget | % of Annual Budget |
|                     | 30-Sept-23       |                  |               | 30-Jun-24              |                     |                    |
| Land                | -                | -                | 0.0%          | 20,000                 | 20,000              | -100.0%            |
| Artwork             | -                | -                | 0.0%          | 0                      | 0                   | 0.0%               |
| Buildings           | 2,091,243        | 1,053,684        | -49.6%        | 8,499,135              | 8,499,135           | 12.4%              |
| Equipment           | 366,000          | (206,875)        | -156.5%       | 767,500                | 767,500             | -27.0%             |
| Furn & Equip        | 807,000          | 129,580          | -100.0%       | 1,467,000              | 1,467,000           | 8.8%               |
| Plant               | 915,000          | 324,241          | -64.6%        | 1,964,000              | 1,964,000           | 16.5%              |
| Infrastructure      | 5,027,921        | 148,892          | -97.0%        | 28,515,947             | 28,515,947          | 0.5%               |
| <b>Totals</b>       | <b>9,207,164</b> | <b>1,449,521</b> | <b>-84.3%</b> | <b>41,233,582</b>      | <b>41,233,582</b>   | <b>3.5%</b>        |



### Financial Statements

The financial statements for the reporting period are provided as an attachment in the form of:

- Statement of Financial Activity by Nature and Type.
- Variance Commentary - Statement of Financial Activity by Nature and Type.
- Net Current Funding Position.
- Statement of Financial Position.

**LEVEL OF SIGNIFICANCE**

In accordance with Council policy CG-8 Significant Decision Making, this matter is considered to be of high significance in terms of Council's ability to perform its role.

Financial integrity is essential to the operational viability of the City but also as the custodian of community assets and service provision. An ability to monitor and report on financial operations, activities and capital projects is imperative to ensure that financial risk is managed at acceptable levels of comfort.

The ability for the City to remain financially sustainable is a significant strategy for a region that is continually under pressure from the resources industry, private enterprise and State Government obligations for the ongoing development of infrastructure and services.

**STATUTORY IMPLICATIONS**

In accordance with the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*, a Statement of Financial Activity is required to be presented to Council as a minimum requirement.

Section 6.4 of the *Local Government Act 1995* provides for the preparation of financial reports.

In accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, a report must be compiled on variances greater than the materiality threshold adopted by Council of \$50,000 or 10% whichever is the greater. As this report is composed at a nature and type level, variance commentary considers the most significant items that comprise the variance.

**COUNCILLOR/OFFICER CONSULTATION**

Executives and Management have been involved in monthly reviews of their operational and departmental budgets and notifying the Financial Services team of trends and variances arising from their operational areas.

**COMMUNITY CONSULTATION**

No community consultation is required.

**POLICY IMPLICATIONS**

The Council's financial reporting is prepared in accordance with Accounting Policy CF12. This is reviewed periodically to ensure compliance with legislative and statutory obligations.

**FINANCIAL IMPLICATIONS**

The report represents the financial position of the Council at the end of September 2023 with a year-to-date budget surplus position of \$41,938,686 (comprising \$41,845,492 of unrestricted surplus and \$62,129 restricted surplus) and a current surplus position \$58,338,207 (comprising \$58,245,013 unrestricted surplus and \$62,129 restricted surplus) subject to consideration of year-end adjustments, and the annual financial audit. The restricted balance comprises PUPP service charges levied in 2014/15.

**STRATEGIC IMPLICATIONS**

This item is relevant to the Council's approved Strategic Community Plan 2020-2030 and the Corporate Business Plan 2020-2025. In particular, the Operational Plan 2023-2024 provided for this activity:

|                        |               |  |
|------------------------|---------------|--|
| Our Programs/Services: | 4. c.1.1      | Management Accounting Services                             |
| Our Projects/Actions:  | 4. c.1.1.19.1 | Conduct monthly and annual financial reviews and reporting |

**RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the city is considered to be as follows:

| Category             | Risk level | Comments   |
|----------------------|------------|--|
| Health               | N/A        | Nil  |
| Financial            | Low        | Completion of the Monthly Financial Activity Statement report is a control that monitors this risk. Strong internal controls, policies and monitoring ensure risks are assessed regularly and managed appropriately. Expenditure and revenue streams are monitored against approved budgets by management and the financial team with material variances being reported. |
| Service Interruption | N/A        | Nil  |
| Environment          | N/A        | Nil  |
| Reputation           | N/A        | Nil  |
| Compliance           | Low        | Financial reports are prepared in accordance with the Local Government Act, Regulations and Accounting Standards.  |

**IMPACT ON CAPACITY**

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

**RELEVANT PRECEDENTS**

This is a monthly process advising Council of the current financial position of the City.

**VOTING REQUIREMENTS**

Simple Majority.

**OPTIONS:**Option 1

As per Officer's recommendation.

Option 2

That Council to:

1. RECEIVE the Financial Reports for the financial period ending 30 September 2023;  
and
2. APPROVE the following actions:
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_

Option 3

That Council NOT RECEIVE the Financial Report for the financial period ending 30 September 2023.

**CONCLUSION**

Council is obliged to receive the monthly financial reports as per statutory requirements. Details in regard to the variances and the commentary provided are to be noted as part of the report.

**10.2 LIST OF ACCOUNTS – 22 SEPTEMBER 2023 TO 23 OCTOBER 2023**

**File No:** FM.19

**Responsible Executive Officer:** Director Corporate & Commercial

**Reporting Author:** Senior Creditors Officer

**Date of Report:** 14 December 2023

**Applicant/Proponent:** Nil

**Disclosure of Interest:** Nil

**Attachment(s):**

1. List of Payments September & October 2023
2. List of Credit Card Payments (September 2023)
3. List of Fuel Card Payments (September 2023)

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**PURPOSE**

To advise Council of payments made for the period from 22 September 2023 to 23 October 2023.

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**OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION**

**Res No** : 155274

**MOVED** : Cr Waterstrom Muller

**SECONDED** : Cr Simpson

That Council **ACCEPT** payments totalling \$5,981,580.18 submitted and checked with vouchers, detailed in Attachments 1 and 2 being made up of:

1. Trust Vouchers: nil;
2. EFT 357 to 373 and 7404 to 7890 (Inclusive): \$3,425,572.56;
3. Cheque Voucher: 078737: \$356.90;
4. Cancelled Payments: nil;
5. Direct Debits: nil;
6. Credit Card Payments (September 2023): \$18,559.57;
7. Payroll Cheques: \$2,537,091.15.

**CARRIED 10/0**

**FOR** : Cr Scott, Cr Furlong, Cr Gillam, Cr Johannsen, Cr Miller, Cr McNaught, Cr Nunn,  
Cr Roots, Cr Simpson, Cr Waterstrom Muller

**AGAINST** : Nil

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**BACKGROUND**

Council has delegated authority to the Chief Executive Officer (Delegation 1.6) the power to make payments from the City's Municipal and Trust funds.

In accordance with *Regulations 12 and 13 of the Local Government (Financial Management) Regulations 1996* a list of accounts paid by the Chief Executive Officer is to be provided to Council, where such delegation is made.

The list of accounts paid must be recorded in the minutes of the Council Meeting.

From 1 September 2023, local governments are required to disclose information about each transaction made on a credit card, debit card or other purchasing cards.

New regulation 13A has been added to the Local Government (Financial Management) Regulations 1996 to increase transparency and accountability, by providing greater oversight of incidental local government spending.

In response to these new reporting requirements an additional attachment has been included in the report to provide additional information relating to fuel card transactions.

#### **LEVEL OF SIGNIFICANCE**

In accordance with Council Policy CG-8 Significant Decision-Making Policy, this matter is of high significance in terms of Council's ability to perform its role.

#### **COUNCILLOR/OFFICER CONSULTATION**

Officers have been involved in the approvals of any requisitions, purchase orders, invoicing and reconciliation matters.

#### **COMMUNITY CONSULTATION**

No community consultation is required.

#### **STATUTORY IMPLICATIONS**

Payments are to be made in accordance with Part 6, Division 4 of the *Local Government Act 1995* and as per the *Local Government (Financial Management) Regulations 1996*. Payments are to be made through the municipal fund, trust fund or reserve funds. Payments are to be in accordance with approved systems as authorised by the CEO.

#### **POLICY IMPLICATIONS**

Staff are required to ensure that they comply under Council Policy CG12 – Purchasing Policy and CG11 - Regional Price Preference Policy (where applicable) and that budget provision is available for any expenditure commitments.

#### **FINANCIAL IMPLICATIONS**

Payments are made under delegated authority and are within defined and approved budgets. Payment is made within agreed trade terms and in a timely manner.

Payments for the period 22 September 2023 to 23 October 2023 (including credit card transactions - September 2023) totalled \$5,981,580.18, which included the following payment:

- ATO – September BAS - \$275,324

Consistent with CG-11 Regional Price Preference Policy, 61% of the value of external payments reported for the period were made locally.

#### **STRATEGIC IMPLICATIONS**

This item is relevant to the Council's approved Strategic Community Plan 2020-2030 and the Corporate Business Plan 2020-2025. In particular, the Operational Plan 2023-2024 provided for this activity:

Our Program:      4.c.1.4                      Accounts Receivable and Accounts Payable

**RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the City is considered to be as follows:

| Category             | Risk level | Comments   |
|----------------------|------------|--|
| Health               | N/A        | Nil  |
| Financial            | Low        | Failure to make payments within terms may render Council liable to interest and penalties  |
| Service Interruption | Moderate   | Failure to pay suppliers may lead to delays in the future provision of goods and services from those suppliers   |
| Environment          | N/A        | Nil  |
| Reputation           | Moderate   | Failure to pay for goods and services in a prompt and professional manner, in particular to local suppliers, may cause dissatisfaction amongst the community |
| Compliance           | N/A        | Nil  |

**IMPACT ON CAPACITY**

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

**RELEVANT PRECEDENTS**

There are no relevant precedents related to this matter.

**VOTING REQUIREMENTS**

Simple Majority

**OPTIONS:**Option 1

As per Officer's recommendation.

Option 2

That Council ACCEPT payments totalling \$5,981,580.18 submitted and checked with vouchers, being made up of:

1. Trust Vouchers: nil;
2. EFT 357 to 373 and 7404 to 7890 (Inclusive): \$3,425,572.56;
3. Cheque Voucher: 078737: \$356.90;
4. Cancelled Payments: nil;
5. Direct Debits: nil;
6. Credit Card Payments (September 2023): \$18,559.57;
7. Payroll Cheques: \$2,537,091.15;

with the EXCEPTION OF (as listed).

**CONCLUSION**

Payments for the period 22 September 2023 to 23 October 2023 and credit card payments for the period 29 August 2023 to 28 September 2023 totalled \$5,981,580.18. Payments have been approved by authorised officers in accordance with agreed delegations, policies and budget.

**10.3 INVESTMENTS FOR PERIOD ENDED 30 SEPTEMBER 2023**

**File No:** FM.19  
**Responsible Executive Officer:** Director Corporate & Commercial  
**Reporting Author:** Financial Analyst  
**Date of Report:** 18 October 2023  
**Applicant/Proponent:** Nil  
**Disclosure of Interest:** Nil  
**Attachment(s):** Nil

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**PURPOSE**

To provide a summary of Council's investment position for the period ending 30 September 2023.

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**OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION**

**Res No** : **155275**  
**MOVED** : **Cr Johannsen**  
**SECONDED** : **Cr McNaught**

**That Council RECEIVE the Investment Report for the financial period ending 30 September 2023.**

**CARRIED 10/0**

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**FOR** : Cr Scott, Cr Furlong, Cr Gillam, Cr Johannsen, Cr Miller, Cr McNaught, Cr Nunn, Cr Roots, Cr Simpson, Cr Waterstrom Muller  
**AGAINST** : Nil

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**BACKGROUND**

In accordance with section 6.14 of the *Local Government Act 1995* and Regulation 19C of the *Local Government (Financial Management) Regulations 1996*, the City will invest excess funds not required for any specific purpose in authorised deposit taking institutions as defined in the *Banking Act 1959* (Cth) Section 5 and/or the Western Australian Treasury Corporation established by the *Western Australian Treasury Corporation Act 1986*, for a term not exceeding 3 years.

The City's surplus funds are invested in bank term deposits for various terms and Property related investments to facilitate maximum investment returns in accordance with the City's Investment Policy (CF03).

The City also seeks to support Council's strategic goals through investment in property in accordance with the City's Investment Policy – Property (CF04).

**DETAILS**

Details of the investments are included in the report

- Schedule of Cash and Financial Investments
- Allocation of Cash and Financial Investments
- Schedule of Maturity of Cash and Financial Investments



- Schedule of Liquidity
- Schedule of Other Investments
- Aging of Outstanding Lessees Balances
- Schedule of Loan Agreement

### Schedule of Cash and Financial Investments

The following table indicates the financial institutions where the City has investments as of September 2023

| Institution            | Accounts                      | Principal Investment \$ | Balance 30 September 2023 \$ | Interest % | Investment Term | Maturity | Source          |
|------------------------|-------------------------------|-------------------------|------------------------------|------------|-----------------|----------|-----------------|
| <b>RESERVE FUNDS</b>   |                               |                         |                              |            |                 |          |                 |
| WBC                    | Business Premium Cash Reserve |                         | 2,522,624                    | 2.35       | At Call         |          | Reserve at Call |
| WBC                    | Reserve Term Deposit          | 5,000,000               | 5,208,602.72                 | 4.70       | 12 months       | Nov-23   | Reserve TD      |
| BOQ                    | Reserve Term Deposit          | 4,000,000               | 4,140,427.41                 | 4.30       | 12 months       | Dec-23   | Reserve TD      |
| CBA                    | Reserve Term Deposit          | 6,000,000               | 6,196,915.08                 | 4.95       | 12 months       | Feb-24   | Reserve TD      |
| CBA                    | Reserve Term Deposit          | 20,000,000              | 20,373,978.09                | 5.21       | 12 months       | May-24   | Reserve TD      |
| BOQ                    | Reserve Term Deposit          | 10,000,000              | 10,163,671.24                | 5.15       | 12 months       | Jun-24   | Reserve TD      |
| CBA                    | Reserve Term Deposit          | 10,000,000              | 10,041,888.65                | 5.55       | 12 months       | Aug-24   | Reserve TD      |
| <b>MUNICIPAL FUNDS</b> |                               |                         |                              |            |                 |          |                 |
| WBC                    | Municipal Term Deposit        | 5,000,000               | 5,040,584.93                 | 5.59       | 12months        | Jul-24   | Muni TD         |
| CBA                    | Municipal Term Deposit        | 2,500,000               | 2,573,674.64                 | 5.05       | 12months        | Mar-24   | Muni TD         |
| WBC                    | Municipal (Transactional)     |                         | 58,919,354.59                | 3.95       | At Call         |          | Muni at Call    |
| N/A                    | Cash on Hand                  |                         | 8,765.00                     |            |                 |          |                 |
| N/A                    | <b>TOTAL</b>                  | <b>62,500,000</b>       | <b>125,190,486</b>           |            |                 |          |                 |

The balance of all Term Deposits includes interest accrued to 30 September 2023

Table 10.1a. Schedule of Cash and Financial Investments

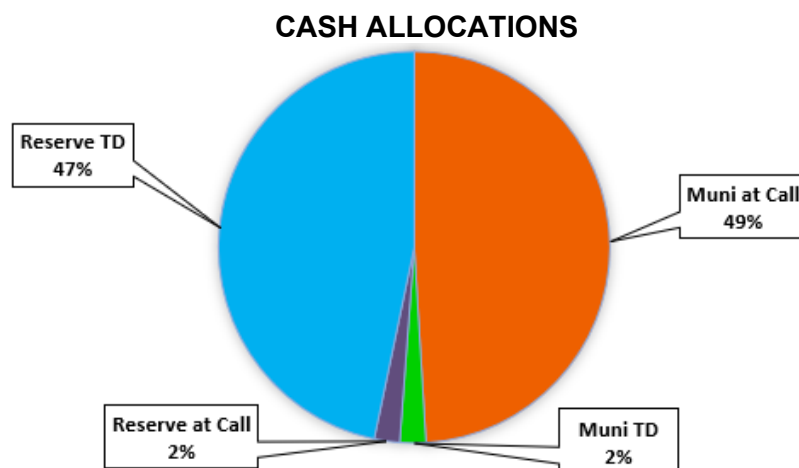
On average, the City is earning 4.86% across Municipal Term Deposits and 4.98% across Reserve Term Deposits.

The RBA official cash rate (overnight money market interest rate) remained unchanged at 410 basis points during the month of September. As a result, the Municipal Funds held in the Westpac transaction account are earning 3.95% interest. Reserve funds held in the Westpac Business Premium Cash Reserve account are earning 2.35% in interest on balances over \$1m.

### Allocations of Cash and Financial Investments

Council's Municipal and Reserve Bank Accounts are to be maintained so that a maximum return can be achieved from funds required in the short term.

The following graph depicts the allocation of our Cash and Financial Investments to maximise return on investment which shows that over 51% of our Cash and Financial Investments are invested in Term Deposits.



Graph 10.1a. Percentage of Cash Allocations

### Schedule of Maturity of Cash and Financial Investments

In accordance with the City's Investment Policy (CF3), in respect to liquidity of funds, the following schedule shows the maturity of our various investments. 15% of Cash and Financial Investments will mature in the next 3 months, 14% maturing in the next 4-6 months and 72% maturing in the next 7-12 months.

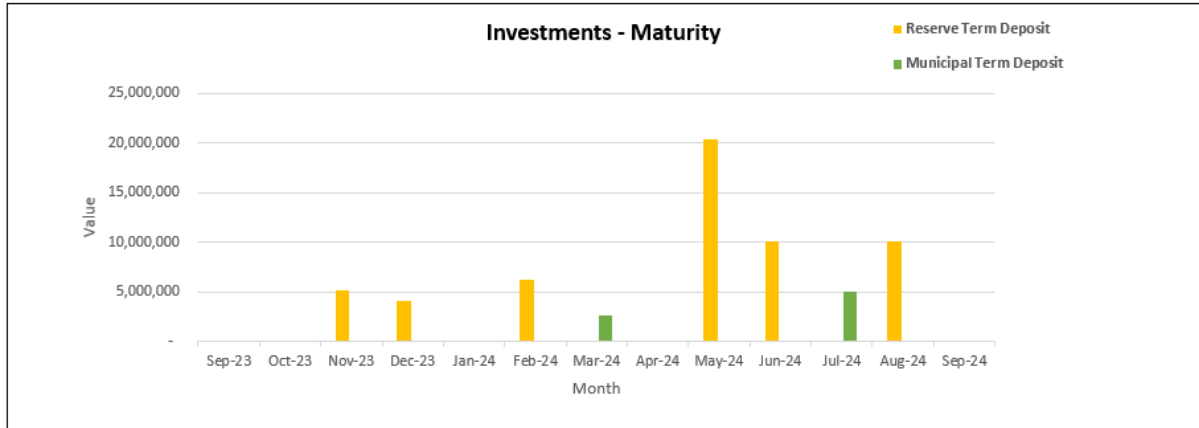


Table 10.1b. Schedule of Maturity of Cash and Financial Investments

### Schedule of Liquidity

Administration reviews funds to ensure there is sufficient liquidity to meet the operational cash flow requirements.

The liquidity graph for 2023/24 demonstrates an increase compared to September forecasts.

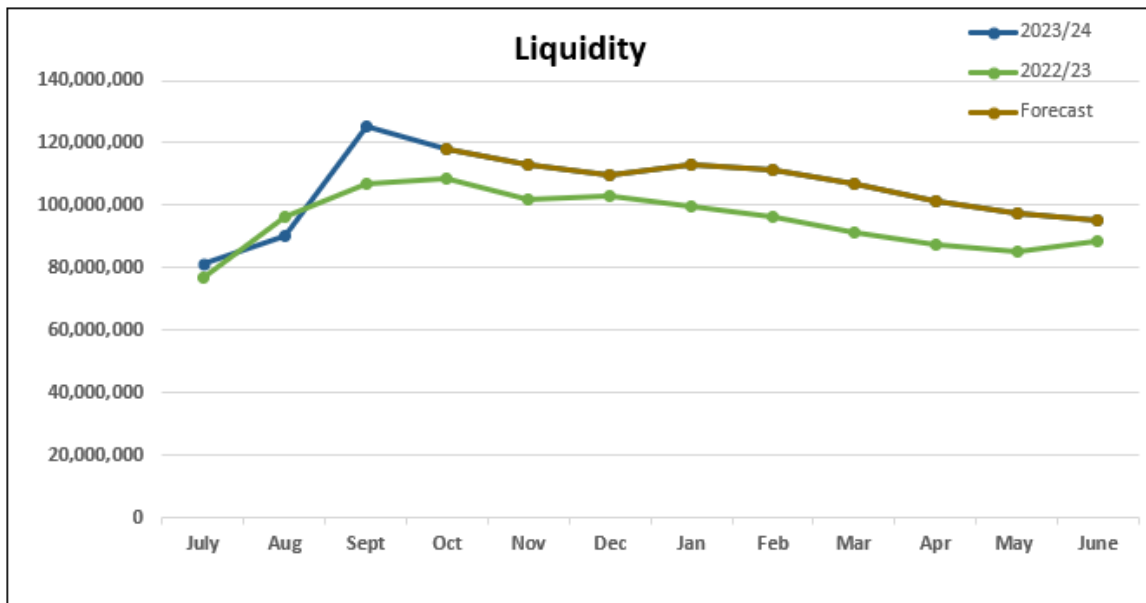


Table 10.1c. Schedule of Liquidity

### Schedule of Other Investments

#### Hangar Lease – Aspen Medical

On 1 November 2018, a Lease agreement was entered into with Aspen Medical for the use of a newly built Hangar in relation to their provision of emergency medical services. The lease agreement was for an initial term of seven (7) years with two extensions of two (2) years each. Rent increases every two years, as per the schedule set out in the lease agreement. The performance of the hangar lease is shown in the table below.

|                        | Month<br>30 September 2023<br>\$ | Year to Date<br>30 September 2023<br>\$ | Life to Date<br>30 September 2023<br>\$ |
|------------------------|----------------------------------|---|---|
| Total Income Received  | 33,250                           | 98,583                                  | 1,966,637                               |
| Total Expenditure Paid | (224)                            | (16,011)                                | (116,994)                               |
| Net Income             | 33,026                           | 82,572                                  | 1,849,644                               |
| Annualised ROI         | 13.2%                            | 11.0%                                   | 35.3%                                   |

Table 10.1d. Aspen Medical – Hangar Lease Performance

#### Ground and Hangar Lease – Babcock Offshore

In March 2019, an agreement was entered into with Babcock Offshore in relation to the construction, purchase, lease and buy-back of a Hangar. The initial lease agreement, including the ground and hangar, covered a term of nine (9) years and no further terms, with rent increases annually of 4.5%. The option is available to repurchase the Hangar for a fixed price, plus a new Ground Lease for a five (5) year term at a pre-determined rate, increasing annually by 4%. The performance of the hangar and ground lease is shown in the table below.

|                        | Month<br>30 September 2023<br>\$ | Year to Date<br>30 September 2023<br>\$ | Life to Date<br>30 September 2023<br>\$ |
|------------------------|----------------------------------|---|---|
| Total Income Received  | 47,701                           | 140,140                                 | 2,161,622                               |
| Total Expenditure Paid | -                                | -                                       | (17,611)                                |
| Net Income             | 47,701                           | 140,140                                 | 2,179,233                               |
| Annualised ROI         | 13.5%                            | 13.2%                                   | 30.3%                                   |

Table 10.1e. Babcock Offshore – Ground & Hangar Lease Performance

#### The Quarter HQ

As part of Council's investment strategy, reserve funds were used to purchase a commercial property 'The Quarter HQ' in June 2017. The following table provides a summary of all income and expenditure for The Quarter for the current financial year:

|                        | Month<br>30 September 2023<br>\$ | Year to Date<br>30 September 2023<br>\$ | Life to Date<br>30 September 2023<br>\$ |
|------------------------|----------------------------------|---|---|
| Total Income Received  | 229,158                          | 1,140,910                               | 20,353,517                              |
| Total Expenditure Paid | (129,418)                        | (639,006)                               | (10,001,664)                            |
| Net Income             | 99,739                           | 501,903                                 | 10,351,853                              |
| Annualised ROI         | 6.0%                             | 10.0%                                   | 8.3%                                    |

Table 10.1f. The Quarter HQ Performance

### Aging of Outstanding Lessees Balances

The following table highlights The Quarter lessees with aged balances in excess of \$5,000 as of 30 September 2023 by month.

| Suite ID | Lessee  | Current September 2023 | August 2023 | July 2023 | June 2023 and Prior | Total      | Commentary                             |
|----------|---|------------------------|-------------|-----------|---------------------|------------|--|
| 0005     | Maria Cecelia Walker Trading as Cecil Filipino & Asian Food Pty Ltd | 60.71                  | 192.53      | 93.42     | 460,748.71          | 461,095.37 | Discussions with Lessee are occurring. |

Table 10.1g. Aged Debtors of The Quarter

### Schedule of Loan Agreement

As part of Council's investment strategy, Council resolved at its May 2020 meeting to execute a loan agreement with Scope Property Group Pty Ltd for the acquisition and redevelopment of the Dampier Shopping Centre. This loan is to be funded utilising Reserve funds and borrowings from WATC (if required) and is to be for a maximum initial term of ten years. To date, no borrowings from WATC have been required.

|                       | Month<br>30 September 2023<br>\$ | Year to Date<br>30 September 2023<br>\$ | Life to Date<br>30 September 2023<br>\$ |
|-----------------------|----------------------------------|---|---|
| Funded Amount         | -                                | -                                       | 3,800,000                               |
| Interest Charges*     | 25,333                           | 38,000                                  | 237,085                                 |
| Remaining Loan Amount | (300,000)                        | (300,000)                               | (300,000)                               |

\*Interest Charges for August, received 1st September, of \$12,666.67 are included here

Total loan approved of \$4.1M, with a 10-year repayment period, to be repaid by 2030

Table 10.1h. Scope Property Group Loan Agreement Schedule

The Scope Property Loan earns the City interest at 4% per annum which may incur an opportunity cost, being the value of alternative investment options foregone. At the average rate indicated in Table 10.1a, there is an opportunity cost for the year to date of \$4,260 and a life to date benefit of \$71,715. For the current month of September 2023, the opportunity cost is \$2,130. This is reflective of current market rates and represents the community benefit to Dampier and the broader community.

### LEVEL OF SIGNIFICANCE

In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of high significance in terms of Council's ability to perform its role.

### STATUTORY IMPLICATIONS

In accordance with section 6.14 of the Local Government Act and Regulation 19C of the Financial Management Regulations, the City will invest excess funds not required for any specific purpose in authorised deposit taking institutions as defined in the Banking Act 1959 (Cth) Section 5 and/or the Western Australian Treasury Corporation established by the *Western Australian Treasury Corporation Act 1986*, for a term not exceeding 3 years.

**COUNCILLOR/OFFICER CONSULTATION**

Executives and Management have been involved in monthly reviews of their operational and departmental budgets and notifying the Financial Services team of trends and variances arising from their operational areas.

**COMMUNITY CONSULTATION**

No community consultation is required.

**POLICY IMPLICATIONS**

The Council's financial reporting is prepared in accordance with Accounting Policy CF03, CF04, & CF12. This is reviewed periodically to ensure compliance with legislative and statutory obligations.

**FINANCIAL IMPLICATIONS**

The financial implications of this report are noted in the detail sections of the report. The Administration is satisfied that appropriate and responsible measures are in place to protect the City's financial assets.

**STRATEGIC IMPLICATIONS**

This item is relevant to Council's approved Strategic Community Plan 2020-2030 and the Corporate Business Plan 2020-2025. In particular, the Operational Plan 2023-2024 provided for this activity:

|                        |               |  |
|------------------------|---------------|--|
| Our Programs/Services: | 4. c.1.1      | Management Accounting Services                             |
| Our Projects/Actions:  | 4. c.1.1.19.1 | Conduct monthly and annual financial reviews and reporting |

**RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the City is considered to be as follows:

| Category             | Risk level | Comments   |
|----------------------|------------|--|
| Health               | N/A        | Nil  |
| Financial            | Low        | Administration has developed effective controls to ensure funds are invested in accordance with City's Investment Policy. This report enhances transparency and accountability for the City's Investments. |
| Service Interruption | N/A        | Nil  |
| Environment          | N/A        | Nil  |
| Reputation           | N/A        | Nil  |
| Compliance           | Low        | Financial reports are prepared in accordance with the Local Government Act, Regulations and Accounting Standards.  |

**IMPACT ON CAPACITY**

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

**RELEVANT PRECEDENTS**

This is a monthly process advising Council of the current investment position of the City.

**VOTING REQUIREMENTS**

Simple Majority.

**OPTIONS:**Option 1

As per Officer's recommendation.

Option 2

That Council:

3. RECEIVE the Investment Report for the financial period ending 30 September 2023;  
and
4. APPROVE the following actions:
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_

Option 3

That Council NOT RECEIVE the Investment Report for the financial period ending 30 September 2023.

**CONCLUSION**

Council is obliged to receive the monthly investment report (report previously formed part of the monthly financial reports) as per statutory requirements. Details in regard to the variances and the commentary provided are to be noted as part of the report.

## **11 COMMUNITY EXPERIENCE**

No Community Experience reports.

## 12 DEVELOPMENT SERVICES

### 12.1 DEVELOPMENT APPLICATION DA22-176 – PROPOSED INTENSIVE AGRICULTURE (AQUACULTURE FACILITY – ALGAE FARM) – MULTIPLE LOTS, GAP RIDGE

|                                       |   |
|---------------------------------------|---|
| <b>File No:</b>                       | DA22-176  |
| <b>Responsible Executive Officer:</b> | Director Development Services   |
| <b>Reporting Author:</b>              | Senior Planner  |
| <b>Date of Report:</b>                | 25 October 2023   |
| <b>Applicant/Proponent:</b>           | Element Advisory on behalf WRS Bioproducts  |
| <b>Disclosure of Interest:</b>        | Nil   |
| <b>Attachment(s):</b>                 | <ol style="list-style-type: none"><li>1. Location Plan</li><li>2. Site, Elevation and Floor Plans</li><li>3. Comparison Plan - Approved vs Proposed Lakes</li><li>4. Hydrology Report</li><li>5. Alternative Off Road Vehicle Locations</li><li>6. Schedule of Submissions</li><li>7. Vertimec Insecticide Permit</li></ol> |

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#### PURPOSE

For Council to consider and determine an application for “Intensive Agriculture (Aquaculture – Algae Farm)” in Gap Ridge to the east of the airport runway.

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#### COUNCIL RESOLUTION

**Res No** : **155276**  
**MOVED** : **Cr Simpson**  
**SECONDED** : **Cr Miller**

That Council suspend Standing Orders at 6.17pm to allow for open discussion of Item 12.1 Development Application DA22-176 – Proposed Intensive Agriculture (Aquaculture Facility – Algae Farm) – Multiple Lots, Gap Ridge.

**CARRIED 10/0**

**FOR** : Cr Scott, Cr Furlong, Cr Gillam, Cr Johannsen, Cr Miller, Cr McNaught, Cr Nunn, Cr Roots, Cr Simpson, Cr Waterstrom Muller  
**AGAINST** : Nil



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**COUNCIL RESOLUTION****Res No** :**MOVED** : **Cr Miller****SECONDED** : **Cr Furlong**

That Council resume Standing Orders at 6.21pm.

**CARRIED 10/0**

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**FOR** : Cr Scott, Cr Furlong, Cr Gillam, Cr Johannsen, Cr Miller, Cr McNaught, Cr Nunn,  
Cr Roots, Cr Simpson, Cr Waterstrom Muller  
**AGAINST** : Nil

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**OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION****Res No** : **155276****MOVED** : **Cr Simpson****SECONDED** : **Cr McNaught****RESOLUTION 1**

That Council **APPROVE** the Development Application DA22-176 being "Intensive Agriculture – Algae Farm" at Lot 267 on DP 93179, Lot 300 on DP 49873, Lot 4229 on DP 188048 (R30948), Lot 4204 on DP 187755 (R40206) and portion of Unallocated Crown Land (I.D. No.: 3990964) subject to the following Conditions:

1. The approved development is to be undertaken in accordance with the attached stamped approved plans, and these plans shall not be altered without the prior written consent from the City of Karratha, except to the extent specified otherwise by conditions of this approval.

**PRIOR TO COMMENCEMENT OF WORKS CONDITIONS**

2. Prior to the commencement of works, amended plans shall be submitted to and approved by the City of Karratha for:
  - a. Detailed drawings, prepared by a suitably qualified Engineer, addressing the amount of cut/excavation and relevant methodology required for Stage 1 and Stage 2 clearance works; and
  - b. the primary processing plant and amenities building (as shown on the approved plans) being raised to achieve a minimum floor level of 6.2m AHD; and
  - c. the car parking area, vehicle access ways and manoeuvring areas designed, drained, and line marked in accordance with the Australian Standards for Off-Street Car Parking.
3. Prior to the commencement of works, legal vehicular access from the existing local road network to the site shall be provided by the proponent/operator.
4. Prior to the commencement of works, the location and design of scour protection required in both Stage 1 and Stage 2 works being certified by a qualified Engineer, with the final detailed design of the scour protection being submitted to and approved by the City.

5. Prior to the commencement of works, a Stormwater Management Plan shall be submitted to and approved by the City of Karratha.
6. Prior to the commencement of works, a Construction Environmental Management Plan shall be submitted to and approved by the City of Karratha.
7. Prior to the commencement of works, an Operational Environmental Management Plan shall be submitted to and approved by the City of Karratha.
8. Stage 2 Clearance Works shall not commence until either:
  - a. A time period of five (5) years from the issue date of this determination notice has elapsed; or
  - b. The City has designated an alternative Off Road Vehicle area, whichever occurs first.

#### **PRIOR TO COMMENCEMENT OF USE CONDITIONS**

9. Prior to the commencement of use, onsite ablution facilities and associated effluent treatment and disposal systems shall be installed and operational.
10. Prior to commencement of use, a potable water supply shall be installed and operational, sufficient to supply the operations of the site and be available to staff on site at all times the development is operational.

#### **GENERAL CONDITIONS**

11. All recommendations of the hydrology report (*prepared by Hydrologia, Titled: WRS Bioproducts Karratha Hydrology Study, Job No: J0100152, Date: 24 October 2023*) shall be implemented by the proponent/operator, to the satisfaction of the City of Karratha.
12. Any recommendations contained in the approved Stormwater Management Plan shall be implemented throughout the construction and operational phases of the development to the satisfaction of the City of Karratha.
13. The approved car parking area, vehicle access ways and manoeuvring areas shall be maintained thereafter to the satisfaction of the City of Karratha.
14. The approved Construction Environmental Management Plan shall be implemented throughout the construction phase of the development.
15. The approved Operations Environmental Management Plan shall be implemented throughout the operational phase of the development.
16. All light emitted from the development, including from equipment and vehicles associated with the development shall at all times during the construction and operational phases of the development comply with the requirements of the Karratha Airport Master Plan & Land Use Plan 2013-2033 and/or any future requirements for lighting as determined by the City of Karratha.
17. A site rehabilitation plan shall be submitted to and approved by the City of Karratha within six (6) months of the development ceasing operations on site,

with rehabilitation being undertaken in accordance with the approved rehabilitation plan.

18. Damage to road pavements or City assets (as applicable) caused by construction activity, including but not limited to vehicle movements, shall be repaired at the proponent/operator's cost in accordance with specifications and works supervision and scheduling arrangements to be approved by the City of Karratha.
19. The ongoing use of the site and approved development shall not cause erosion or degradation to the subject sites or surrounding land, including but not limited to the Karratha airport or any nearby roads. Should the City deem it necessary to undertake mitigation works to address erosion or degradation associated with this development, such works shall be in accordance with plans, specifications and works schedules to be submitted to the City of Karratha for approval and be undertaken at the proponent/operator's cost, to the satisfaction of the City of Karratha.

#### Advice Notes

- a) While the City has considered, in principle, the proposed access arrangements, the works required to construct the access road will require a separate development application/s to be lodged and approved by the City of Karratha, prior to these works/development being undertaken.
- b) A Building Permit is required for all publicly accessible buildings (office and maintenance shed). Buildings and structures that are not subject to Building Permit requirements are still required to be designed, engineered and constructed in accordance with Region D wind requirements.
- c) Any works occurring within or impacting on Unallocated Crown Land (UCL) PIN 705515 are to be minimal and incidental to the works being conducted within Reserve 40206. Should the proposed works require access and produce impact to UCL PIN 705515 greater than anticipated, the applicant/operator shall contact the Department of Planning, Lands and Heritage to seek the granting of a Section 91 easement under the *Land Administration Act 1997* to licence any such access/impact.
- d) Proposed works during the construction period may require Karratha Airport to request a NOTAM on your behalf prior to commencement of any construction works. A NOTAM request form is to be completed by the applicant/operator that advises the City of Karratha's Airport Operations team of any activities that may cause conflict with safe flight operations. This may include (but not limited to) high-reach cranes, building constructions and erecting masts (temporary or permanent). Further details on the NOTAM request can be found at [NOTAM request | Karratha Council](#).
- e) In regard to Condition 2c, detail of proposed surfacing of vehicle parking, accessways and manoeuvring areas is to be included within these plans to be approved by the City of Karratha.
- f) In regard to Condition 3, legal vehicular access includes the dedication and gazettal of any road and/or the creation of any easement required for the purpose of access being achieved and any costs associated with matters of addressing

**Native Title and potential heritage surveys.** It is noted that the access roads shown on the approved site plan are indicative only and final alignment is to be determined when progressing and finalising legal access to the site.

- g) In regard to Condition 5, the Stormwater Management Plan, in addition to addressing stormwater management on the development site, shall ensure that localised stormwater from the Karratha Airport drainage network will not pool or collect within the area to the north-west of the access road levee and that any water discharging from the Karratha Airport is capable of being suitably discharged to the north – this is required in order to prevent potential bird hazard on the airport runway.**
- h) In regard to Condition 6, the CEMP shall outline the following as a minimum:**
  - i. Mitigation measures in the event acid sulphate soils are encountered;**
  - ii. Impacts of artificial light on both the broader environment and Karratha Airport;**
  - iii. Details regarding the construction period, operating hours and contacts for essential site personnel;**
  - iv. Community information, consultation and complaints management;**
  - v. Traffic and parking management, including construction and waste vehicle access points;**
  - vi. Details of cranes, large trucks or similar equipment which may block public thoroughfares during construction;**
  - vii. Management of dust, erosion and sedimentation;**
  - viii. Storage locations of construction waste on site;**
  - ix. Containment of earthworks, excavation, land retention/piling methods and associated matters within the approved development site;**
  - x. Protection of infrastructure on site during cyclone events;**
  - xi. Details of temporary fencing or hoarding;**
  - xii. Identification of underground services in the proximity of the site and implementation of measures to protect those services prior to excavation;**
  - xiii. Operation of construction activities in accordance with the *Environmental Protection (Noise) Regulations 1997*;**
  - xiv. Any other matter that may impact community safety, security and amenity or the surrounding environment.**
- i) In regard to Condition 7, the OEMP will be referred to the Department of Biodiversity, Conservation and Attractions by the City for review. The OEMP shall outline the following as a minimum:**
  - i. The management of any potential adverse impacts that the approved use may have on the surrounding environment either during normal operations or during a flooding event where the lakes may overtop and spill into the surrounding environment;**
  - ii. The use of Vertimec or other such insecticides for the control of invertebrate within the approved algae lakes;**
  - iii. The management of light emissions during operation of the approved use both on the broader environment and the airport; and**
  - iv. Any other relevant matters as determined by the City of Karratha or DBCA.**
- j) In regard to Condition 9, the proponent must submit to the City of Karratha an application to install an apparatus for the treatment of sewerage prior to the apparatus being installed.**

- k) In regard to Condition 11, any recommendations contained within the hydrology report (*prepared by Hydrologia, Titled: WRS Bioproducts Karratha Hydrology Study, Job No: J0100152, Date: 24 October 2023*) requiring separate approval/s, are to be obtained from the relevant approval authority/s.
- l) In regard to Condition 12:
- i. Standards for airport safety as it relates to light emissions from this development may change in the future due to legislation beyond the City of Karratha's control or as a result of future airport upgrades or runway extensions. Further information regarding the Airport Master plan can be found here <https://airport.karratha.wa.gov.au/sites/default/files/inline-files/airport-master-plan-and-land-use-plan-2013-2033.pdf> ; and
  - ii. Best practise artificial light management for terrestrial fauna should be addressed within the Construction Environmental Management Plan and the Operational Environmental Management Plan and implemented in accordance with the *National Light Pollution Guidelines for Wildlife including Marine Turtles, Seabirds and Migratory Shorebirds*.
- m) Any future proposed buildings/works may require development approval. Prior to any future development/works occurring, the City's Planning Services should be consulted to determine if further development approval is required.
- n) It is the responsibility of the proponent/operator to ensure that building setbacks correspond with the legal description of the land. This may necessitate re-surveying and re-pegging the site. The City of Karratha will take no responsibility for incorrectly located buildings.
- o) It is the responsibility of the proponent/operator to search the title of the property/s to ascertain the presence of any easements and/or restrictive covenants that may apply.
- p) Any storage of dangerous goods and/or chemicals must be in accordance with the requirements under the *Dangerous Goods Safety Act 2004*, and other associated legislative requirements and/or codes of practice.
- q) The proponent/operator is advised of the following advice received from State Government agencies in relation to additional requirements, permits and/or approvals that may need to be sought/obtained/addressed:
- i. The diverting of water from Seven Mile Creek may constitute the taking of water and if so, a licence under Section 5c of the *Rights in Water and Irrigation Act 1914 (RiWI) Act* may be required.
  - ii. A Section 17 permit under the *RiWI Act* for the development of the structures (access road, lake bund walls and any other bed/bank disturbances) within Seven Mile Creek may be required.
  - iii. An additional Clearing Permit may be required to cover any clearing that is not already approved. Please contact the DWER's Native Vegetation Regulation section by email at [admin.nvp@dwer.wa.gov.au](mailto:admin.nvp@dwer.wa.gov.au) or by telephone on 6364 7098.

- iv. Ministerial authorisation under Section 40 of the *Biodiversity Conservation Act 2016* is required where the take or disturbance (as defined by the act) of a threatened species (critically endangered, endangered or vulnerable) is considered unavoidable. DBCA's Species and Communities Program is responsible for administering the Section 40 Ministerial Authorisation. For more information, please contact [SpeciesandCommunities@dbca.wa.gov.au](mailto:SpeciesandCommunities@dbca.wa.gov.au)
- v. The supply or access to bitterns from the channel to the north of the development and within the Dampier Salt Limited lease area, requires the written consent of the Minister for State Development, pursuant to the State Agreement.
- vi. The discharge of any material into the Dampier Salt Limited channel to the north of the development is subject to Disposal Management Plans (DMP) under the G47/2 lease over the area and any disposal of effluent may result in the DMP needing to be amended. Please contact Jobs, Tourism, Science and Innovation on (08) 6277 3000 or at [jtsi@jtsi.wa.gov.au](mailto:jtsi@jtsi.wa.gov.au) for further information in regards to v. and vi.

*Note 1: If the development the subject of this approval is not substantially commenced within a period of 2 years, or another period specified in the approval after the date of the determination, the approval will lapse and be of no further effect.*

*Note 2: Where an approval has so lapsed, development must not be carried out without the further approval of the local government having first been sought and obtained.*

*Note 3: If an applicant or owner is aggrieved by this determination there is a right of review by the State Administrative Tribunal in accordance with the Planning and Development Act 2005 Part 14. An application must be made within 28 days of the determination.*

## **RESOLUTION 2**

Should the development go ahead, Council NOTE that the management order over the Quarry Reserve (R40206) will likely be relinquished within a period of five (5) years.

## **RESOLUTION 3**

Should the development go ahead, Council NOTE that City officers will commence investigations into the designation of a suitable alternative Off Road Vehicle Area.

**CARRIED 10/0**

FOR : Cr Scott, Cr Furlong, Cr Gillam, Cr Johannsen, Cr Miller, Cr McNaught, Cr Nunn, Cr Roots, Cr Simpson, Cr Waterstrom Muller  
 AGAINST : Nil

### **1. Landowners:**

Lot 267 on DP 93179:

- State of WA
- Lease to Rainstorm Dust Control Pty Ltd

Lot 300 on DP 49873:

- State of WA
- Lease to Rainstorm Dust Control Pty Ltd

Lot 4204 on DP 187755 (R40206):

- State of WA
- Management Order to City of Karratha

Lot 4229 on DP 188048 (Portion R30948):

- State of WA
- Management Order to City of Karratha

UCL (ID No. 3990964):

- State of WA

2. Applicant: Element Advisory Pty Ltd
3. Site Area: 200ha
4. General description of the site: Located approx. 4.5km to the northwest of the Karratha town centre and to the immediate east (approx. 1.15km) of the Karratha Airport runway, accessible via Millars Road. The site comprises largely undeveloped tidal flats and the mouth of Seven Mile Creek. It is noted that the development envelope proposed is not across any registered Aboriginal Cultural Heritage sites according to available ACHIS mapping.
5. Current development/use: The site is undeveloped.
6. Brief description of the proposed development: Construction of two 98ha algae lakes, processing plant with associated infrastructure, amenity building for staff facilities and two 5ha borrow pits. The subject site was previously approved (DA19060) for Intensive Agriculture (Aquaculture Facility – Algae Farm) which comprised two algae lakes with a total area of 120ha. The current application is seeking to expand the size of the lakes from this previous approval.
7. Applicable Zoning and Special Control Area designations: ‘Intensive Agriculture (Aquaculture Facility – Algae Farm)’, is a ‘D’ or discretionary use which means that the use is not permitted unless the local government has granted development approval.

The proposed development is also located within two Special Control Areas (SCA); the Airport Noise Restriction SCA and the Airport Obstacle Height Limitation Area SCA.

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**BACKGROUND**

The City has been assisting proponents of new sustainable industries to establish in the area around the Karratha Airport for a number of years, as a result of being approached in 2016 and subsequent years by a number of project proponents seeking land to develop innovative and environmentally sustainable new industries in Karratha.

In 2017 the City signed an agreement with the State Government and two project proponents to explore opportunities to develop an Eco Hub and in 2019 the City commissioned a business case to assess the options and associated considerations available to facilitate the establishment of the Karratha Eco Hub on 131ha of land located in proximity to the Karratha Airport.

The Eco Hub is intended to support the development of industrial land in Karratha and to foster new industries that will diversify the economic base of Karratha. In particular, businesses suitable for the Eco Hub are those which cooperate with each other and with the local community to reduce waste and pollution, efficiently share resources and infrastructure and help achieve sustainable development and economic growth.

DA19060 was granted for Intensive Agriculture (Aquaculture Facility – Algae Farm) on 16 April 2020, comprising two 60ha algae lakes and a processing facility with associated infrastructure. This algae farm would produce low volume but high value beta-carotene which

is sold to dietary supplement, functional food, food colour, cosmetic and animal feed industries. This approval is valid until 16 April 2024.

The proponent is now seeking to reconfigure and expand the algae lakes over a portion of Unallocated Crown Land (UCL) – **Attachment 3**. Due to the size increase of the algae lakes and the inclusion of additional land parcels, City officers determined that a new development application and not an amendment to the previous approval, was required.

The City received Development Application (DA) DA22-176 on 19 December 2022. The application proposes to construct two 98ha algae lakes, processing plant with associated infrastructure, amenity building for facilities and two 5ha borrow pits across the subject sites.

Reserve R40206 (Quarry) has been included within the application due to the applicant requiring the ultimate clearing/excavation of the reserve in order to allow for the effective management of discharge flows from Seven Mile Creek. This Reserve is under City control via a Management Order for quarry purposes only.

As the application proposes the clearing of the Reserve for purposes that are not for quarrying, the City does not have sufficient delegation to sign the DA form on behalf of the landowner. As such, the Department of Planning, Lands and Heritage have signed as landowner and acknowledge the intention to use the reserve in association with the proposed algae farm.

## DISCUSSION

The proposal has been assessed against the relevant statutory planning considerations, and the proposal is not considered to have any major statutory implications (see Statutory Implications section below for full assessment). The proposal meets the relevant objectives and requirements of relevant State Planning Policies, the Local Planning Scheme No. 8, Local Planning Strategy and relevant Local Planning Policies.

The following matters have been identified as relevant considerations for the determination of this application –

- Lake Design;
- Hydrology;
- Impacts on City Infrastructure;
- Environmental Impacts;
- Legal Access

Each of these matters is outlined and discussed under the sub-headings below.

### Lake Design

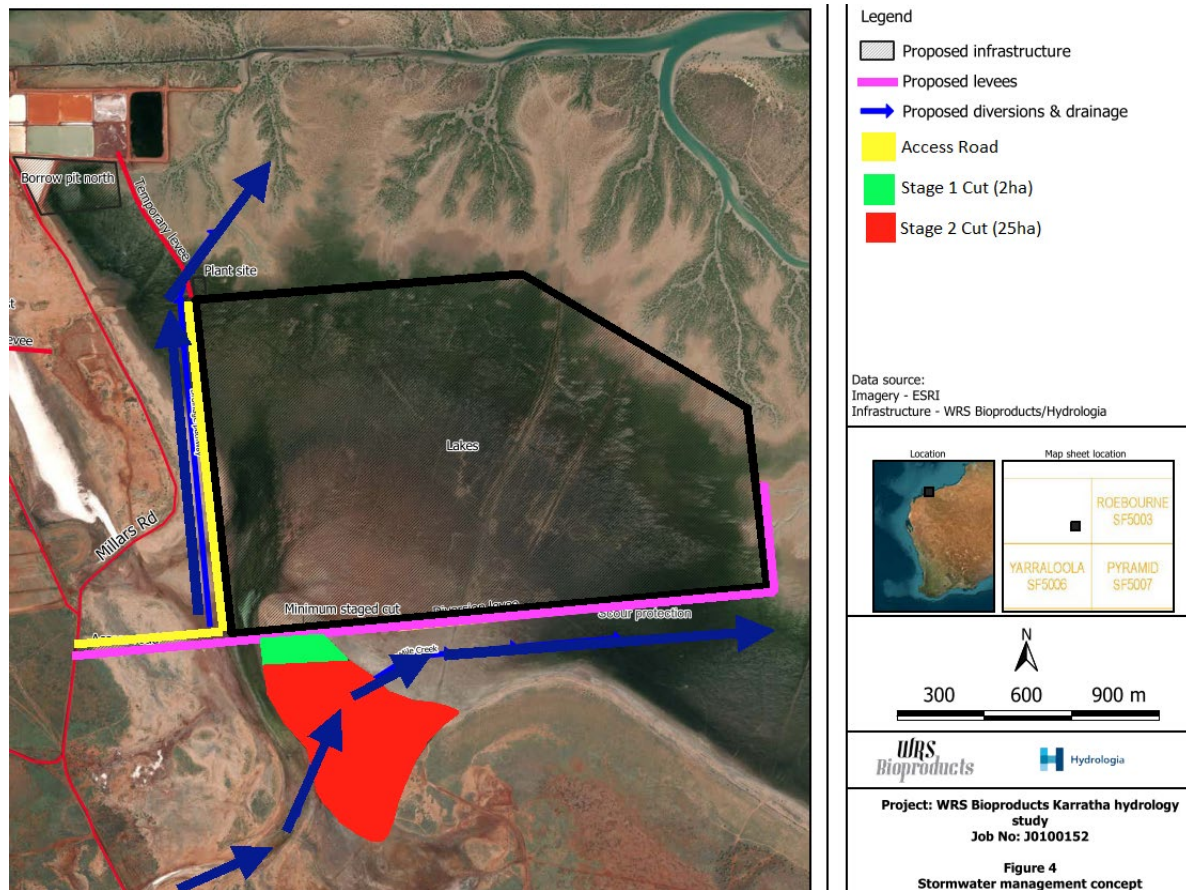
As indicated above, the proposal seeks to construct two 98ha algae lakes as well as a processing plant with associated infrastructure, an amenity building for staff facilities and two 5ha borrow pits within the Nickol Bay tidal flats, adjacent to the mouth of Seven Mile Creek.

The existing hydrology of Seven Mile Creek involves rainfall and overland flood events collecting within the creek line and discharging at the mouth of the Creek into the Nickol Bay tidal flats, to the east of the Karratha Airport runway. Water then disperses through the broader tidal flats to the north and north-east, meeting with an existing estuary network, allowing discharge to the Indian Ocean.

The City engaged an independent hydrologist to peer review the hydrology reports that were prepared by the applicant. This has helped refine the final hydrology report and to critically consider the hydrological issues and lake design.



The design of the proposed lakes has been through a number of iterations to address concerns that the City raised in respect to the potential for water to pool adjacent to the airport runway, which would likely attract birdlife to the area, creating a hazard for aircraft take-off and landing. The final design abuts a future proposed access road (see Image 1 below) which prevent additional pooling in the vicinity of the airport runway.



**Image 1: Amended lake design and flow paths**

This design results in the discharge of Seven Mile Creek being diverted towards the east (rather than the north), along the southern lake bund walls. This discharge then continues east into the broader Nickol Bay tidal flats.

To achieve adequate discharge of stormwater from the creek towards the east, in addition to the construction of the lakes and associated facilities, the application also proposes a staged approach to the clearance of Reserve R40206 (see image 2 for full extent of R40206). Majority of the reserve is required to be 'cut' (flattened) to allow water to freely flow in that direction (also shown on Image 1 above).

Stage 1 clearance works propose 2ha of cut/excavation of the existing quarry reserve.

Stage 2 clearance works propose 25ha of cut/excavation of the remaining quarry reserve.



**Image 2 (Extent of R40206 – outlined in dark blue)**

R40206 is under the control of the City of Karratha via a Management Order for 'Quarry' purposes. Strategic Projects and Infrastructure have advised that the material within this Reserve is not suitable for use by the City and it is not required for quarry purposes.

It is noted however, that this area has been informally used for Off Road Vehicle (ORV) purposes for a number of years and the City actively directs ORV users to this area. While the Reserve is not formally designated as an ORV area under the *Control of Vehicles (Off-road Areas) Act 1978*, flattening the area to achieve suitable discharge for the creek would compromise its suitability for on-going ORV use.

Should Council support this application, it is on the basis that the quarry reserve (R40206) will be required to be cleared to the extent of the Stage 1 works upon commencement of the construction of the algae lakes. The applicant has indicated that the Stage 2 works would not likely commence for a period of up to five years, allowing the City sufficient time to locate and dedicate a suitable ORV area elsewhere. The City has already commenced preliminary assessment of suitable alternative locations - see further discussion below.

## Hydrology

### *Modelling Terminology*

A basic understanding of hydrology modelling terminology is required to consider the potential impacts that have been assessed in the hydrology report provided in support of the application.

A 1% Annual Event Probability (AEP) event means that in any given year there is a 1% chance of the event occurring. The 1% AEP event was previously referred to as a 1 in 100 Annual Recurrence Interval (ARI) event.

A 10% AEP event means that in any given year there is a 10% chance of the event occurring. The 10% AEP event was previously referred to as a 1 in 10 ARI event.

These two event types are used to consider the impact of the development as they represent a major event (1%) and a minor event (10%) for the purposes of comparison.

### *Stage 1 Works*

#### *10% AEP Event During Stage 1 Works*

The hydrology report indicates that the Stage 1 works, which require a 2ha cut of R40206, could safely accommodate a 10% AEP overland flood event. A 10% AEP event results in increased depths of water of Seven Mile Creek upstream and some increased water depths within the remaining ORV area. This is not considered to be a significant issue in terms of the increased depths, as they are not large increases to the existing depths in a 10% AEP event. No additional impact on City assets due to the increased depths is expected.

#### *1% AEP Event During Stage 1 Works*

The likelihood of a 1% AEP event occurring during Stage 1 (a timeframe of up to 5 years) is relatively low. The hydrology report states that if a 1% AEP event was to occur during Stage 1, one of the two following scenarios could reasonably occur:

#### *Scenario 1*

Water from Seven Mile Creek could overtop the access road and lakes which would result in additional water in the lakes. Water that overtops the access road would discharge into the area between the end of the runway, and the western algae lake bund wall. The water that flows over the access road will discharge to the north of the algae lakes. Depths in Seven Mile Creek before the access road would be approximately 0.5 metres higher than the existing levels in a similar flood event.

If Scenario 1 were to occur, additional water would fill the lakes, requiring the lakes to be drained and re-filled due to the dilution of the salinity of the lakes, which is needed to enable algae growth. This is considered a risk to the proponent only.

#### *Scenario 2*

The access road could wash away which would likely result in the majority of the Seven Mile Creek flow discharging in-between the end of the runway and the western algae lake bund wall and then continue to discharge to the north into the estuary.

If Scenario 2 were to occur, then additional water would flow in a northerly direction, in between the end of the runway and alongside the bund walls of the lake, continuing to discharge into the estuary to the north. The hydrology report concludes that while this would result in a temporary increase to the depths and velocities (speed) of the water within this channel, the channel is sufficiently able to accommodate such an event. Potential impacts on the airport are considered in further detail later in this report.



The hydrology report indicates in both scenarios that flood depths at Millars Road upstream would increase temporarily but the velocities would be lower. This would result in an increase in the depths of water between the access road and Millars Road compared to the current scenario in a similar flood event. Whilst there would be increased depths, it would be moving at a slower rate and therefore less likely to cause erosion or sedimentation issues.

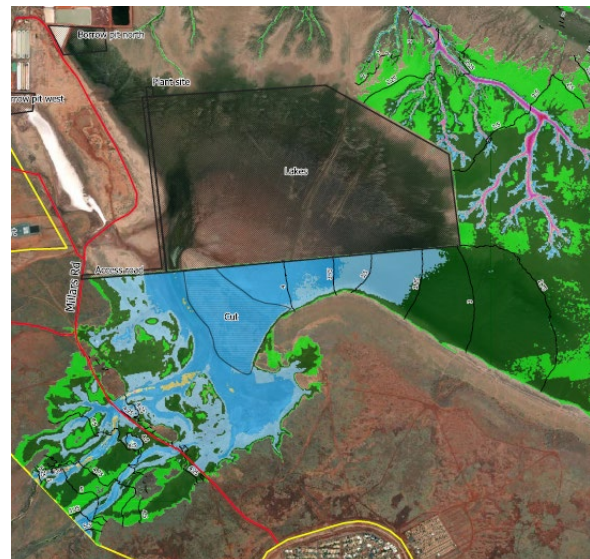
### *Stage 2 Works*

Stage 2 proposes the removal of a further 25ha of R40206. The clearance of most of the reserve would widen the Seven Mile Creek discharge channel substantially, along the south of the algae lake bund walls. The hydrology report concludes that the Stage 2 works would accommodate a 1% AEP event without any overtopping of the access road or the algae lake bund walls.

Image 3 shows the modelling for a 1% AEP event under existing conditions. Image 4 shows a 1% AEP event with the proposed algae lake bund walls and the built up access road in place, and the Stage 2 clearing works being completed.



**Image 3: 1% AEP event depths (Existing)**



**Image 4: 1% AEP event depths (with lakes)**

What these two images show is that there are no additional impacts to City assets (Airport or Millars Road) compared to the existing hydrological events (1% AEP event). Increased depths of water to the immediate south of the algae lake bund walls is the only significant difference between the 1% AEP event but this will not have any adverse impact on the City's assets.

The hydrology report concludes that the Stage 2 design will increase floodwater levels by 1.2m-1.5m in depth from current levels to the immediate south of the algae lake bund walls. This is due to the ponding effect of the access road and southern lake bund wall. These increased depths will only be of a temporary nature during the flood event and would decrease as the water drains to the northeast into the expansive estuarine system.

Velocities within the floodplain south of the lake bund walls will increase compared to the broader spread of flow in the existing scenario. However, the hydrology report states that these velocities are still consistent with velocities already observed within the area. Areas

with elevated flow velocity in large events (i.e., the access road and southern lake bund wall acting as a levee) are identified as requiring scour protection.

The hydrology modelling also noted increased depth and velocity of water also extend upstream to near Millars Road during a 1% AEP event.

The report recommends that detailed civil design of the proposed lake infrastructure (walls) and the access road upgrade utilise design principles presented in the report, including consideration of:

- Staged levelling of the ridge south of the lake bund wall (i.e., the ORV area);
- Setting crest levels and freeboard (height above a defined flood level) along the section of the access road and the southern lake bund wall that acts as a levee and incorporating scour protection along recommended sections of the southern lake bund wall;
- Stormwater and tidal water management for the section of the access road that crosses the estuarine area from the north-western corner of the proposed lakes; and
- Management of flood risk for the construction phase of the borrow pits (shown on Attachment 2 to the northwest of the proposed lakes).

If Council approves this application, then it is recommended that the following conditions be imposed:

1. Recommendations of the attached hydrology report are to be implemented, at all times during the construction and operational phases of the development.
2. The location and design of scour protection required in both Stage 1 and Stage 2 works being certified by a qualified Engineer, with the final detailed design of the scour protection being submitted to and approved by the City, prior to construction of the algae lakes.

#### Impacts on City Assets

##### *City of Karratha Airport*

The hydrology report indicates that in both the 1% and 10% AEP events modelled for the Stage 1 and 2 works, there is no additional or increased risk to the Karratha Airport compared to the existing scenario. The 10% AEP event for Stage 1 works and both the 1% and 10% AEP events for the Stage 2 works can be accommodated satisfactorily, with the flow of Seven Mile Creek being diverted to the east.

Whilst the hydrology report did note that the 1% AEP event could not be accommodated by the Stage 1 works, the airport was not at any increased risk, as water that overtopped the access road would pass to the north along the western edge of the lakes and then drain to the estuary to the north of the lakes.

The report noted that if Scenario 2 within the Stage 1 works was to occur (failure/washing away of the road) it still would not pose a risk to the airport as the majority of the water would follow the previous discharge flow path of the creek, in between the end of the runway and the lakes, discharging to the north into the estuary.

The associated risk with the above scenario would likely be the risk of increased bird life in the flight path of the runway due to increased amounts of water for a temporary period. This however is a matter which is to be addressed when the application for the access road is lodged and assessed.

*Millars Road*

It is noted that under current hydrological events (high tides and large rainfall events) the portion of Millars Road, between the intersection with Bayview Road and the proposed access road intersection, is already inundated with water and is unusable until tidal influxes/runoff has receded/evaporated. Stage 2 works are noted as increasing floodwater levels upstream (near Millars Road), but that these increases would not impact on the road to any greater degree than existing events.

*Quarry Reserve / Off Road Vehicle Area*

Whilst not ordinarily a planning consideration, the loss of the informal ORV area is being addressed in this report because of the need to utilise R40206 to achieve sufficient flow paths for Seven Mile Creek. The applicant has proposed a two staged approach to the clearing of R40206 to address concerns about the loss of that amenity for the community. A timeframe of less than 5 years is the target for relocating the ORV area (which would allow for Stage 2 clearing of the reserve).

As stated earlier in the report, City officers have advised this reserve (R40206) is not required by the City due to the material being unsuitable for construction purposes.

City officers have consulted the Karratha Enduro Motocross Club (KEMC) as local experts in the suitability of areas for ORV users. KEMC have been very helpful and have advised that there are no concerns regarding the impact of the Stage 1 works on the suitability of the existing ORV area for ORV use. However, KEMC is concerned about the Stage 2 works resulting in the loss of the ORV area.

City officers have identified six potential sites for an alternative ORV area. These sites are shown on **Attachment 5**. City officers have evaluated each of the potential alternative sites against the following criteria:

- Road Access
- Native Title and/or Aboriginal Cultural Heritage sites
- LP8 Zoning/Reservation
- Local Planning Strategy Zoning/Reservation

Additional matters which are to be included within a further in depth analysis of the alternative locations should also include the following matters:

- Acoustic/Noise impacts (acoustic report and modelling likely to be required; and
- Soil type (sandy soils preferred as advised by the KEMC).

The results of this preliminary evaluation are set out in **Attachment 5**. The KEMC has visited the possible alternative sites and has helped set the rating for each option in terms of ORV usability. The results of the evaluation rate Site 3 as the best option. Site 3 is also the site rated most suitable by the KEMC for ORV usability as it would be highly accessible from Karratha.

However, there are issues that need to be considered in relation to this site before it could be confirmed/designated as a future ORV area. The views of the Ngarluma Aboriginal Corporation (NAC) in relation to disturbing this land would need to be sought and potential noise impacts would need to be considered in more detail.

If this development application is approved, City officers will continue narrowing down the focus on a preferred ORV area and undertaking the necessary consultation and technical investigations to provide for relocation.

Council in choosing to approve this application (and assuming that the development goes ahead) acknowledges that the proposed cut/excavation of R40206 will occur within a five year period and notes that the Management Order for R40206 is intended to be relinquished, either upon the relocation of the informal ORV area or within five years of the approval.

#### Environmental Impacts

Due to the location of the proposed lakes within the tidal flats and the potential impact on the natural environment, the initial proposal (with a smaller lake footprint) was referred to the Department of Water and Environmental Regulation (DWER) and the Department of Biodiversity, Conservation and Attractions (DBCA) for comment.

Full comments from DWER and DBCA are included within the schedule of submissions (Attachment 6) however a summary is also provided below:

#### *DWER:*

- EPA referral not required;
- Further clearing permits (in addition to those approved for original DA) required;
- Acid sulphate soils are of a high to moderate risk;
- The hydrology report indicates the 10% and 1% AEP flows are appropriate;
- A minimum floor level of 6.2m AHD for the processing plant area is recommended for flood protection;
- Disturbances of beds/banks may require additional permits.

The revised lake design and amended modelling were also discussed with DWER. They advised that further formal referral was not required but that the proposed diverting of water may require a permit and that development of the structures (access road, lake wall bund walls and any other bed/bank disturbances) within Seven Mile Creek also will require additional permits from DWER. Advice notes to this effect have been included as per the recommendation.

#### *DBCA:*

- Proposed algae farm is within proximity of several priority ecological communities (PEC), and significant flora species;
- Development within habitat of threatened fauna;
- Occurrence of conservation significant species in close proximity of development;
- Use of insecticides within ponds could be toxic to surrounding marine life if discharged.

The applicant was requested to provide additional information regarding the use of insecticides. The applicant provided additional information and also a permit (Attachment 7) regarding the use of a specific insecticide (Vertimec). The use of such insecticides is controlled under the *Agricultural and Veterinary Chemicals Codes (Agvet Codes) Act 1994 (Cth)*. The applicant advised that Vertimec is only used when the saline rich water within the algae lakes becomes diluted. This is generally after a major flooding or rainfall event (not prior to such an event).

The City forwarded this additional information to DBCA who advised:

- Development site is potential habitat for northern quoll listed as threatened fauna, and Airlie Island Ctenotus which is priority listed (priority 3).
- Occurrence of numerous species of conservation significant shorebirds in the vicinity of the proposed facility including threatened species such as great knot, Eastern curlew, the curlew sandpiper and other migratory shorebird species.
- Applicant to provide an Operational Environmental Management Plan (OEMP) with either:

- Alternative methods to manage invertebrates that avoid adverse impacts to non-target fauna; or
- Provide information demonstrating no adverse impacts will be made to conservation significant species and surrounding habitat from use of insecticides.

The environmental matters raised by DBCA have been addressed in further detail within the Schedule of Submissions (Attachment 6) however, the City is satisfied that subject to a condition requiring an Operational Environmental Management Plan (OEMP) the relevant environmental matters should be able to be adequately addressed. The OEMP would be required to be submitted to and approved by City of Karratha prior to the commencement of construction and will be referred to DBCA for review and comment to ensure sufficient detail and management measures have been proposed.

#### Legal Access

The current extent of the Millars Road reserve ends just north of the south-eastern corner of the Karratha Airport Reserve. A condition was imposed on the original development approval for the algae lakes requiring legal access to be provided. Current informal access arrangements are via a track that runs from Dampier Road, south of the Airport Reserve, that crosses the Reserve in two of locations and extends to Rainstorm's operations to the north-east of the Airport.

Council resolved in August 2019 to:

1. Request DPLH to initiate excision of portion of the Karratha Airport Reserve to the east of the runway (Lot 4229); and
2. Request a Crown Lease with power to sub-lease for the purposes of Aquaculture.

Council then resolved in December 2019 to:

1. Dedicate extension of Millars Road up to the southern boundary of Lot 4229;
2. Negotiate and enter a road maintenance agreement with Eco Hub proponents for construction and maintenance of this new road; and
3. Lease the excised portion of Lot 4229 from the State and sub-lease to Rainstorm.

In that report, easements were recommended to provide formal access from the northern extent of the extended Millars Road reserve through to Rainstorm, EcoMag and WRS Bioproducts. A Road Maintenance Agreement has been entered with Rainstorm that requires Rainstorm to maintain the Millars Road extension until traffic volume or type require a new road to be constructed by Rainstorm along the southern boundary of the Airport Reserve. All other associated documents (lease, sub-lease, easements) are ready to be executed.

#### **LEVEL OF SIGNIFICANCE**

In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of moderate significance because the proposed development has the potential to impact City assets, namely the Karratha Airport, Millars Road and the ORV area.



**STATUTORY IMPLICATIONS**Zoning/Reservation and Land Use Permissibility

The land parcels subject of this application are zoned/reserved under LPS8 as follows:

Rural zoning:

- Lot 267,
- Portion Lot 300 (majority),
- Lot 4229

Conservation, Recreation and Natural Landscapes Reserve:

- Portion Lot 300 (minor),
- Lot 4204,
- UCL (ID No. 3990964)

When determining an application for development and/or use of land within a reservation, the Local Government shall have regard to the ultimate purpose for the reservation. The algae farm is proposed across a portion of UCL and the clearing of R40206 which are reserved for Conservation, Recreation and Natural Landscapes. The City has considered and is satisfied with the information provided by the applicant, and with the comments provided by external referral agencies, that the application will not adversely impact on the ultimate purpose of the local scheme reserve.

The subject sites sit across the Karratha and Pastoral Precincts of LPS8. LPS8 has the following specific objectives for these two precincts:

4.8 – Karratha Objectives:

- a) Facilitate the continued growth of Karratha as the regional centre of the West Pilbara.

4.10 – Pastoral Objectives:

- b) Protect the environmental and recreational qualities of coastal areas.
- c) Allow the development of key infrastructure and servicing facilities where environmental and social considerations can be addressed.
- e) Protect the key environmental features and natural landscapes within the City.

The proposal is considered to meet the above objectives as follows:

- The proposal provides a new growth industry (algae farming), which supports diversification of the local economy.
- Potential environmental impacts have been considered and will be appropriately addressed.
- Due to the staged approach to the removal of the Quarry Reserve, the comments provided by KEMC and the ability to relocate the ORV area in the future, it is considered that there will be no adverse impact on social/recreational considerations.

It is noted that the application sits within an area subject to both the Airport Noise Restriction SCA and Obstacle Height Limitation SCA. The development envelope sits within an area with a limit on the maximum height of development being between 20 metres and 51.5 metres. It is noted that no structures are proposed within the development envelope greater than this height.

The application was referred to the Airport team for comment regarding the obstacle height limit and there was no comment or objections raised. The development of the lakes could involve large/tall cranes and would be required to lodge a NOTAM request with the Airport. An advice note to this effect is recommended as part of the officer recommendation. As the

proposed algae farms are non-habitable the impact of airport noise is not considered to be an issue or of concern as it is not a sensitive land use.

### State Planning Policies

#### *SPP 2.0 – Environment and Natural Resources Policy*

The aim of SPP 2.0 is to ensure that development does not result in unacceptable environmental damage and to actively seek opportunities for improved environmental outcomes where possible. SPP 2.0 also sets about aims for retention of water resources and establishment of aquaculture. It is considered that the development application meets the aims and objectives of SPP 2.0 because it is supported by a hydrology report that concludes that the proposal will have minimal impacts on the broader environment and environmental values of the region. The comments received from both DBCA and DWER support this finding, subject to relevant environmental permits and approvals being obtained.

#### *SPP 2.5 – Rural Planning*

SPP 2.5 seeks to protect and preserve Western Australia's rural assets due to their economic, natural resource, food production, environmental and landscape values. Given the agricultural nature of the proposal, it is considered to meet the objectives of this policy.

#### *SPP 2.6 – Coastal Planning*

The objectives of SPP 2.6 are to ensure that development considers coastal processes, landform stability, coastal hazards, climate change and to protect, conserve and enhance coastal areas. The hydrology report for this development includes the modelling of a 5% AEP storm surge event, which shows that there would be no additional impact on the Karratha Airport, Millars Road, the Quarry Reserve nor nearby urban or industrial assets because of this development. The application is therefore considered to meet the objectives of SPP2.6.

#### *SPP 2.9 – Water Resources*

SPP 2.9 specifically seeks to protect, conserve and enhance water resources and to promote and assist the management and sustainable use of water resources. It is considered that the development application meets the aims and objectives of SPP 2.9 as the development is supported by a hydrology report that details that the proposal will have minimal impacts on the Seven Mile Creek and estuarine system around this development site. The comments received by DWER support this finding, subject to relevant permits and approvals being obtained.

#### *SPP 3.4 – Natural Hazard and Disaster*

SPP 3.4 ensures that developments plan for natural disasters (where appropriate), and to minimise impacts of natural disasters on communities, the economy and the environment. The application is considered to satisfy the objectives of this policy as follows:

- Building permit required for all publicly accessible structures under the National Construction Codes due to the development being located within a Wind Region D area. Whilst a building permit is not required for exempt non publicly accessible buildings, they are still required to be built to the required wind region specifications – advice note of this effect to be imposed.
- Storm surge and overland flooding have been modelled and technically analysed in a project-specific hydrology report.
- The report outlines that the location of the lakes and diversion of flow will not adversely impact Seven Mile Creek, the estuarine system nor any nearby urban or industrial assets.

- WRS Bioproducts has accepted responsibility and liability for inundation of the proposed lakes that has been modelled in the hydrology report from a 5% AEP storm surge event, as required by Council's adopted DP19 – Storm Risk Policy.
- The subject site is not located within an area identified as being bushfire prone.

#### Local Planning Strategy

The City's Local Planning Strategy notes that *"the City provides an ideal environment for algae production, with abundant sunlight and carbon dioxide outputs. This presents a valuable opportunity for economic diversification and development of an extensive land area for this purpose should be encouraged"*. This proposal aligns with the opportunities identified within the Strategy.

#### Deemed Provisions

Under Cl. 67 of the Deemed Provisions, in considering an application for development approval, the local government is to have due regard to the following matters to the extent that, in the opinion of the local government, those matters are relevant:

- a) Aims and provisions of the local planning scheme;
- c) Any approved State Planning Policy;
- f) Any local planning strategy;
- g) Any local planning policy;
- j) For land reserved under the Scheme, the objectives for the reserve;
- n) The amenity of the locality including:
  - i. Environmental impacts of the development;
- o) Likely effect of the development on the natural environment or water resources;
- q) Suitability of the land for the development taking into account the possible risk of flooding, tidal inundation, subsidence, landslip, bushfire, soil erosion, land degradation or any other risk;
- v) Potential loss of any community services or benefit resulting from the development;
- z) Any comments or submissions received from any authority consulted.

City officers are satisfied that the proposed development adequately addresses each of these matters.

#### **COUNCILLOR/OFFICER CONSULTATION**

This matter has been presented and discussed at Council Briefing Sessions.

#### Referrals (Internal)

The original application was referred to the relevant internal departments including Building, Environmental Health, Technical Services and the Airport for comment. Relevant conditions and advice notes have been included in the Officers Recommendation section.

The amended hydrology report was also re-referred to relevant internal service areas, including the Karratha Airport, who noted that they had no concerns with the amended proposal.

#### **COMMUNITY CONSULTATION**

The KEMC has been engaged during the assessment of the application in relation to the changes to the existing ORV area and options for its relocation. The KEMC will continue to be engaged in that process, as will NAC and other interested stakeholders.

No further community consultation was deemed as being required. This is due to the land use of "Intensive Agriculture" being a "D" use under LPS8, with an existing approval for this land use already granted. The application is only seeking modification to the size and location of the lakes. The City considered the impact of the proposed changes to be of a minor nature

(from the lakes previously approved) and did accordingly determines that public advertising of the proposal was not necessary.

### **POLICY IMPLICATIONS**

Relevant plans and policies must be given due regard in assessing the application but cannot and do not bind the local government in determining an application for development approval.

#### Local Planning Policy – DP19 – Storm Surge Risk Policy

The land on which the development is proposed is identified as being located within an area potentially vulnerable to a 500 year ARI storm surge event.

DP19 sets about 'As of Right' mitigation measures, which if incorporated into the design of a proposal, are considered to sufficiently address the level of risk associated with storm surge. The subject site is noted as being located within an area subject to greater than a 3.5 metre inundation depth in a 500 year ARI storm surge event. Policy provisions state; finished floor levels (FFL) for net lettable areas for a commercial/industrial building shall be above the identified storm surge level. The application proposes a RL of 5.3 metres for the primary processing plant and amenities area. This results in a raised/filled area some 3 metres above the existing natural ground level (currently approximately 2.3m AHD). DWER recommended in their referral comments that the minimum habitable floor level for the processing plant and amenities building of 6.2m AHD is recommended to ensure adequate flood protection of any buildings. This has not been achieved.

When the 'As of Right' mitigation measures are not satisfied, applicants are required to complete the risk assessment matrix contained within Schedule 2 of the policy in order to ascertain the level of risk relating to the proposal and determine appropriate mitigation measures to ensure an acceptable level of risk is achieved. Once the risk assessment matrix has been completed, the development proponent is required to sign the Applicant's Risk Checklist contained within Schedule 3 of the policy. This ensures that the proponent acknowledges and accepts the level of risk in relation to the proposed development and/or land use.

WRS has completed the required risk assessment matrix and returned a consequence rating of 2 which represents a minor consequence. Under the policy, this is considered to be an acceptable level of risk. WRS has also provided a signed Applicant Risk Checklist as required by the policy.

Due to the nature of the application, the best or ideal location for the proposed algae lakes is within the Nickol Bay tidal flats. Any development in this area will always be susceptible to storm surge risk. It is considered that the hydrology report sufficiently addresses the storm surge risks. Modelling within the hydrology report details a 5% AEP (1 in 20 year) storm surge event. This was specifically requested by the City on the advice of the independent hydrologist. This modelling shows no increased risk to City or private assets. WRS has accepted the risk that such an event poses to its development both through the signed applicant risk checklist and in correspondence with the City.

Officers are satisfied that the objectives and principles of DP19 have been met.

### **FINANCIAL IMPLICATIONS**

The proponents that rely on the access road (Rainstorm, Ecomag and WRS Bioproducts) will be responsible for its maintenance. Rainstorm has also entered a road maintenance agreement with the City for Millars Road.

The City engaged an independent hydrologist to review the hydrology reports that were prepared to support this development. This independent review resulted in the design of the

lakes changes and has provided the City with the confidence that nearby assets, such as the airport will not be adversely affected by the proposal.

### STRATEGIC IMPLICATIONS

This item is relevant to the Council's approved Strategic Community Plan 2020-2030 and the Corporate Business Plan 2020-2025. In particular, the Operational Plan 2023-2024 provided for this activity:

Our Responses: 3.b.2 Encourage community to support and maintain an attractive built environment

Programs/Services: 3.b.2.4 Planning Services

### RISK MANAGEMENT CONSIDERATIONS

The level of risk to the City is considered to be as follows:

| Category             | Risk level | Comments  |
|----------------------|------------|---|
| Health               | Low        | Modelling shows that there is no risk to nearby urban areas in a 1% AEP flooding event.   |
| Financial            | Low        | The proponent would bear all costs associated with establishing and maintaining the proposed development. The City has a road maintenance agreement with Rainstorm that requires Rainstorm to maintain the Millars Road extension and the access road. The City maintains responsibility for maintaining the existing section of Millars Road. There would be some costs associated with relocating the ORV area. |
| Service Interruption | N/A        | N/A   |
| Environment          | Low        | A major flood event under the Stage 1 scenario or a major storm surge event would result in the lake being inundated and the contents of the lake escaping into the estuarine environment. The likelihood of this occurring are low and it would be unlikely to have any significant adverse impacts.   |
| Reputation           | Low        | Any proposal to modify the existing ORV area and/or relocate the ORV area may cause concern for ORV users and/or those with an interest in any proposed alternative ORV area. City officers have consulted with KEMC as an ORV user group and will continue to do so.   |
| Compliance           | Low        | Recommended conditions of approval would need to be complied with in accordance with requirements of planning legislation if development approval is granted.   |

### IMPACT ON CAPACITY

City officers have been working to assist proponents to establish new renewable enterprises in the Eco Hub for a number of years. If development approval is granted, then City officers would help to formalise tenure, access and Stage 1 clearing of the Quarry Reserve, and work towards formalising an alternative ORV area. It is expected that any such assistance can be managed within existing resources.

**RELEVANT PRECEDENTS**

Development Application DA19060 was approved by the City under delegated authority in April 2020 which approved the land use of “Intensive Agriculture (Aquaculture – Algae Farm) and development comprising of two 60ha lake and related aquaculture facilities.

**VOTING REQUIREMENTS**

Simple Majority.

**OPTIONS:**Option 1

As per Officer’s recommendation.

Option 2

That Council DEFER Development Application DA22-176 being “Intensive Agriculture – Algae Farm” at Lot 267 on DP 93179, Lot 300 on DP 49873, Lot 4204 on DP 187755, Lot 4229 on DP 188048 and portion of Unallocated Crown Land (I.D. No.: 3990964) pending provision of further information.

Option 3

That Council REFUSE Development Application DA22-176 being “Intensive Agriculture – Algae Farm” at Lot 267 on DP 93179, Lot 300 on DP 49873, Lot 4204 on DP 187755, Lot 4229 on DP 188048 and portion of Unallocated Crown Land (I.D. No.: 3990964) for the following reasons:

1. *(insert reason here)*

**CONCLUSION**

The City has worked with proponents for many years to enable development of the Eco Hub to diversify the City’s local economy. This application for proposed algae lakes would be a significant new development within the Eco Hub. The project proponents have spent considerable time and effort getting the project to this point and need the certainty of a development approval to secure finance and move into a pilot project as the next stage of development.

The proposed development is considered to be consistent with the strategic and statutory planning framework applicable to the site as outlined in the report above.

The proponent has amended the proposal since lodgement to ensure that hydrological matters and concerns raised by the City (namely the pooling of water at the end of the Karratha Airport runway) have been addressed.

The proposed development is able to accommodate all modelled flooding and storm surge events with no adverse impact on City assets or the broader environment. The amended hydrology report details that the proposal will have no adverse impact on surrounding industries, the surrounding environment or the broader environmental values of the area.

Whilst the proposal does rely on a staged approach to the clearance of the City’s Quarry reserve and informal ORV area, City officers have begun initial investigations, in conjunction with the KEMC to find a suitable alternative area. Initial investigations have been promising with several alternative sites identified for more detailed consideration.

This proposal is considered to adequately address the environmental concerns and matters raised during the assessment process from both internal and external agencies. Subject to appropriate conditions, it is considered that the proposal can be managed appropriately, and that the application should be approved.

## **13 STRATEGIC PROJECTS & INFRASTRUCTURE**

No Strategic Projects & Infrastructure reports.

## 14 ITEMS FOR INFORMATION ONLY

**Responsible Officer:** Chief Executive Officer

**Reporting Author:** Minute Secretary

**Disclosure of Interest:** Nil

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### PURPOSE

To advise Council of the information items for November 2023.

### VOTING REQUIREMENTS

Simple Majority.

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### OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION

**Res No** : **155277**

**MOVED** : **Cr Nunn**

**SECONDED** : **Cr Simpson**

**That Council note the following information items:**

**14.1 Community Experience update**

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**CARRIED 10/0**

**FOR** : Cr Scott, Cr Furlong, Cr Gillam, Cr Johannsen, Cr Miller, Cr McNaught, Cr Nunn,  
Cr Roots, Cr Simpson, Cr Waterstrom Muller

**AGAINST** : Nil



**14.1 COMMUNITY EXPERIENCE UPDATE**

**File No:** CS.23

**Responsible Executive Officer:** Director Community Experience

**Reporting Author:** Manager Community Facilities

**Date of Report:** 31 October 2023

**Applicant/Proponent:** Nil

**Disclosure of Interest:** Nil

**Attachment(s)** Nil

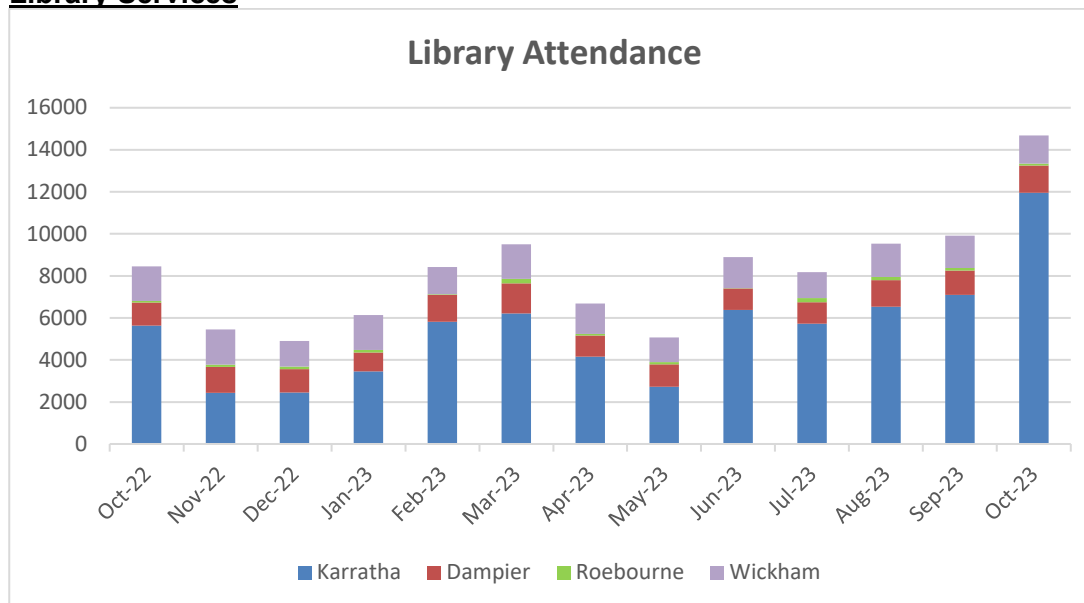
**PURPOSE**

To provide Council with a Community Services update for October 2023.

**Attendance & Utilisation Summary**

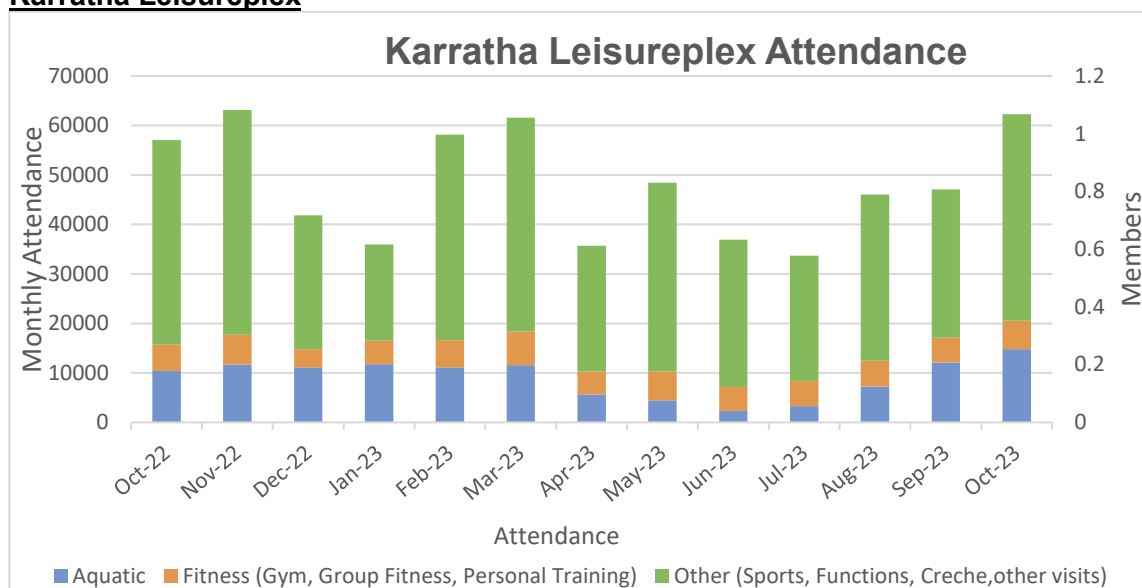
| <b>Facility Attendance</b>            | <b>Oct 2022</b>  | <b>Oct 2023</b> | <b>%</b> |
|---------------------------------------|------------------|-----------------|----------|
| The Youth Shed                        | 579              | 840             | + 45%    |
| The Base                              | 503              | 1086            | + 116%   |
| Total Library                         | 8448             | 14675           | + 74%    |
| Karratha Leisureplex                  | 57071            | 62281           | + 9%     |
| Wickham Recreation Precinct           | 4504             | 5962            | + 32%    |
| Roebourne Aquatic Centre              | 634              | 736             | + 16%    |
| Red Earth Arts Precinct               | 4427             | 7156            | + 62%    |
| Arts Development & Events             | 84               | 144             | + 71%    |
| Indoor Play Centre                    | 2298             | 2622            | + 14%    |
| <b>Community Liveability Programs</b> | <b>Sept 2023</b> | <b>Oct 2023</b> | <b>%</b> |
| Security Subsidy Scheme properties    | 13               | 11              | - 15%    |
| Meet the Street Parties               | 1                | 6               | + 500%   |

## Library Services



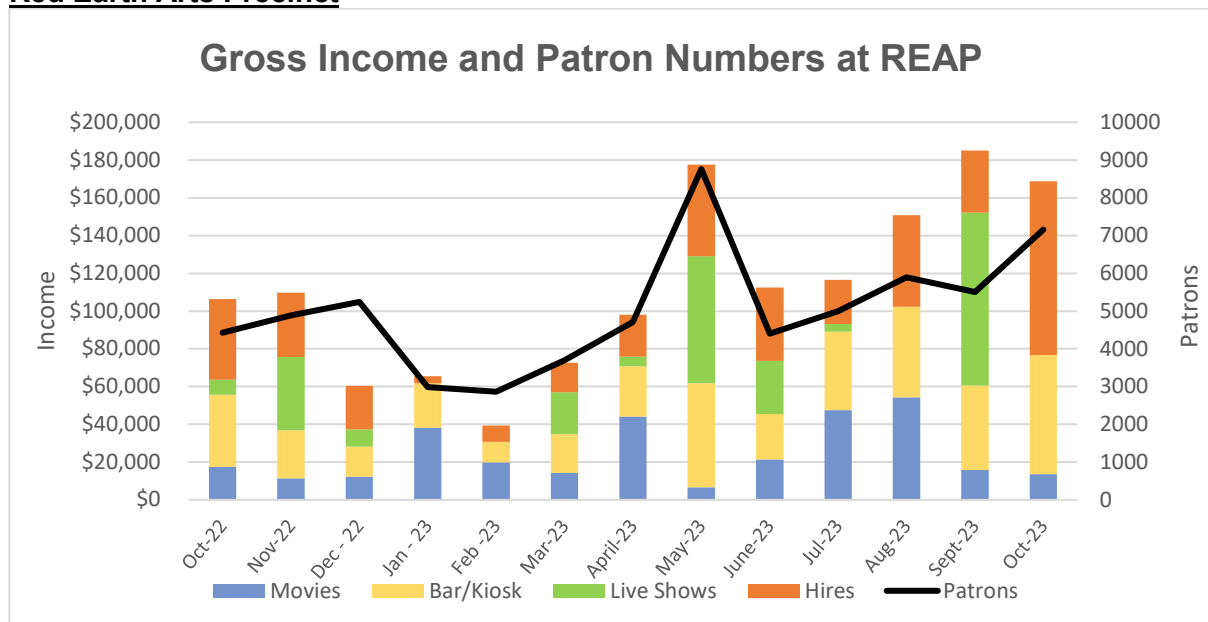
|  |  |
|--|--|
| <b>10747</b> Total memberships (96 new members signed up in October).  | <b>3100</b> Physical items and <b>1122</b> eResources borrowed (an increase of <b>120</b> loans).            |
| <b>999</b> Individual computer log ins by members and guests (excludes Wi-Fi). (An increase of <b>180</b> since last month).   | <b>3</b> External requests for local history information.  |
| <b>795</b> Program participants at <b>34</b> programs, (including Rhyme Time, Story Time, Family Funday, School Holiday Programs, Digital Drop In and Memory Preservation Station Sessions).   | <b>275</b> Better Beginnings Packs were distributed to Population Health, Kindy classes and Library Patrons. |
| <b>817</b> Technical enquiries (including assistance with Computers, Wifi, Printing and Scanning).   |  |
| Karratha Library door count was up due to the Pilbara Summit, an increase in computer use in October and a fully booked School Holiday Program. The door count for Karratha Library during the Pilbara Summit closure (9-11 October) was 5727. |  |

## Karratha Leisureplex



Approximately 200 more memberships compared to 2022 and more attendances by gym, pool and 24 hour members. Approximately 600 more attendances at the September/October school holiday programs compared to the same period last year. Aquatic numbers are strong despite shade issues. No significant drop in attendance has been noticed as yet.

### **Red Earth Arts Precinct**



REAP is showcasing very strong performance and growth in various areas of our venue. In October 2023 the total revenue reached an impressive \$168,837.

**Movies:** Movie sales for this October were down slightly from the previous year, with an average of 40 patrons per sessions across 25 movies, compared with 47 patrons last year per session.

**Bar/Kiosk:** We saw an increase of 49% in bar/kiosk sales, with revenues reaching \$63,150 in October 2023. This growth can be attributed to some large-scale venue hires.

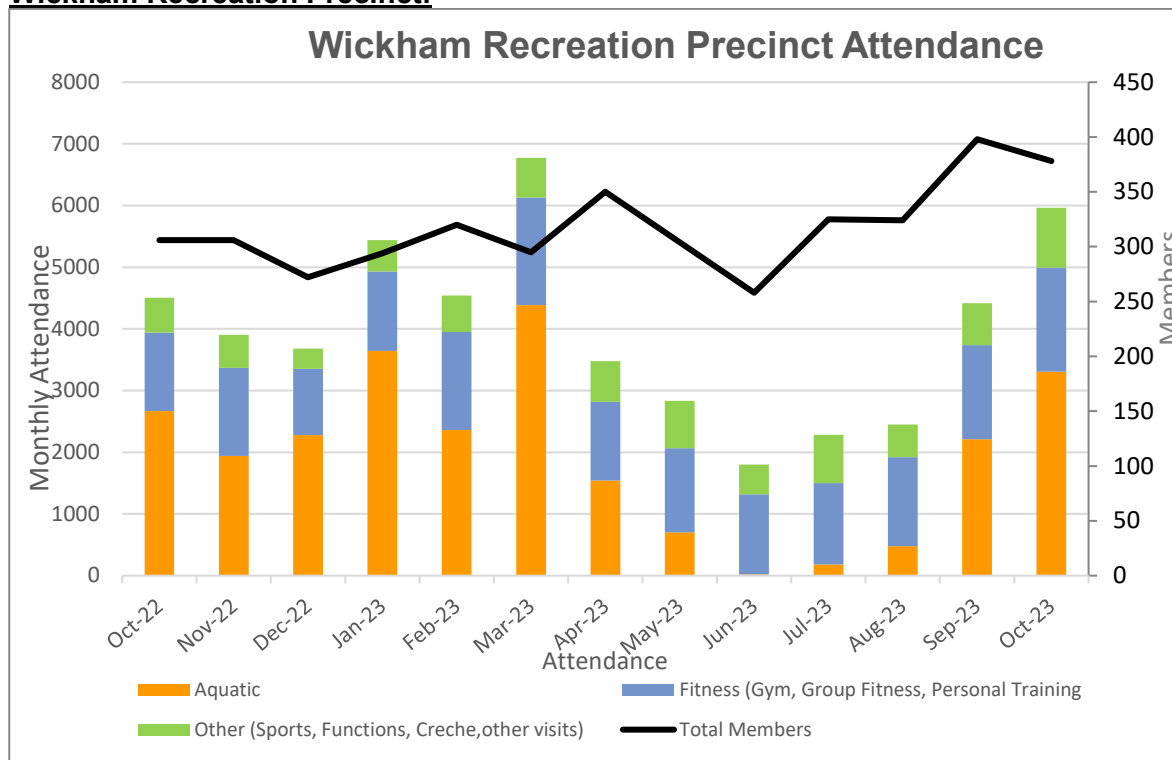
**Live Shows:** No live performances due to the venue calendar capacity.

**Hires:** Venue hire revenue experienced a major increase in revenue due to the Pilbara Summit, IEBF and the Annual KDCCI Awards in October 2023, with a 75% increase from the same period in 2022.

**Patrons:** An increase in patrons, up by 47% with a count of 7156 in October 2023 – this was due to the large outside concert with Jessica Mauboy and good conference numbers for the Pilbara Summit.

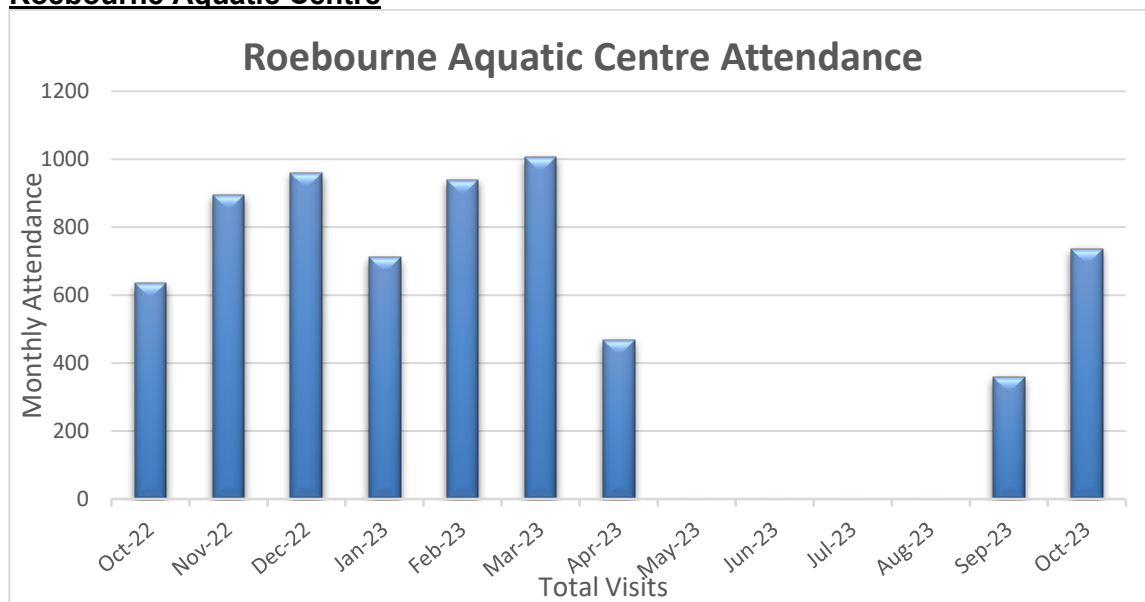
In conclusion, the financial performance of our venue showed a positive trend, with a 45% increase in October 2023 compared with October 2022. This improvement can be attributed to notable events such as KDCCI, Pilbara Summit, IEBF, various corporate events and school graduations that took place during the busy month of October.

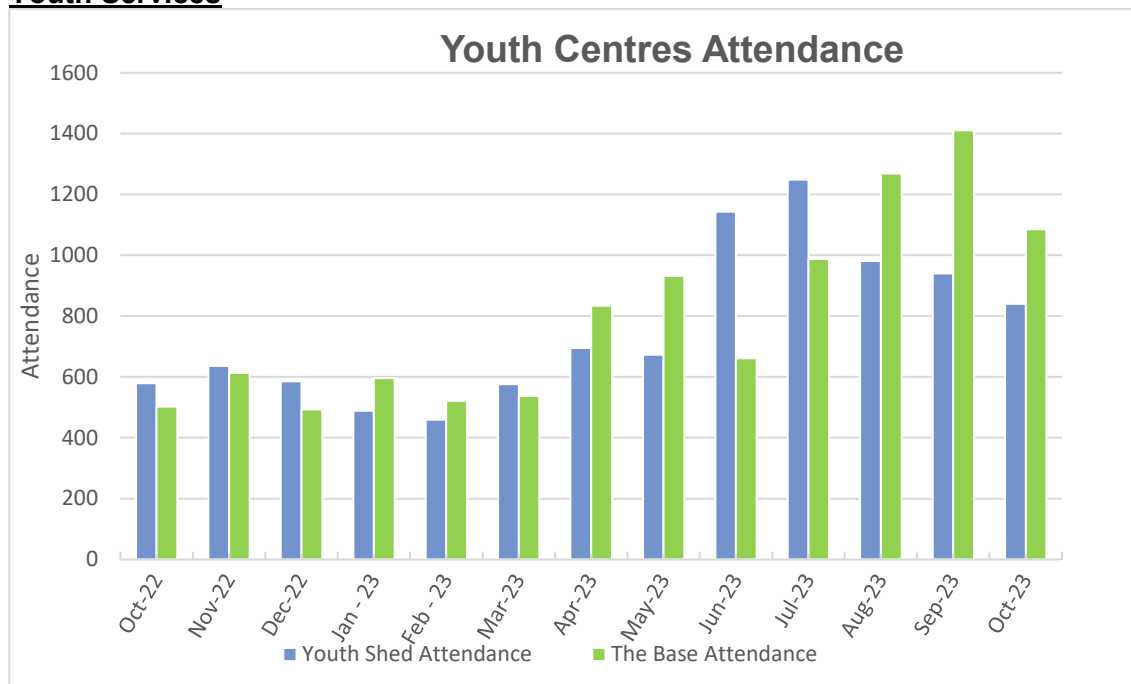
**Wickham Recreation Precinct:**



October 2023 attendance figures have been influenced by an increase in gym corporate memberships – Azure Metals recently signed up – and increased numbers of aquatic and other visits due to more families remaining in town during the first week of the school holidays.

**Roebourne Aquatic Centre**

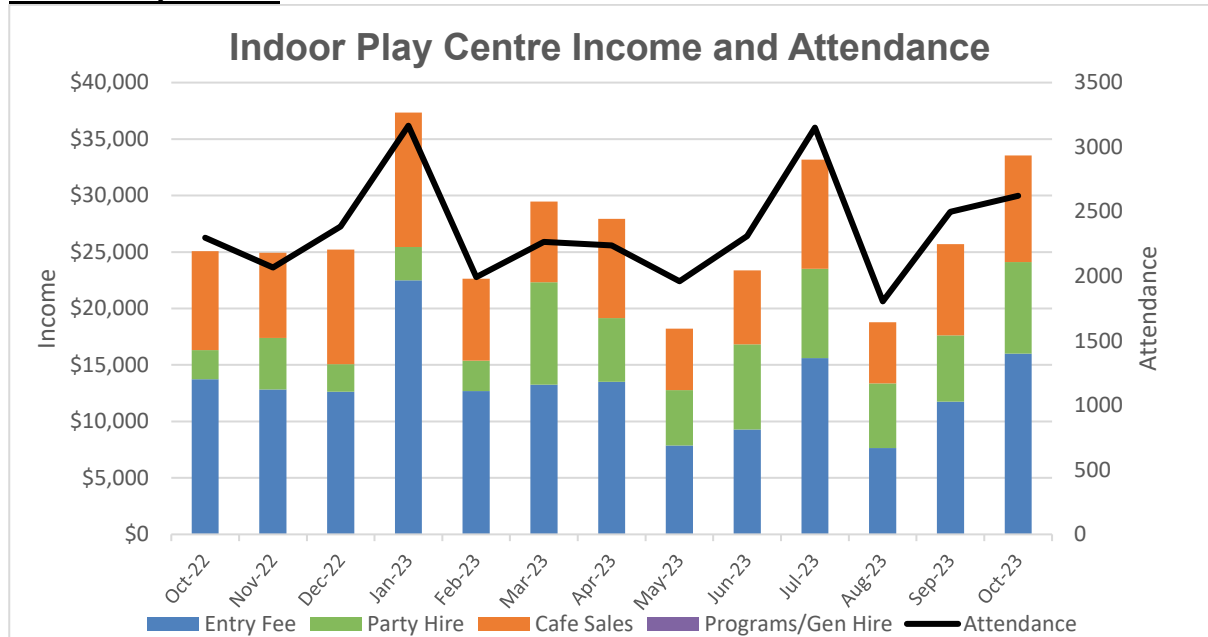


**Youth Services****The Base and Youth Shed:**

**The Base** has come off a very successful Term 3 School Holiday Program, however the start of the basketball season Term 4 has affected the number of youths coming in on both Friday and Saturdays. Also our year 6 (10-11yr) age group have been away on a school camp to Exmouth. The weather is another factor contributing to youths who would rather stay at home. Despite this, The Base strives to accommodate, promote and maintain inclusivity and a safe place for all.

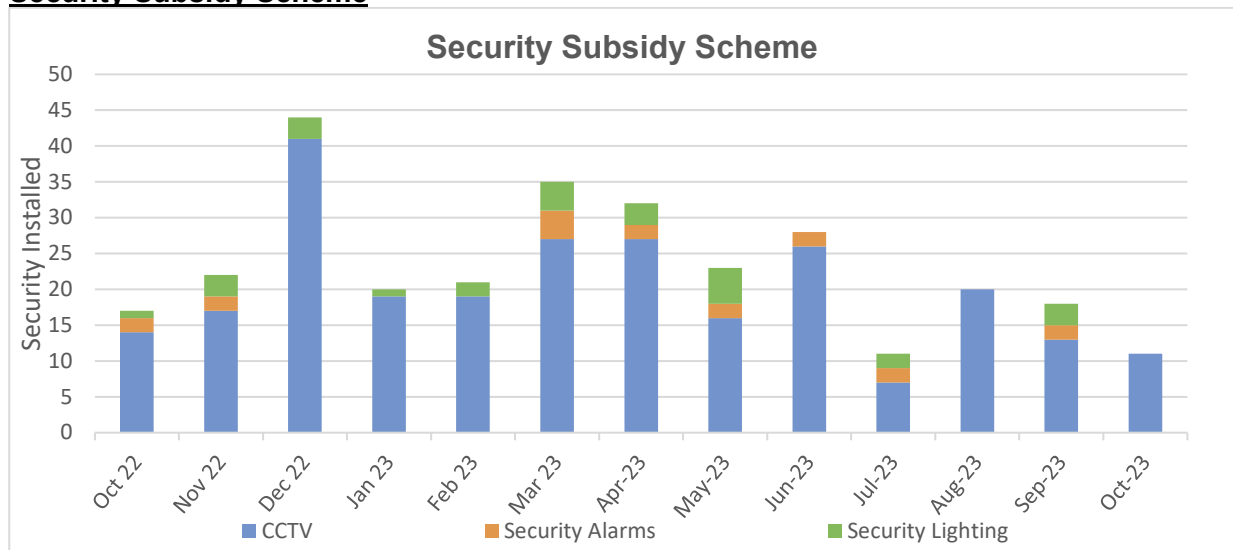
**The Youth Shed** has had a great month with a total number of 1012 youths engaging and utilising the programs and services we have to offer. We have noted a 11.9% decrease in comparison to the month of September 2023, but factors such as basketball, early school term dates and the hotter weather have resulted in our regular attenders using the service less, particularly on a Saturday. Despite the above, we have still managed to keep attendance numbers above average with a 45% increase from October 2022. This can be a result of regular programming, school holiday programming and events such as Halloween which have attracted new youths and families. Halloween was very successful with 78 youths attending despite losing a large cohort of regular and new attenders to the Clontarf Academy Awards Ceremony and families trick or treating throughout the City on the same night. 81% of the youths that attended The Youth Shed Halloween event were new to the Centre.

### Indoor Play Centre:



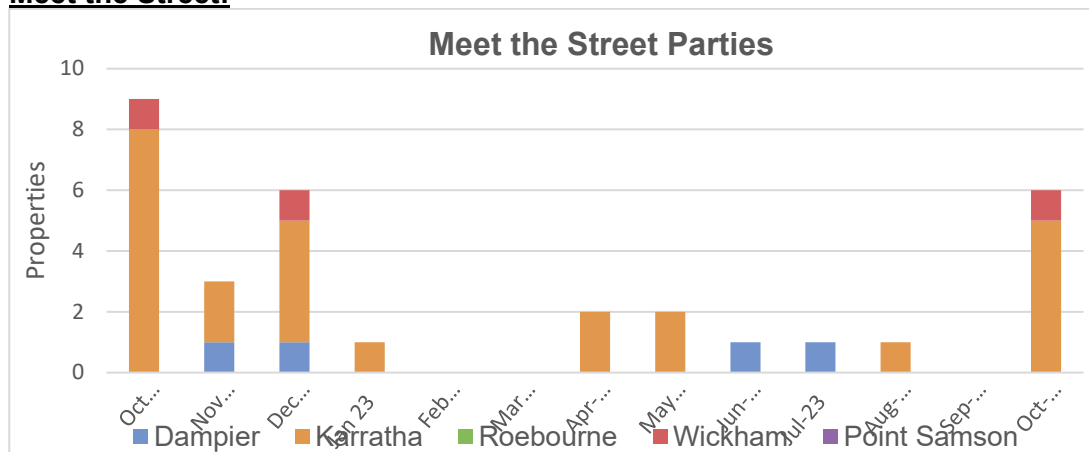
Attendance is up from last October by 14%. Significant increase in party hires from October last year. The laser tag parties ceased last October due to maintenance issues.

### Security Subsidy Scheme



11 applications this month. Still a well-used initiative.

### Meet the Street:



**6 Meet the Street Parties** took place in October. Good feedback was received from the hosts regarding their parties and were planning to host another in the future.

### Arts Development & Events:



The Citizenship Ceremony was very well run with 60 guests attending, as was the opening of the Heroes Art Exhibition, with 70 in attendance. Unfortunately the associated exhibition workshop, 'Stretch and Sketch' was cancelled due to the lack of bookings. Project 10, a performance workshop, attracted 14 participants across the three workshops.

## **15 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

None

## **16 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

None

## **17 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION**

None

## **18 MATTERS BEHIND CLOSED DOORS**

None

## **19 CLOSURE & DATE OF NEXT MEETING**

The meeting closed at 6.22pm.

The next meeting is to be held on Monday, 11 December 2023 at 6pm at Council Chambers - Welcome Road, Karratha.

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I, Cr Daniel Scott, Mayor of the City of Karratha, hereby declare on behalf of the Councillors of the City of Karratha that the enclosed Minutes are a true and accurate record of the Special Council Meeting held on Monday, 20 November 2023.



Date: 11 December 2023