



## **ORDINARY COUNCIL MEETING**

# **AGENDA**

**NOTICE IS HEREBY GIVEN that an  
Ordinary Meeting of Council will be held  
in the Council Chambers, Welcome Road, Karratha,  
on 19 August 2024 at 6pm**

A handwritten signature in black ink, appearing to read 'Simon Kot', is positioned above a horizontal line.

**SIMON KOT  
A/CHIEF EXECUTIVE OFFICER**



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

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee Meeting does so at that persons or legal entity's own risk.

In particular, and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a license, any statement or intimation of approval made by any member or Officer of the City of Karratha during the course of any meeting is not intended to be and is not taken as notice of approval from the City of Karratha.

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:  \_\_\_\_\_  
**Simon Kot A/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.

# TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
	<b>TABLE OF CONTENTS</b> .....	<b>2</b>
<b>1</b>	<b>OFFICIAL OPENING</b> .....	<b>3</b>
<b>2</b>	<b>RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE PREVIOUSLY APPROVED</b> .....	<b>3</b>
<b>3</b>	<b>PUBLIC QUESTION TIME</b> .....	<b>5</b>
<b>4</b>	<b>PETITIONS/DEPUTATIONS/PRESENTATIONS</b> .....	<b>5</b>
<b>5</b>	<b>REQUESTS FOR LEAVE OF ABSENCE</b> .....	<b>5</b>
<b>6</b>	<b>DECLARATIONS OF INTEREST</b> .....	<b>5</b>
<b>7</b>	<b>CONFIRMATION OF MINUTES AND BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETINGS</b> .....	<b>5</b>
<b>8</b>	<b>ANNOUNCEMENTS BY PERSON PRESIDING WITHOUT DISCUSSION</b> .....	<b>5</b>
<b>9</b>	<b>CORPORATE &amp; COMMERCIAL REPORTS</b> .....	<b>6</b>
9.1	STATEMENTS FOR PERIOD ENDED 30 JUNE 2024.....	6
9.2	LIST OF ACCOUNTS – 1 JUNE 2024 TO 30 JUNE 2024.....	14
9.3	INVESTMENTS FOR PERIOD ENDED 30 JUNE 2024 .....	17
9.4	REQUEST TO INVITE TENDERS FOR COMMERCIAL PROPERTY MANAGEMENT SERVICES AT THE QUARTER HQ .....	25
<b>10</b>	<b>COMMUNITY EXPERIENCE REPORTS</b> .....	<b>30</b>
10.1	POINT SAMSON INTERIM PLAN – PROGRESS STATUS REPORT .....	30
10.2	MEDICAL SERVICES HOUSING SCHEME REVIEW.....	37
<b>11</b>	<b>DEVELOPMENT SERVICES REPORTS</b> .....	<b>51</b>
11.1	PILBARA KIMBERLEY UNIVERSITY CENTRES FUNDING REQUEST .....	51
11.2	ENVIRONMENT AND SUSTAINABILITY ADVISORY GROUP REVIEW.....	59
<b>12</b>	<b>STRATEGIC PROJECTS &amp; INFRASTRUCTURE REPORTS</b> .....	<b>64</b>
12.1	RFT 14-23/24 COMMUNITY STORAGE SHEDS DESIGN AND CONSTRUCT 64	64
12.2	RFT - COOLAWANYAH DE WITT INTERSECTION UPGRADE – TENDER OUTCOME .....	68

<b>13</b>	<b>CHIEF EXECUTIVE OFFICER REPORTS.....</b>	<b>74</b>
	13.1 ITEMS FOR INFORMATION ONLY .....	74
	13.1.4 Public Agenda Briefing Session Additional Information <b>Error! Bookmark not defined.</b>	
	13.1.1 COMMUNITY EXPERIENCE INFORMATION – JUNE 2024 .....	74
	13.1.2 CONCESSION ON FEES FOR CITY FACILITIES .....	85
	13.1.3 DEVELOPMENT SERVICES UPDATE.....	86
	13.1.4 PUBLIC BRIEFING ADDITIONAL INFORMATION – 12 AUGUST 2024.....	89
<b>14</b>	<b>MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN.....</b>	<b>90</b>
<b>15</b>	<b>QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN .....</b>	<b>90</b>
<b>16</b>	<b>URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION.....</b>	<b>90</b>
<b>17</b>	<b>MATTERS BEHIND CLOSED DOORS .....</b>	<b>90</b>
	ATTACHMENT TO ITEM 11.1 Pilbara Kimberley University Centre Funding Request – Financial Position.....	90
	ATTACHMENT TO ITEM 11.1 Pilbara Kimberley University Centre Funding Request - Audited Financials 30 June 2023 .....	90
	ATTACHMENT TO ITEM 12.1 RFT14-2324 Pricing Schedule Update .....	90
	ATTACHMENT TO ITEM 12.2 COOLAWANYAH DE WITT INTERSECTION UPGRADE – TENDER OUTCOME - Tender Evaluation Report .....	90
<b>18</b>	<b>CLOSURE &amp; DATE OF NEXT MEETING .....</b>	<b>90</b>

## **AGENDA**

### **1 OFFICIAL OPENING**

Mayor Scott acknowledges the traditions of the Ngarluma people, on whose land we are gathered here today.

### **2 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 Travis McNaught
- Cr Kelly Nunn
- Cr Sarah Roots

Cr Joanne Waterstrom Muller

<b>Staff:</b>	Simon Kot	A/Chief Executive Officer
	Emma Landers	Director Community Experience
	Alistair Pinto	Director Corporate & Commercial
	Lee Reddell	Director Development Services
	Michael Bunting	A/Director Strategic Projects & Infrastructure
	Miranda Geal	A/Manager Governance & Organisational Strategy
	Kate Jones	Minute Secretary

**Apologies:**

**Absent:**

**Leave of Absence:** Cr Tony Simpson

**Members of Public:**

**Members of Media:**

**3 PUBLIC QUESTION TIME**

**4 PETITIONS/DEPUTATIONS/PRESENTATIONS**

**5 REQUESTS FOR LEAVE OF ABSENCE**

**6 DECLARATIONS OF INTEREST**

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

---

**OFFICER'S RECOMMENDATION**

That the Minutes of the Ordinary Meeting of Council held on 29 July 2024 be confirmed as a true and correct record of proceedings.

**8 ANNOUNCEMENTS BY PERSON PRESIDING WITHOUT DISCUSSION**

## 9 CORPORATE & COMMERCIAL REPORTS

### 9.1 STATEMENTS FOR PERIOD ENDED 30 JUNE 2024

<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>	19 July 2024
<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</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 June 2024

---

#### OFFICER’S RECOMMENDATION

That Council RECEIVE the Financial Statements for the financial period ending 30 June 2024 as shown in Attachments 1 to 4.

---

#### 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 attached Monthly Financial Report for June 2024 has been prepared in accordance with the Local Government Act and the associated Financial Management Regulations.

The financial reports presented for June 2024 are subject to end of financial year accounting processes and audit adjustment.

The following table is a summary of the Financial Activity Statement compared to the Budget as of 30 June 2024:



2023/24	Original Budget	Amended Budget	Year to Date Budget	Year To Date Actual	YTD Variance*	Variance %	Surplus Impact
<b>Operating Activities</b>							
Revenue (incl. Rates)	131,228,517	135,168,007	135,168,007	141,298,835	6,130,828	4.5%	↑
Expenditure	(114,822,455)	(115,820,127)	(115,820,127)	(119,343,932)	(3,523,805)	-3.0%	↓
<b>Investing Activities</b>							
Inflows	7,903,088	4,157,713	4,157,713	3,865,953	(291,760)	-7.0%	↓
Outflows	(41,258,084)	(26,830,154)	(26,830,154)	(19,046,071)	7,784,083	29.0%	↑
<b>Financing Activities</b>							
Inflows	6,969,982	7,566,631	7,287,131	0	(7,287,131)	0.0%	↓
Outflows	(26,254,084)	(37,480,762)	(37,415,762)	(5,100,228)	32,315,534	-86.4%	↑
<b>Non-Cash Items</b>	31,470,521	28,477,738	29,241,014	28,977,531	(263,483)	-	↓
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>9,490</b>	<b>558,267</b>	<b>35,422,533</b>	<b>34,864,266 #</b>	6245%	↑

\*Refer to variance commentary attachment for material differences.

# The financial reports presented for June 2024 are subject to end of financial year accounting processes and audit adjustment. Transfers to reserve are currently forecast at \$27.2m which will see a corresponding reduction to the surplus position.

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.

In accordance with the materiality threshold adopted by Council for the reporting of variances in Operating Revenue and Expenses, the comments provided in the Attachment - Variance Commentary Statement of Financial Activity by Nature (Attachment 2) offer an explanation of material variances which contribute significantly to the total YTD budget variance shown in the above table.

**FINANCIAL MANAGEMENT UPDATE**  
**Local Government Financial Ratios**

The following table shows the YTD actual financial ratios meet the target ratios, except for the Asset Sustainability Ratio which is lower than target due to delays in capital renewal projects.

Period Ended 30 June 2024	Target Ratio	YTD Budget Ratio	Original Annual Budget Ratio	YTD Actual Ratio
<b>Current Ratio</b>	> 1	N/A	N/A	5.13
The Current Ratio identifies a local government’s liquidity: how well it can meet its financial obligations as and when they fall due. A ratio greater than 1 indicates the local government is able to cover its immediate cash commitments				
<b>Asset Sustainability Ratio (ASR)</b>	> 0.90	0.56	0.80	0.50
The ASR measures how effectively a local governments assets are being replaced or renewed. The City’s ASR is low due to the delays in capital renewal projects. Upgrades, expansions, and new works are not considered for the ASR				
<b>Operating Surplus Ratio (OSR)</b>	> 15%	38.5%	15.1%	17.9%
The OSR measures how well a local government can cover its operational costs with funds left over for capital projects and other purposes. The City’s ratio is lower than budgeted expectation due to delays in capital projects, less reliance on capital grant funding, and decreased fees & charges and interest income				
<b>Own Source Revenue Coverage Ratio (OSRC)</b>	> 0.90	1.34	0.97	1.03
The OSRC ratio outlines a local government’s ability to cover its costs through its own revenue sources, such as rates, fees and charges and interest revenue. A ratio greater than 0.90 indicates the local government is operating in an ‘advanced’ capacity, however it should be noted that each local government has different revenue raising capacities				
<b>Debt Service Cover Ratio (DSCR)</b>	> 2	36.7	40.4	38.8
The DSCR measures a local government’s ability to repay its debt using cash. As the City has minimal debt, it exceeds the basic standard of greater than 2.0				

**Statement of Financial Position**

	June-24	May-24	% Change	Comments
<b>Current</b>				
<b>Assets</b>	134,953,121	131,731,533	2.45%	Increase in Unrestricted Cash, Cash Equivalents and Trade Receivables.
<b>Liabilities</b>	13,048,320	7,127,641	83.07%	Increase in Trade and Other Payables.
<b>Non-Current</b>				
<b>Assets</b>	753,691,380	753,892,024	-0.03%	Decrease in Infrastructure and Property Plant & Equipment.
<b>Liabilities</b>	7,372,718	7,506,309	-1.78%	Decrease in Long Term Borrowings; Self Supporting loans.
<b>Net Assets</b>	868,223,463	870,989,877		

**Debtors Schedule**

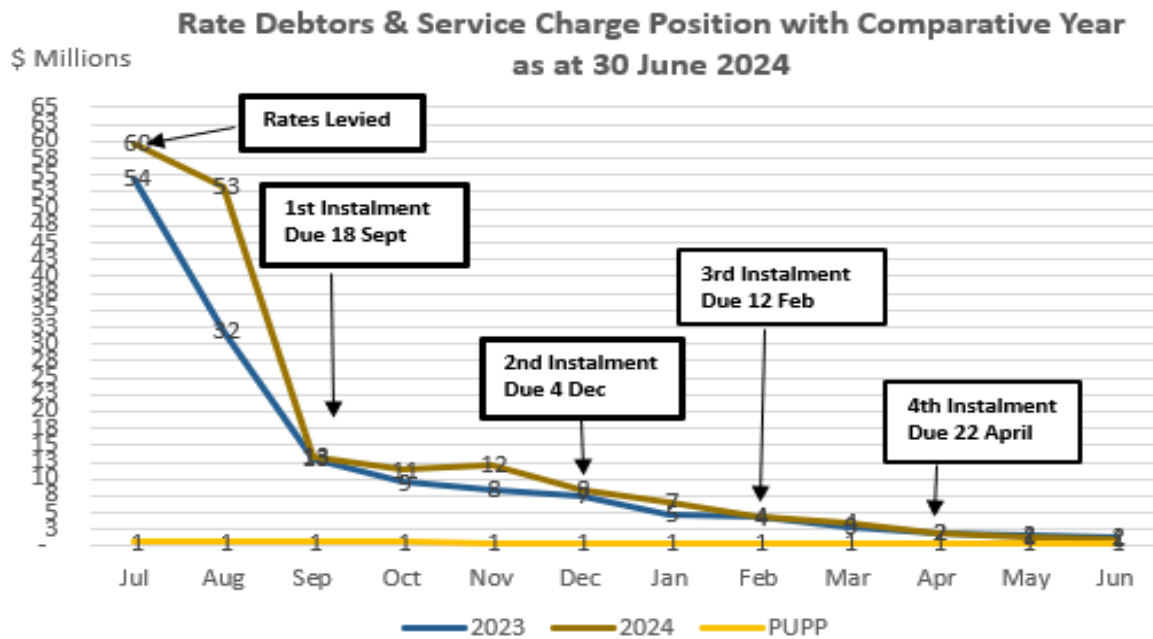
The following table shows Trade Debtors that have been outstanding over 40, 60 and 90 days as at the end of June 2024. The table also includes the total Rates and PUPP Service Charges outstanding.

When the following table is compared to Attachment 3, there is a balance sheet difference of \$7.1m, reflecting the loans receivable, accrued revenue and GST receivable.

**Debtors Schedule**

	June	May	Change %	% of Current Total
<b>Sundry Debtors</b>				
<b>Current</b>	5,670,262	5,273,144	8%	84.4%
<b>&gt; 40 Days</b>	587,428	123,649	375%	8.7%
<b>&gt; 60 Days</b>	206,978	65,546	216%	3.1%
<b>&gt; 90 Days</b>	254,899	251,803	1%	3.8%
<b>Total</b>	<b>6,719,567</b>	<b>5,714,143</b>	<b>18%</b>	<b>100%</b>
<b>Rates Debtors</b>				
<b>Total</b>	<b>1,174,755</b>	<b>1,428,999</b>	<b>-18%</b>	<b>100%</b>
<b>PUPP Debtors</b>				
<b>Total</b>	<b>516,897</b>	<b>519,658</b>	<b>-0.5%</b>	<b>100%</b>

A total of \$61.6m of Rates (including ESL and waste charges) has been paid to end of June 2024, representing a collection rate of 98.1% to date (comparative to 97.3% on 30 June 2023).



There was no material change in June in the PUPP Debtors balance. PUPP payments have now been received on 99.78% of properties and of those paid, 99.51% have paid in full, with 0.27% paying by instalments.

Collection of outstanding debts greater than 40 days is continuing in line with Council policy. The table above 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
B366	Offshore Services Australasia Pty Ltd	32,485.46	-	-	April 2024 Aircraft Landing Fees and April 2024 Utility Charges at Karratha Airport. Reminder email sent 16/07/24
S010	Virgin Australia Regional Airlines Pty Ltd	64,260.16	332.97	704.68	April 2024 Aircraft Landing Fees and Interest. Reminder email sent 16/07/24
V065	VPG Property	-	17,752.12	-	ESL Levy for the Quarter. Reminder sent and subsequently paid

**Capital Expenditure**

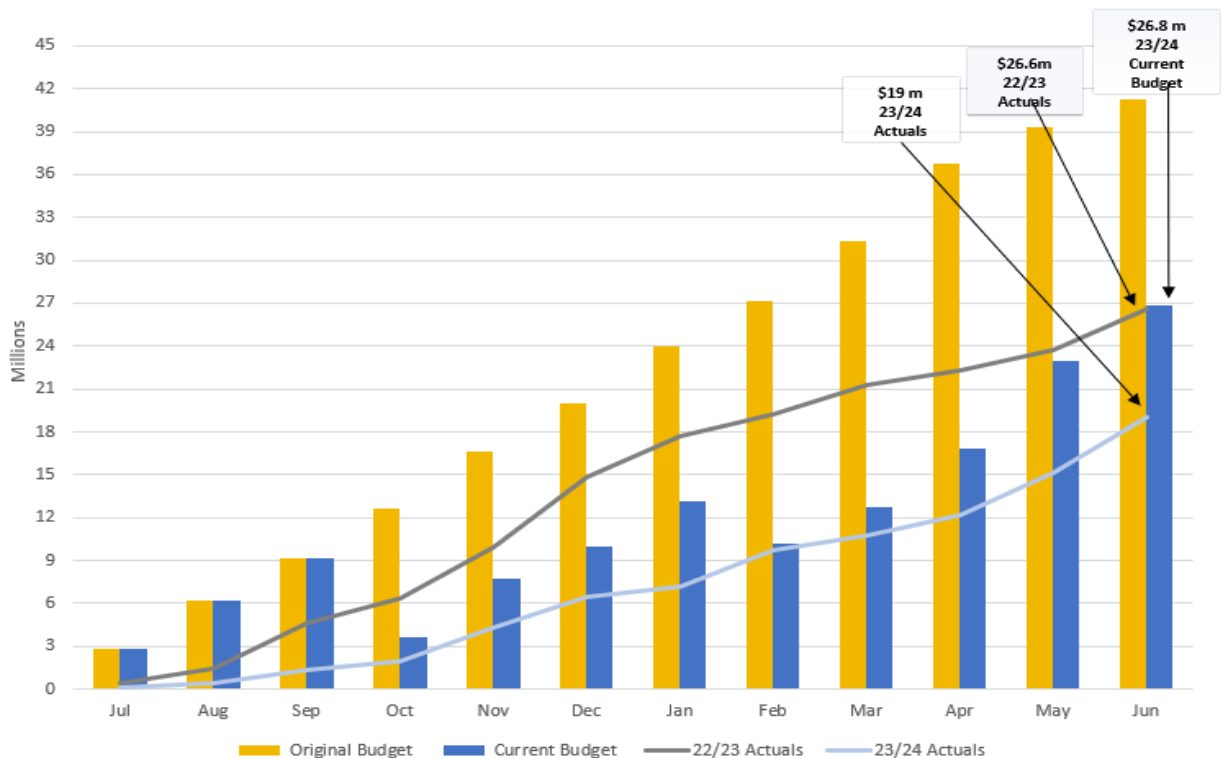
Council’s current 2023/24 Capital Expenditure budget is \$26.8m which includes significant projects such as: Hillview/Balmoral Upgrade, Hancock Way – Six House Construction, Kevin Richards Memorial Oval Lighting and Pole Upgrade, and Roebourne Streetscape Master Plan – Stages 1 and 2.

The City spent \$19m on its capital program to the end of June, representing an underspend of \$7.8m (29.0%) against YTD budget (down from 34.3% in May 24).

The following table shows the capital budget performance by asset class:

CAPITAL EXPENDITURE						
Asset Class	YTD			ANNUAL		
	YTD Budget	YTD Actual	Variance %	Annual Original Budget	Annual Amend Budget	% of Annual Budget
	30-Jun-24			30-Jun-24		
Land	1,820,000	56,502	-96.9%	20,000	1,820,000	3.1%
Artwork	0	0	0.0%	0	0	0.0%
Buildings	7,504,614	6,336,114	-15.8%	8,499,135	7,504,614	84.4%
Equipment	487,783	345,403	-29.2%	767,500	487,783	70.8%
Furn & Equip	1,407,961	595,386	-57.7%	1,467,000	1,407,961	42.3%
Plant	2,481,727	2,283,984	-8.0%	1,964,000	2,481,727	92.0%
Inv Property	347,000	0	-100.0%	0	347,000	0.0%
Infrastructure	12,756,567	9,427,533	-26.1%	28,515,947	12,756,567	73.9%
<b>Totals</b>	<b>26,805,652</b>	<b>19,044,922</b>	<b>-29.0%</b>	<b>41,233,582</b>	<b>26,805,652</b>	<b>71.0%</b>

Capital Expenditure YTD Actual v Budget 2023/24 (excl Reserve Transfers)



**Financial Statements**

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

- Statement of Financial Activity by Nature (Attachment 1).
- Variance Commentary, Statement of Financial Activity by Nature (Attachment 2).

- Net Current Funding Position (Attachment 4)
- Statement of Financial Position (Attachment 3).

**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 greater. As this report is composed at a nature 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 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 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 RECEIVE the Financial Reports for the financial period ending 30 June 2024 and APPROVE the following actions:

- a) \_\_\_\_\_
- b) \_\_\_\_\_

Option 3

That Council NOT RECEIVE the Financial Report for the financial period ending 30 June 2024.

**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.

**9.2 LIST OF ACCOUNTS – 1 JUNE 2024 TO 30 JUNE 2024**

<b>File No:</b>	FM.19
<b>Responsible Executive Officer:</b>	Director Corporate & Commercial
<b>Reporting Author:</b>	Senior Creditors Officer
<b>Date of Report:</b>	25 July 2024
<b>Applicant/Proponent:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	1. List of Payments - June 2024 2. Purchase Cards Report - June 2024 3. Fuel Cards Report - May 2024

**PURPOSE**

To advise Council of payments made for the period from 1 June 2024 to 30 June 2024.

**OFFICER’S RECOMMENDATION**

**That Council RECEIVE the list of payments totalling \$9,319,566.99 as detailed in Attachments 1, 2 and 3 being made up of:**

1. Trust Payments: nil;
2. BPay Payments 534 to 559 and EFT Payments 82779 to 83390 (Inclusive): \$6,257,983.42;
3. Cheque Voucher: 78745: \$300.00;
4. Cancelled Payments: nil;
5. Direct Debits: nil;
6. Credit Card Payments (June 2024): \$56,783.43;
7. Payroll Payments: \$3,004,500.14

**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.

**DISCUSSION**

Payments for the period 1 June 2024 to 30 June 2024 (including credit card transactions – May 2024) totalled \$9,319,566.99 which included a sample of large payments as follows:

- BCP Contractors – Hillview/Balmoral Road Reconstruction Claim #2 - \$749,522
- Damel Cleaning – Cleaning Services, May 2024 - \$163,847
- Department of Fire Emergency Services – ESL Contributions Qtr4 - \$204,039
- LGIS (Walga) – Workers Comp Performance Adjustment 22/23 - \$474,514



Consistent with CG-11 Regional Price Preference Policy, 43% of the total value of external payments reported for the period were made locally. This result is slightly lower than the prior month. In June 2024, 73% of the total number of invoices paid were for local suppliers, higher than the prior period.

**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.

**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.

**CONCLUSION**

Payments and credit card payments for the period 1 June 2024 to 30 June 2024 totalled \$9,319,566.99. Payments have been approved by authorised officers in accordance with agreed delegations, policies and budget.

**9.3 INVESTMENTS FOR PERIOD ENDED 30 JUNE 2024**

<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>	23 July 2024
<b>Applicant/Proponent:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	Nil

---

**PURPOSE**

To provide a summary of Council's investment position for the period ending 30 June 2024.

---

**OFFICER'S RECOMMENDATION**

**That Council RECEIVE the Investment Report for the financial period ending 30 June 2024.**

---

**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).

**DISCUSSION**

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

Table 10.1a. Cash Allocations of City Funds

Institution	Accounts	Principal Investment \$	Balance 30 June 2024 \$	Interest %	Investment Term	Maturity	Source
<b>RESERVE FUNDS</b>							
WBC	Business Premium Cash Reserve		2,084,392	2.15	At Call		Reserve at Call
CBA	Reserve Term Deposit	10,000,000	10,483,534.28	5.55	12 months	Aug-24	Reserve TD
NAB	Reserve Term Deposit	12,000,000	12,441,912.33	5.15	12 months	Oct-24	Reserve TD
WBC	Reserve Term Deposit	15,000,000	15,558,554.81	5.33	12 months	Oct-24	Reserve TD
WBC	Reserve Term Deposit	5,000,000	5,180,821.91	5.50	12 months	Nov-24	Reserve TD
WBC	Reserve Term Deposit	4,000,000	4,097,827.94	5.19	12 months	Jan-25	Reserve TD
NAB	Reserve Term Deposit	6,000,000	6,115,134.25	5.15	12 months	Feb-25	Reserve TD
WBC	Reserve Term Deposit	10,000,000	10,021,739.73	5.29	11 months	Apr-25	Reserve TD
WBC	Reserve Term Deposit	10,000,000	10,021,821.92	5.31	12 months	May-25	Reserve TD
WBC	Reserve Term Deposit	20,000,000	20,046,202.74	5.27	12 months	Jun-25	Reserve TD
<b>MUNICIPAL FUNDS</b>							
WBC	Municipal Term Deposit	5,000,000	5,270,310.97	5.59	12months	Jul-24	Muni TD
WBC	Municipal Term Deposit	4,000,000	4,094,415.34	5.19	12months	Jan-25	Muni TD
NAB	Municipal Term Deposit	5,000,000	5,051,369.87	5.00	3months	Jul-24	Muni TD
WBC	Municipal (Transactional)		12,257,567.00	4.20	At Call		Muni at Call
N/A	Cash on Hand		8,602.00				
<b>TOTAL</b>		<b>106,000,000</b>	<b>122,734,207</b>				

The balance of all Term Deposits includes interest accrued to 30 June 2024

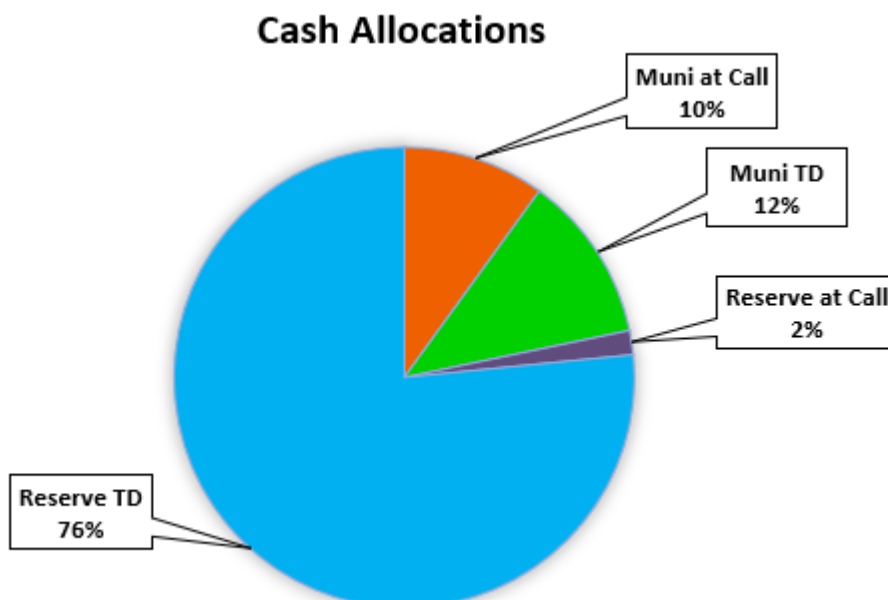
On average, the City is earning 5.26% across Municipal Term Deposits and 5.30% across Reserve Term Deposits.

The RBA official cash rate (overnight money market interest rate) remained unchanged at 435 basis points during the month of June. As a result, the Municipal Funds held in the Westpac transaction account continue to earn 4.20% interest. Reserve funds held in the Westpac Business Premium Cash Reserve account are earning 2.15% 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 88% 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. 19% of Cash and Financial Investments will mature in the next 3 months, 31% maturing in the next 4-6 months and 50% maturing in the next 7-12 months.

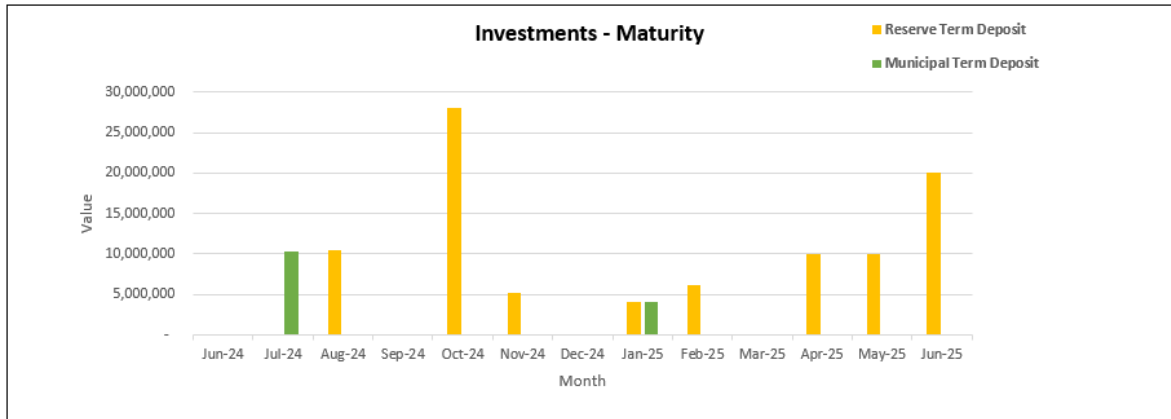


Table 10.1b. Schedule of Maturity of Cash and Financial Investments

**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 a slight increase compared to June forecasts, based on the March budget review.

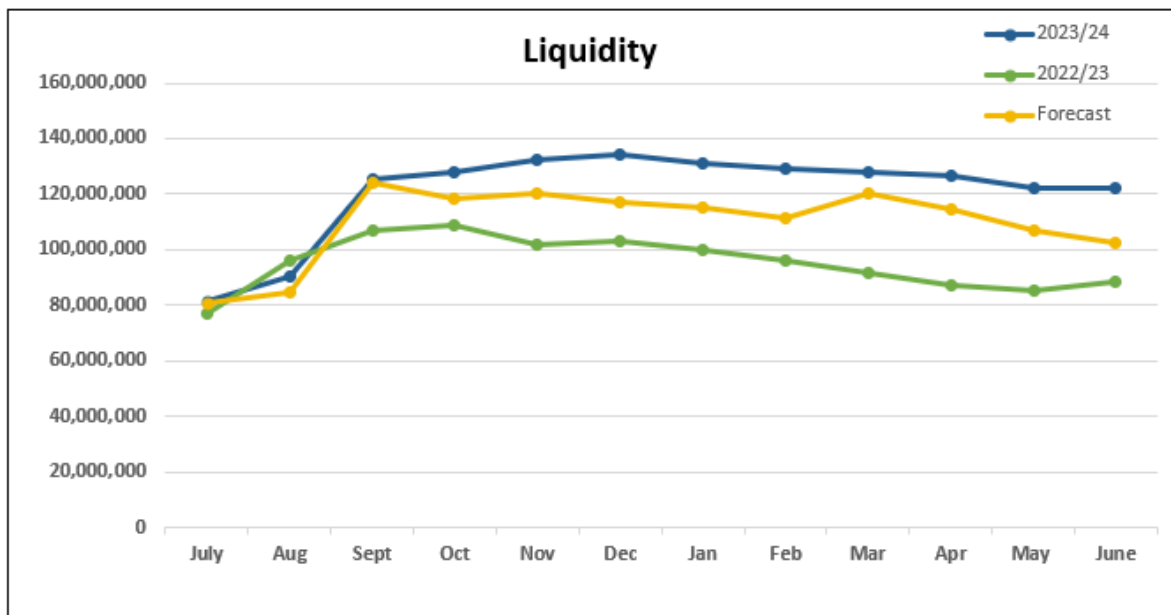


Table 10.1c. Schedule of Liquidity

**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 initial investment incurred was \$3,011,975, with the performance of the hangar lease shown in the table below.

	Month 30 June 2024 \$	Year-to-Date 30 June 2024 \$	Life-to-Date 30 June 2024 \$
Total Income Received	33,250	397,833	2,265,887
Total Expenditure Paid	-	(19,461)	(127,859)
<b>Net Income</b>	<b>33,250</b>	<b>378,373</b>	<b>2,138,029</b>
<b>Annualised ROI</b>	<b>13.2%</b>	<b>12.6%</b>	<b>38.3%</b>

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 annual rent increases 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 initial investment incurred was \$4,243,867, with the performance of the hangar and ground lease shown in the table below.

	Month 30 June 2024 \$	Year-to-Date 30 June 2024 \$	Life-to-Date 30 June 2024 \$
Total Income Received	47,701	569,446	2,460,872
Total Expenditure Paid	-	-	(17,611)
<b>Net Income</b>	<b>47,701</b>	<b>569,446</b>	<b>2,478,483</b>
<b>Annualised ROI</b>	<b>13.5%</b>	<b>13.4%</b>	<b>34.4%</b>

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 for \$20,000,000. The following table provides a summary of all income and expenditure for The Quarter for the current financial year.

	Month 30 June 2024 \$	Year to Date 30 June 2024 \$	Life to Date 30 June 2024 \$
Total Income Received	361,753	4,413,118	23,625,726
Total Expenditure Paid	214,252	(1,953,538)	(11,316,196)
<b>Net Income</b>	<b>576,005</b>	<b>2,459,580</b>	<b>12,309,530</b>
<b>Annualised ROI</b>	<b>34.6%</b>	<b>12.3%</b>	<b>8.8%</b>

Table 10.1f. The Quarter HQ Performance

*Ageing of Outstanding Lessees Balances*

The following table highlights The Quarter lessees with aged balances in excess of \$5,000 as of 30 June 2024 by month.

Suite ID	Lessee	Current June 2024	May 2024	April 2024	March 2024 and Prior	Total	Commentary

0003	T0000699 - Pilbara Weddings & Events	-	-	4,292.63	8,337.61	12,630.24	Payment plan accepted 24/04/2024. Payments are being received as agreed
0009	T0000716 – Onyx Group WA Pty Ltd	-	-	5,945.38	-	5,945.38	Lessee in liquidation. Deed of Surrender actioned 27 March. Bond yet to be allocated

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 30 June 2024 \$	Year to Date 30 June 2024 \$	Life to Date 30 June 2024 \$
Funded Amount	-	-	3,800,000
Interest Charges*	-	139,333	338,419
<b>Remaining Loan Amount</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>(300,000)</b>

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

\*Interest Charges of \$12,666.67 for June received 1st July

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 of 5.30%, there is an opportunity cost for the year to date of \$38,461 and a life to date benefit of \$35,328. For the current month of June 2024, the opportunity cost is \$4,196. 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 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:

Programs/Services:	4.c.1.1	Management Accounting Services
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:

1. RECEIVE the Investment Report for the financial period ending 30 June 2024; and

2. APPROVE the following actions:

- a) \_\_\_\_\_
- b) \_\_\_\_\_

Option 3

That Council NOT RECEIVE the Investment Report for the financial period ending 30 June 2024.

**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.

**9.4 REQUEST TO INVITE TENDERS FOR COMMERCIAL PROPERTY MANAGEMENT SERVICES AT THE QUARTER HQ**

**File No:** CP.974 / RFT0000016

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

**Reporting Author:** Senior Governance Officer – Commercial & Residential

**Date of Report:** 22 July 2024

**Applicant/Proponent:** Nil

**Disclosure of Interest:** Nil

**Attachment(s):** Nil

**PURPOSE**

For Council to consider inviting tenders for Commercial Property Management Services at The Quarter HQ.

**OFFICER’S RECOMMENDATION**

**That Council:**

1. **INVITE tenders to supply Commercial Property Management Services at The Quarter HQ for an initial period of nineteen months with two, one-year extension options exercisable at the sole discretion of the City and in accordance with the scope of works as outlined in this report; and**
2. **ENDORSE the tender selection criteria as follows:**

<b>Criteria</b>	<b>Weighting</b>
<b>Relevant Experience</b>	<b>25%</b>
<b>Methodology</b>	<b>10%</b>
<b>Capacity to Deliver</b>	<b>20%</b>
<b>Sustainability</b>	<b>5%</b>
<b>Price</b>	<b>40%</b>

**BACKGROUND**

In 2015/16 LandCorp (now Development WA) developed The Quarter at 20 Sharpe Avenue, Karratha. The overall site contains four lots comprising 46 residential apartments, a four level strata car park providing 286 car bays, a 4,402 sqm hotel site, and a further 6,105.5sqm of commercial space known as The Quarter HQ.

The Quarter HQ was purchased by the City of Karratha (City) in 2017 and includes seven retail tenancies on the ground floor and three levels of office space. At the time of purchase The Quarter HQ was being property managed by Knight Frank Australia Pty Ltd (Knight Frank) who subcontracted locally to Ray White Karratha. For continuity of service the City executed a Property Management Agreement with Knight Frank, who continued to manage The Quarter HQ, through their subcontractor Ray White Karratha.

The 46 residential apartments and four-level car park, owned by Development WA (DevWA), form part of the strata and are under management by First National Karratha.

In October 2023 the City undertook a detailed review of the management of The Quarter HQ. The review identified some customer service and maintenance gaps and inefficiencies in the property management arrangement with Knight Frank. As a result a decision was made to not extend their property management contract and for the City to commence managing The Quarter HQ maintenance and servicing directly.

The City ran a request for quotation process to appoint a suitable commercial property manager for an interim period whilst the City assessed its options. The scope of services included financial, facility and commercial property management. VPG Property Management (VPG) were appointed.

VPG commenced management of The Quarter HQ on 1 February 2024 on a month-by-month basis. As VPG are unable to provide services locally the City has been managing most of the leasing and facility management. The key services VPG provide is assisting with lease negotiations, managing the financial requirements of The Quarter HQ such as receipting rents, invoicing, outgoings and preparation and management of the budget.

The City building maintenance, sanitation and parks and gardens teams now manage their respective areas of The Quarter HQ maintenance and servicing.

## **DISCUSSION**

Officers have assessed the viability of the City directly undertaking financial management of The Quarter HQ, however, the City currently has limited capacity or officers with the necessary skillset to take over the financial management of The Quarter HQ.

On this basis it is proposed to outsource the financial management of The Quarter HQ to ensure a high level of service delivery is maintained.

If Council agree to invite tenders, the proposed scope of the works in the request for tender would primarily comprise financial management activities including but not limited to the following:

- Opening and maintaining a Trust Account for the Property and dealing with the moneys in that account.
- Collection of monies i.e., rent, outgoings, strata levies, operating expenses.
- Processing operating expenses for payment.
- Reviewing sundry income charges and increasing income where possible.
- Account and provide a monthly report in detail of income and expenditure
- Prepare annual budgets.
- Issue tax invoices e.g., rent, rent increase, CPI and market date reviews, outgoings, strata levies, operating expenses.
- Issue relevant notices e.g., rent increases, breaches, terminations.
- Negotiate payment plans for City approval.
- Pursue debt recovery.
- Process all sundry charges.
- Maintain a detailed tenancy schedule which records all critical lease information including term, expiry date, rent and other reoccurring charges, rent review dates, tenants portion of outgoings and option period.
- Handle all tenant financial enquiries.
- Manage all tenants in line with leasing financial commitments e.g. to rent payments, invoicing, rent reviews.

- Ensure that rental escalations, review and formula increase are implemented on time.
- Maintain all tenant files and correspondence.
- Maintain lease documents in a secure location.
- Building and tenancy valuations.
- Payment of invoices to creditors and reimbursement to the City.
- Prepare and providing monthly and EOFY reporting.
- Completion of third-party financial audits, where required.
- Open two way dialogue with the City on financial matters relevant to any of the above.
- Ad hoc professional financial advice when required.

Currently there is only one officer with the required expertise to fulfil the facility management obligations. It is proposed to extend the scope of services to include facility management on an ad-hoc basis as a backup option for the City.

By including facility management activities in the proposed contract, it will ensure there is not a reduction in service level should the officer take leave or have insufficient capacity.

It is proposed that the contract be for an initial term of nineteen months to align the end date with the end of financial year and include two, one-year extension options exercisable at the absolute discretion of the City.

#### **LEVEL OF SIGNIFICANCE**

In accordance with Council policy CG-8 Significant Decision-Making policy, this matter is considered to be of medium significance in terms of economic issues.

#### **STATUTORY IMPLICATIONS**

Section 3.57 of the *Local Government Act 1995* requires tenders be sought above a prescribed amount in accordance with regulations.

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

No Councillor or Officer consultation is required.

#### **COMMUNITY CONSULTATION**

No community consultation is required.

#### **POLICY IMPLICATIONS**

CG11 – Regional Price Preference and CG12 – Purchasing Policies are applicable to this matter.

#### **FINANCIAL IMPLICATIONS**

Council has allocated \$4,000 per month in its 2024/25 Budget for Property Management Services at The Quarter HQ.

A further \$10,000 per month has been allocated to Facility Management at The Quarter HQ. This budget allocation will cover any ad-hoc services performed under the proposed contract as well as other service contracts associated with facility management.

**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 2024-2025 provided for this activity:

Programs/Services:	2.a.2.4	Lease Management
	2.c.2.3	Treasury and Investment Management
Projects/Actions:	2.a.2.4.20.1	Manage commercial and community leasing arrangements
	2.a.2.4.20.2	Promote competitive leasing opportunities for City property and land through commercial and community use
	2.c.2.3.19.1	Generate returns from property investment

**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	Moderate	Expenditure to be monitored against approved budgets. Having a contractor with the required financial management expertise will ensure The Quarter HQ operates efficiently whilst reducing potential delays processing incoming and outgoing expenditure.
Service Interruption	Low	Finances to be processed in a timely manner and in accordance with local government requirements.
Environment	N/A	Nil
Reputation	Moderate	Failure to main current service levels at the City’s facility could lead to community feedback and complaints.
Compliance	Low	Tenders would be administered in accordance with the <i>Local Government Act 1995</i> and associated regulations.

**IMPACT ON CAPACITY**

There is no impact on capacity or resourcing to carry out the Officer’s recommendation. If awarded the contract would be managed by the Governance team as per the City’s Operational Plan 2024-2025.

**RELEVANT PRECEDENTS**

Since The Quarter was developed in 2015/16 The Quarter HQ has been property managed by a third-party contractor.

**VOTING REQUIREMENTS**

Simple Majority.

**OPTIONS:**

Option 1

As per Officer’s recommendation.

Option 2

That Council NOT INVITE tenders for Commercial Property Management Services at The Quarter HQ at this time and continue with the temporary contract with VPG.

**CONCLUSION**

Council is requested to consider the request to invite tenders for Property Management Services at The Quarter HQ. The City is currently unable to undertake the financial management of The Quarter HQ in-house at this time and requires the expertise of an experienced property manager to ensure continuity of services.

## 10 COMMUNITY EXPERIENCE REPORTS

### 10.1 POINT SAMSON INTERIM PLAN – PROGRESS STATUS REPORT

<b>File No:</b>	CR.98
<b>Responsible Executive Officer:</b>	Director Community Experience
<b>Reporting Author:</b>	Community Planning Manager
<b>Date of Report:</b>	19 July 2024
<b>Applicant/Proponent:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	Point Samson Interim Plan

#### PURPOSE

To provide Council with information about the status of each action in the Point Samson Interim Plan.

---

#### OFFICER’S RECOMMENDATION

**That Council RECEIVE the first 3-monthly Status Report on the Point Samson Interim Plan.**

---

#### BACKGROUND

At its meeting held 29 April 2024, Council endorsed the Point Samson Interim Plan (the Plan) (Attachment).

The Plan identifies projects and opportunities raised by the Point Samson community to be progressed while a broader process is undertaken to develop a place planning approach and a medium to long-term plan for the town in Financial Year (FY) 24-25.

To support delivery of the Interim Plan, the Administration will:

- Report quarterly to Council on status and progress of actions / projects in the Interim Plan.
- Facilitate a Community Working Group to be coordinated by the Engagement Team.

The Community Working Group will become a key point of contact for the Point Samson community to share ideas or provide feedback on City projects or initiatives moving forward.

This agenda report provides Council with information about the status of each action in the Point Samson Interim Plan.

#### DISCUSSION

##### 1. Progression of actions / projects

Table 1 provides a list of actions/projects scheduled for delivery in FY23/24 and FY24/25 from the approved Interim Plan. An update of the estimated progress of each item and relevant comments from the responsible Administration department lead is provided.



**Table 1**

No.	Item	Lead	Year of Delivery		Role	Status	Update
			23/24	24/25			
<b>1. Our Community – Inclusive and Engaged</b>							
1.1	Undertake an audit of signage, including place names, information boards and interpretive signs throughout the town and develop a plan to renew.	Community Planning		✓	Service Provider	In progress	The City will perform an audit of existing signage in October 2024 to determine which signage assets need replacing. Signage that is not up to standard will be replaced as part of the standard maintenance budgets for signage ('like for like').
1.2	Develop and install a new town entrance sign with the community.	Community Planning	✓		Service Provider	In progress	A Project Plan for the Town Entrance Sign was finalised at the end of July 2024 for Community Experience Director review / approval and was presented to PSCA and Point Samson Working Group for feedback in August.
1.3	Improve town entrance, including planting, information boards and investigate options regarding heritage items.	Community Planning	✓ (heritage items only)	✓	Service Provider	In progress	Improvements to the town entrance will be considered and planned as part of item 1.2.  The heritage items (water cart and wagon) have been washed and painted with "intergrain" coating. The shunter was completed prior to July 30, 2024. Fencing was considered for placement around the shunter however instead a "Please Keep Off" Sign will be erected once the shunter has been painted. A schedule for future preventative maintenance will be completed.
1.4	Undertake a feature survey and constraints study for a footpath from Honeymoon Cove carpark to John's Creek Boat Harbour to inform assessment for inclusion in the City's Footpath Strategy.	Asset Maintenance		✓	Service Provider	In progress	A design/feasibility package is planned for the Honeymoon Cove to Johns Creek Footpath in first half of FY24/25. The project is budgeted for the City's in-house design team to complete. A desktop assessment of this item has indicated the approval process will be complex due to existing services, Aboriginal Cultural Heritage (ACH) requirements and land ownership issues. A project plan (including the timing of stakeholder engagement) will be finalised and presented to PSCA and/or Point Samson Working Group.
1.5	Install lighting along footpath from Honeymoon Cove Carpark to The Cove Caravan Park.	Community Planning	✓	✓	Service Provider	In progress	\$100,000 was approved at the RTIO Partnership Governance Committee and allocated to solar footpath lighting project. The City has received all 10 solar lights that are required as per design for Point Samson. The City has marked the locations at site for the lights. Construction work commenced on 19 July 2024 for solar light installation.
1.6	Undertake site assessment and design of a BMX / pump track supported by other amenities (shade, BBQ, water fountain and seating) and consider the	Community Planning		✓	Service Provider	In progress	A project plan outlining the tasks / milestones for delivery will be finalised for Community Experience Director review / approval. To be presented to PSCA and/or Point Samson Working Group for feedback in August.

	relocation and incorporation of the existing half pipe into the design).						Early internal planning and investigation for this project suggests it may be more feasible to develop the pump track facility, relocated skate element and half-court basketball area (see item 1.8) as a 'youth area' as a whole, rather than individual projects. This is due to the high number of planning and environmental constraints associated with the location of the current informal BMX track (land tenure, ACH, potential asbestos contamination) and limited availability of unconstrained land in Point Samson overall.  Project includes a \$250,000 contribution from Rio Tinto for development.
1.7	Revitalisation of Honeymoon Cove Carpark.	Community Planning		✓	Service Provider	In progress	A Project Plan outlining the tasks / milestones for delivery will be finalised for Community Experience Director review / approval.
1.8	Identify appropriate location and consider installation of half basketball court.	Asset Maintenance		✓	Service Provider	In progress	A Project Plan outlining the tasks / milestones for delivery will be finalised for Community Experience Director review / approval. See item 1.6.
1.9	Install water tap in Point Samson Community Park, near BBQ.	Asset Maintenance		✓	Service Provider	In progress	Item is budgeted for and planned for installation in FY24/25. Confirmation of the location and closest water supply will be determined in the early part of the financial year by the City.
1.10	Investigate need for installation of a dump point to receive liquid wastes from caravans.	City Growth		✓	Partner	In progress	This item will be considered as part of the Destination Management Plan and Economic Development Strategy review. Both projects are budgeted for delivery in FY24/25 and are in the planning phase.
1.11	Partner with the Water Corporation (landowner) to consider installation of a seat with shade on Tank Hill.	Community Planning		✓	Partner	Hold	Land tenure is being investigated. Further engagement with the community is required to confirm whether the City proceeds with this project.
1.12	Investigate options to replace removed elements from the Point Samson Community Park Playground.	Community Planning		✓	Service Provider	Not commenced	This work is internally being investigated for inclusion in the playground upgrade program. Community engagement will be undertaken on what elements are chosen to go in.
1.13	Review footpath strategy for Point Samson to improve pedestrian access to beaches and other town destinations, such as the tavern, caravan parks and playground.	Community Planning			Service Provider	<i>Not for action this FY</i>	No update required. Works commence in FY 25/26.
1.14	Re-establish service levels to general parks and gardens maintenance, increase tree planting and beautify garden beds throughout the town.	Asset Maintenance	✓	✓	Service Provider	In progress	A new maintenance service contract awarded to Handy Hands, this also includes an increase in the level of service and the ability to upgrade various areas throughout Point Samson. The City has allowed budget for enhancement works and improvement works throughout Point Samson in FY24/25 with the intent that Handy Hands will deliver this on our behalf as part of their new contract. The City have also re-structured a section of the Parks and Gardens team and now have a dedicated resource to the Eastern Areas to provide consistent direction and advice as part of a review and audit

							on standards. This is part of a change in plan to increase service levels in the Eastern Areas as a whole.
1.15	Advocate to Main Roads Western Australia (MRWA) for the sealing of Sam's Creek Road intersection.	Asset Maintenance	✓	✓	Advocate	In Progress	The City will discuss with MRWA at next interagency meeting planned for 22 August 2024. The City has sent out a street cleaner to address loose gravel.
1.16	Partner with the Department of Transport to consider installation of a shelter and information signs at Pope's Nose.	Community Planning		✓	Partner	Not commenced	No action taken to date. The City is developing an internal plan of ways to approach.
1.17	Renew picnic tables and shelters at key locations within the town.	Asset Maintenance	✓	✓	Service Provider	In progress	The BBQs in Point Samson have reached end of life. The City is reviewing the BBQ and Shelter Plan to look at a combination arrangement that provides seating and BBQs. This would be a similar arrangement to what is at Nickol West park which provides double BBQ and bench space combination as well as shaded seating.
1.18	Review dog control and signage at Honeymoon Cove Beach and Front Beach.	Ranger Services		✓	Regulator	In progress	The City is developing an internal plan of ways to approach this request. Community engagement will be undertaken once a plan of tasks is determined.
1.19	Advocate to Department of Transport to improve parking and traffic flows at John's Creek Boat Harbour.	Director Strategic Projects & Infrastructure	✓	✓	Advocate	In progress	The City has contacted the Department of Transport (DoT) to discuss this matter. A DOT representative is visiting the Pilbara Region in August 2024 and will make contact with the Acting CEO to meet at Point Samson to discuss the issue.
1.20	Partner with the Department of Transport to investigate installation of fish cleaning facilities, bike rack, water fountain and shade at John's Creek Boat Harbour.	Community Planning			Partner	<i>Not for action this FY</i>	No update required. Scheduled for FY25/26.
<b>2. Our Environment – Thriving and Sustainable</b>							
2.1	Develop an advocacy plan for the following environmental issues: a) Industry Buffer zone and conservation area between Cape Lambert and the town, b) Constricted tidal flow under Pope's Nose bridge, c) Mangrove health, d) Reef health.	CEO's Office	✓	✓	Advocate	Hold	A new role has been created by the CEO to progress Advocacy related actions. Work on this item will commence with the appointment of the Advocacy Manager in August 2024.
2.2	Review Point Samson Foreshore Management Plan, following completion of a Coastal Hazard	Planning			Service Provider	<i>Not for action this FY</i>	No update required. Scheduled for FY26/27.

	Risk Management and Adaption Plan.						
2.3	Investigate inclusion of Sam's Creek Tamarind Historic Tree on the Heritage Register and install information signage.	Community Programming		✓	Service Provider	In progress	The Tamarind Tree is registered as part of the Sam's Creek and Harbour Heritage Inventory listing (Place No. 53). The City has commenced investigation into if the item can be listed individually. The team we will provide an update once a response is received from DPLH.
<b>3. Our Economy: Well Managed and Diversified</b>							
3.1	Investigate demand for and opportunities to provide pop up tourism and business offerings during peak times as part of the review of the City's Destination Management Plan and Economic Development Strategy.	City Growth		✓	Partner	In progress	The City has commenced scoping the Destination Management Plan and Economic Development Strategy review and are preparing a project plan to guide delivery. Budget was approved by Council to progress both items in FY 2024/25.
<b>4. Our Leadership: Proactive and Accountable</b>							
4.1	Establish a working group consisting of representatives from the Point Samson Community Association, residents, business, visitors (i.e. Representative from Wickham) and City of Karratha officers to identify opportunities to work collaboratively and to provide input into and updates on the delivery of projects and development of future plans for Point Samson.	Community Engagement	✓	✓	Partner	In progress	A Terms of Reference was drafted, and an Expression of Interest (EOI) was advertised in July, with first meeting to be held in August.
4.2	Report quarterly on progress of the Point Samson Plan to Council.	Community Planning	✓	✓	Regulate	In progress	First written update on progress of the Point Samson Interim Plan actions presented to August OCM (19 Aug 2024) in line with Quarterly reporting requirements (this report).

**2. Community Working Group**

As stated in Table 1 (Item 4.1), a Terms of Reference for the Community Reference Group was drafted and an EOI was advertised in July 2024, with the first meeting to be held in late August.

To provide strategic oversight and guidance to the Interim Plan, relevant officers will provide regular progress reports to assist with informing relevant external stakeholders in a timely manner.

**LEVEL OF SIGNIFICANCE**

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

**STATUTORY IMPLICATIONS**

There are no statutory implications.

**COUNCILLOR/OFFICER CONSULTATION**

Consultation has taken place across the organisation with respect to feedback on the status of the Interim plan actions.

**COMMUNITY CONSULTATION**

An update on the actions in the Interim Plan will be provided to the Community Working Group at the first meeting for feedback and input.

**POLICY IMPLICATIONS**

There are no policy implications.

**FINANCIAL IMPLICATIONS**

An accurate indication of the financial implications for the life of this plan will not be known until actions are planned for and progressed.

An initial amount of \$420,000 is included in the 2024/25 financial year, with some projects funded partly through existing partnerships.

**STRATEGIC IMPLICATIONS**

There are no strategic implications.

**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	Initial progress of actions is to undertake concepts and scoping of projects to understand cost to deliver, which will be subject to future Council decisions.
Service Interruption	N/A	Nil
Environment	N/A	Nil
Reputation	Low	The Interim Plan enables the progress of projects identified by the community to enable time to complete a comprehensive and collaborative process with the community to develop medium to long term place plans.
Compliance	N/A	Nil

**IMPACT ON CAPACITY**

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

**RELEVANT PRECEDENTS**

Council regularly receives reports and project status updates via Council Agenda items.

**VOTING REQUIREMENTS**

Simple Majority.

**OPTIONS:**

Option 1

As per Officer’s recommendation.

Option 2

That Council:

REJECT the Quarter 1 Status Report on the Point Samson Interim Plan; and instruct Officers to:

- a) \_\_\_\_\_
- b) \_\_\_\_\_

**CONCLUSION**

The City has made positive progress in progressing the actions and projects identified in the Point Samson Interim Plan. The Community Working Group will become a key point of contact for the City to share this progress with the Point Samson community and seek collaborative feedback and input on the identified initiatives moving forward.

## 10.2 MEDICAL SERVICES HOUSING SCHEME REVIEW

<b>File No:</b>	CR.98
<b>Responsible Executive Officer:</b>	Director Community Experience
<b>Reporting Author:</b>	Community Planning Manager
<b>Date of Report:</b>	19 July 2024
<b>Applicant/Proponent:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	Medical Services Housing Subsidy Review (EY Report)

---

### PURPOSE

To provide Council with information on the outcomes of a review examining the effectiveness, efficiency and impact of the Medical Services Housing Subsidy scheme, and inform decision making on whether to: a) continue the scheme as is; b) redesign/improve the scheme; c) discontinue the scheme, or d) adopt an alternative means to support sustainable primary healthcare in the City.

---

### OFFICER'S RECOMMENDATION

That Council:

1. **RECEIVE the Medical Services Housing Subsidy (MSHS) Review.**
2. **ENDORSE Option 5 of Table 1 within this report, to discontinue the MSHS after 30 September 2024; and**
3. **REQUEST the Chief Executive Officer in FY 2025/26 to investigate the health care needs of the City's community and associated workforce demands to establish clear priorities for Council to consider.**

---

### BACKGROUND

The Medical Services Housing Subsidy (MSHS) is an incentive program administered by the City of Karratha (City) to attract and retain health practitioners in the City. The MSHS pays an income supplement to employers of eligible general practitioners (GPs) and allied health practitioners (AHPs) who rent in the City's private rental market. The objectives of the MSHS are:

- To improve the access and availability of GP/AHP appointments.
- To assist and offer continuity of care through the consistent presence of a GP.
- To reduce the turnover of GPs/AHPs in the City.

The logic of the scheme is that the provision of a rental income incentive will:

- Attract and increase the number of GPs/AHPs in the City, which supports improved service provision through reduced wait times and appointment availability.
  - Help retain GPs/AHPs in the City, which supports reduce workforce turnover and enables improved continuity of care.
-

The MSHS originated from the predecesing Medical Services Incentive Scheme and then Medical Services Equalisation Scheme (MSES), first established in 2008 through a partnership commitment between several major sponsors. The scheme ran for 10 years and included provision of subsidised housing directly to GPs as well as an annual cash travel allowance and a cash loyalty payment made each year the GP completed service. The MSES was reviewed in 2011 and 2015, with the scheme expiring in December 2018.

The MSHS was introduced in 2020 (Ordinary Council Meeting (OCM) 16/03/2020). Since 2020, Council has extended the MSHS twice (see OCM 22/02/2021). The scheme was acknowledged as a “short-term option” in the OCM Report in 2020.

Under the MSHS, rental assistance is paid quarterly to the clinic. The amount paid is defined by determining the average median rent for an apartment or house in Perth with the difference between the cost in the City. The maximum payment under the scheme is \$300 per week. The number of participants in the scheme for any year is capped to the amount held in the reserve.

The scheme has an implementation budget of \$306,000 for the FY22/23 – 23/24 period, with \$181,000 paid or committed (as per April 2024). This leaves a remainder of \$103,607.00<sup>1</sup>, which is insufficient funds to cover the current 7 participants for another full year (i.e. FY24/25). The scheme is entirely funded via Medical Services Reserve funds through industry contribution.

With the anticipated exhaustion of the reserve, the City of Karratha commissioned consultants EY to conduct a high-level review of the MSHS.

The Final MSHS Review Report was provided to the City on 14 June 2024. The review sought to:

- Examine the degree to which the objectives and outcomes of the MSHS are being achieved and whether changes to the scheme could improve its efficiency and/or effectiveness.
- Provide clarity on the need and role of the City in supporting the provision of sustainable primary healthcare in the City.
- Provide conclusions and recommendations with respect to ongoing implementation of the MSHS.

The review was guided by several research questions and a review framework (Figure 1), which was developed through collaboration with the City’s internal project team.

---

<sup>1</sup> As per 18 July 2024.



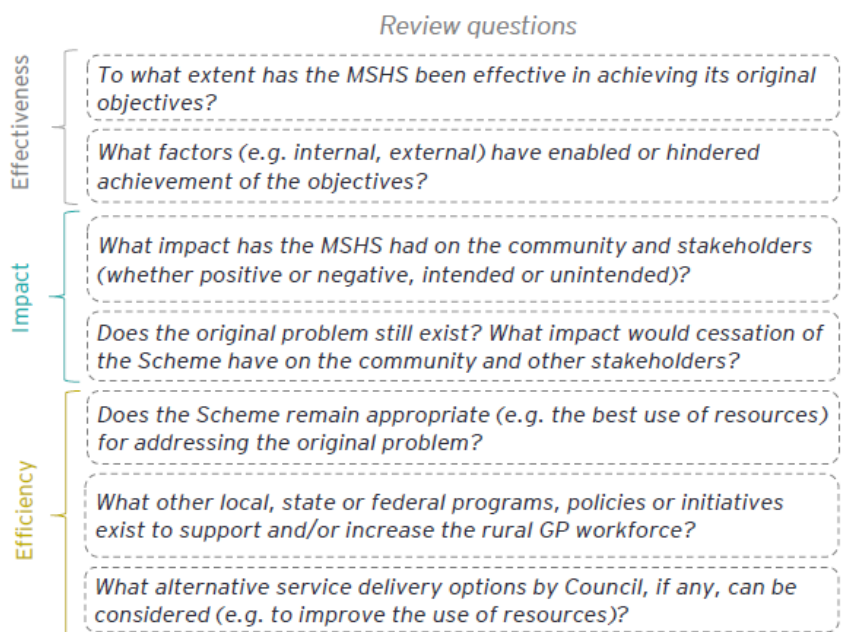


Figure 1 Strategic research framework

The evidence base informing the findings of the review included:

- Review of desktop literature and Australian health data and statistical sources.
- Review of scheme administration data.
- Interviews with 15 stakeholders (current and former scheme participants, enquiring practices, and representatives of government and non-government organisations).

## DISCUSSION

A summary of the key findings and data from the EY Report (Attachment) follows.

### 3.1. To what extent has the MSHS been effective in achieving its original objectives?

Overall, there has been an average of 9 participants per year on the Scheme, with FY21/22 being the highest year of uptake at 15 participants. Since then, there has been a downward trajectory on the Scheme’s uptake with only 7 participants in FY23/24<sup>2</sup>.

At the time of reporting, there were 3 GPs and 5 AHPs (Speech Pathologist, Occupational Therapist, Physiotherapy services) accessing the Scheme<sup>2</sup>. Only 2 practices in the City use the Scheme.

In terms of the objectives of attraction and retention, based on the EY report:

- a) GPs:
- The total GP workforce in City of Karratha was 11 in 2020 and 10 in 2024, which indicates on average, the MSHS attracted 15% of the local GP workforce.
  - Across the 4 years from FY20/21 to FY23/24, the Scheme attracted 12 GP applicants, with 10 determined eligible to apply.
  - The overall GP retention rate of the program is 30% (i.e. 3 out of all 10 GP participants are still receiving subsidy payments).
  - In FY20/21, 5 GPs started on the MSHS with only one now still on the scheme (i.e. 20% retention rate). This outperforms the market retention rate of 13%.

<sup>2</sup> Includes one share house with two AHPs.

- The Scheme did not retain any GPs in FY21/22 or attract any GPs in FY22/23.
- b) AHPs:
- As of 2024, the local AHP workforce in City of Karratha has grown to a total of 40 people, up from 21 in 2020.
  - Across the 3 years from FY21/22 to FY23/24, the Scheme attracted 18 AHP applicants, with only 13 determined eligible.
  - The overall AHP retention rate of the program is 38% (i.e. 5 out of all 18 AHP participants are still receiving subsidy payments).
  - In FY21/22, 9 AHPs started on the scheme with 3 people still on the scheme (i.e. 33% retention rate for FY21/22).
  - Approximately 25% of the retained local AHP workforce since FY21/22 are MSHS participants.

Despite playing a positive role in workforce attraction and retention, the Scheme is not having a sizeable impact on the other outcome areas it seeks to improve:

- Wait-times for GP and AHP remain high in the City of Karratha. The average wait time for a GP appointment was reported during consultation as ranging from 5 days to 6 weeks depending on the practice. Monitoring since June 2024 by City officers however confirm same day/next day appointments are available, if open to any practitioner. Wait-times for AHP services were reported as ranging from 1 week to 12 months depending on the service required. Monitoring since June 2024 by City officers however confirms same day physiotherapy appointments are available, however there are longer wait times for specialists focused on NDIS/ paediatric specialists.
- GP turnover: The Pilbara region continues to have one of the highest rates of GP turnover of all WA regions at 28%. Local practices report significantly higher rates of 80% in 2020 and 70% in 2022. AHP turnover rates are slightly better with 75% in 2020 and 50% in 2022.

The EY report concludes there is opportunity to better modify the scheme to better meet its objectives and serve the City of Karratha's healthcare needs (refer to Table 1).

### 3.2 What factors have enabled or hindered achievement of the objectives?

All stakeholders consulted as part of the study indicated that accessing affordable housing continues to be the largest barrier to attract and retain GPs and AHPs.

Other factors identified as potentially affecting the effectiveness of the Scheme include:

- High rental prices
- Differing motivations of healthcare workforce
- High expectations as to benefits
- Restrictive eligibility criteria.

### 3.3 What impact has the MSHS had on the community and stakeholders?

Current scheme participants (2 Private Clinics) suggest that if it was not for the MSHS there would be a significant reduction in their capacity to provide general practice services.

With respect to the current individual GPs and AHPs on the Scheme, it is circumstantial as to whether the subsidy amount makes a significant or little impact on their broader cost of living. Clinics suggested the rental subsidy works as a “softener” but is not sufficient to attract and support a whole family, which may impact the longevity of a practitioner stay.

All stakeholders during consultation stated the Scheme poses an unnecessary administrative load on participating practices and respective GPs/AHPs. There is an identified need to revise the administration of the Scheme.

Stakeholders indicated housing shortages and attraction and retention issues do not just impact GPs and AHPs but extend to other vital clinic employees (eg practice support staff). It was suggested roles which are not adequately filled, just like GPs and AHPs, impact the continuity of the service and should also be covered by the Scheme.

Feedback from stakeholders indicates that relying solely on rental subsidies is not fully effective in cultivating long-term residency. To truly attract and retain new GPs and AHPs, a combination of rental assistance and home ownership incentives was suggested.

3.4. Does the original problem still exist (e.g. is intervention required)?

Despite evidence of the scheme playing a positive role in workforce attraction and retention, there remains an ongoing shortage of GP healthcare professionals in the City of Karratha.

Figure 2 compares the average FTE GP population ratio across Karratha and each Modified Monash Model (MMM)<sup>3</sup> area in 2022-23<sup>4</sup>. The City of Karratha, which sits in the MMM6, has the lowest GP to population ratio to any MMM Area (EY 2024).

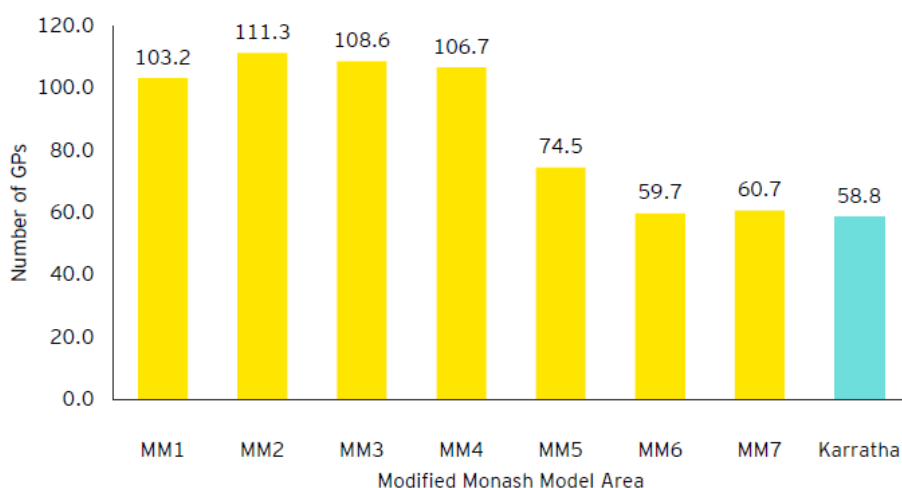


Figure 2: FTE GP per 100,000 population WA

Figure 7 in Attachment illustrates the issue is not unique to the City of Karratha local government area alone. Equivalent data is not available for the AHP workforce. While workforce estimates are well-developed for the medical workforces, the same is not true for allied health, due to data issues, and conceptual difficulties in the work of allied health professionals<sup>5</sup>.

Information shared as part of stakeholder consultation suggested that local practices currently have 45% of the GP workforce and 79% of the AHP workforce required to meet current demand (at the time of reporting). Based on these figures, the EY Report estimated

<sup>3</sup> The Modified Monash Model (MMM) is a geographical classification system used by the Australian Government to categorise regions to support effective resource distribution. The model divides the regions into seven categories: from MMM1, representing major cities, to MMM7, representing the most remote areas. The City of Karratha is in the MMM6.

<sup>4</sup> <https://hwd.health.gov.au/resources/data/gp-primarycare.html>

<sup>5</sup> [https://www.health.gov.au/sites/default/files/documents/2022/09/allied-health-workforce-data-gap-analysis-issues-paper\\_1.pdf](https://www.health.gov.au/sites/default/files/documents/2022/09/allied-health-workforce-data-gap-analysis-issues-paper_1.pdf)

the City would require an additional 14 FTE GPs and 20 FTE AHPs in total to meet future demand and bridge the gap between the current workforce and the workforce said to be required<sup>6</sup>.

3.5 What other local, state or federal programs, policies or initiatives exist to support and/or increase the rural GP workforce?

GPs and AHPs are offered a range of incentives to work in regional and remote areas, including: relocation payments; housing subsidies; professional development allowances; education scholarships; retention benefits; vehicle assistance; and family support initiatives.

The current Scheme subsidy is considered modest in the context of the identified housing and liveability subsidies provided to local healthcare workers.

Refer to Page 24 of Attachment.

3.6. What alternative service delivery options by Council, if any, can be considered?

Four options were proposed in the EY Report, differentiated by the underlying Scheme approach (i.e. equalisation or proactive attraction tool), subsidy amounts and whether the subsidy amount is differentiated between GPs and AHPs.

Refer to Page 18 of Attachment.

## **OPTIONS ANALYSIS**

Table 1 provides an assessment of the 7 recommendations which consider the scheme being continued, repealed or replaced with an alternative. This includes 4 options proposed in the EY Report (Options 1 – 4) (Page 18 of Attachment).

---

<sup>6</sup> The 14 FTE GP figure reflects the difference in the number of GPs required to meet the same GP to population ratio as metropolitan areas. The 20 FTE AHP figure reflects the proxy number of AHPs local practice representatives stated they would require to meet future demand.

**Table 1:** Options for consideration

Recommendation	Option	Description	Assessment / commentary	Cost
1. Scheme should remain as is	1	<p><b>Renew Scheme - Maintain as is</b></p> <p>The Scheme continues to be tool used to equalise rental price differentiation between Perth and Karratha, up to \$300 per week.</p>	<p><u>Positives:</u></p> <ul style="list-style-type: none"> <li>Capacity to support the greatest number of participants of all options.</li> </ul> <p><u>Negatives:</u></p> <ul style="list-style-type: none"> <li>The scheme in its current form is not having a large impact on its objectives.</li> <li>The scheme in its current form is burdensome to stakeholders.</li> <li>Considered unsustainable to request ongoing contributions from Industry partners to cover the scheme cost. Any continuation of the Scheme from 1 October 2024 will be at the City’s cost.</li> <li>Rental payments do not address the critical challenge of securing a house in a competitive market (e.g. secured access, not just affordability).</li> </ul>	<p>a. Based on current eligible applicants (7): \$77,532 / annum</p> <p>b. Based on cap of 14 FTE (EY example scenario): \$155,064 / annum</p> <p>c. If gap between current and required GP (evidenced) and AHP (anecdotal) numbers are met: \$465,192 / annum</p>
2. Scheme should remain but implementation should be revised or improved	2	<p><b>Amend Scheme – Flat-rate (\$300)</b></p> <p>The Scheme provides a flat rate of \$300 per week to all eligible scheme participants.</p>	<p><u>Positives:</u></p> <ul style="list-style-type: none"> <li>Requires minimal administrative effort.</li> <li>Allows a robust number of participants to be supported compared to alternative options.</li> </ul> <p><u>Negatives:</u></p> <ul style="list-style-type: none"> <li>\$300 is demonstrated as not a strong incentive for GP attraction.</li> <li>Considered unsustainable to request ongoing contributions from Industry partners to cover the scheme cost. Any continuation of the Scheme from 1 October 2024 will be at the City’s cost.</li> </ul>	<p>a. Based on current eligible applicants (7): \$109,200 / annum</p> <p>b. Based on cap of 10FTE (EY example scenario): \$156,000 / annum</p> <p>c. If gap between current and required GP (evidenced) and AHP (anecdotal) numbers are met: \$655,200 / annum</p>

			<ul style="list-style-type: none"> <li>Rental payments do not address the critical challenge of securing a house in a competitive market (e.g. secured access, not just affordability).</li> </ul>	
3	<p><b>Amend Scheme – Flat-rate (\$400)</b></p> <p>The Scheme provides a flat rate of \$400 per week to all eligible scheme participants</p>	<p><u>Positives:</u></p> <ul style="list-style-type: none"> <li>Likely to have greater capacity to retain and be a proactive incentive tool for GPs.</li> </ul> <p><u>Negatives:</u></p> <ul style="list-style-type: none"> <li>Constrained in number of participants supported.</li> <li>The amount may overcompensate AHPs.</li> <li>Considered unsustainable to request ongoing contributions from Industry partners to cover the scheme cost. Any continuation of the Scheme from 1 October 2024 will be at the City’s cost.</li> <li>Rental payments do not address the critical challenge of securing a house in a competitive market (e.g. secured access, not just affordability).</li> </ul>	<p>a. Based on current eligible applicants (7): \$145,600 / annum</p> <p>b. Based on cap of 7FTE (EY example scenario): \$145,600 / annum</p> <p>c. If gap between current and required GP (evidenced) and AHP (anecdotal) numbers are met: \$873,600 / annum</p>	
4	<p><b>Amend Scheme –Differentiate rates</b></p> <p>The Scheme subsidy differentiates between GPs and AHPs. A flat rate of \$400 per week is granted to GPs. The Scheme continues to be utilised as an equalization tool of up to \$300 for AHPs.</p>	<p><u>Positive:</u></p> <ul style="list-style-type: none"> <li>Similar levels of administration required to present.</li> <li>Subsidy amounts believed to be better aligned to market expectations of GPs and AHPs based on current Scheme subscription levels and average subsidies paid to GP and AHP cohorts.</li> <li>Accommodates a maximum increase of 1FTE GP based on current GPs accessing the program.</li> </ul>	<p>a. Based on current eligible applicants (3 GPs &amp; 4 AHPs): \$106,704 / annum</p> <p>b. Based on cap of 4FTE GPs and 7FTE AHPs (EY example scenario): \$160,732 / annum</p> <p>c. If gap between current and required GP (evidenced) and AHP (anecdotal) numbers are met: \$630,500 / annum</p>	

			<p><u>Negative:</u></p> <ul style="list-style-type: none"> <li>• Considered unsustainable to request ongoing contributions from Industry partners to cover the scheme cost. Any continuation of the Scheme from 1 October 2024 will be at the City’s cost.</li> <li>• Rental payments do not address the critical challenge of securing a house in a competitive market (e.g. secured access, not just affordability).</li> <li>• Limited number of applicants eligible for the scheme based on budget and will require a process to determine suitability.</li> </ul>	
<p>3. Scheme should be removed without replacement</p>	<p>5</p>	<p><b>Do nothing</b></p> <p>Let the scheme expire. There are numerous state and federal schemes available</p> <ul style="list-style-type: none"> <li>▪ Average weekly subsidy: NA</li> <li>▪ Yearly payment: NA</li> <li>▪ Participants supported: NA</li> <li>▪ Total participants supported across 2 years: NA</li> </ul>	<p><u>Positive:</u></p> <ul style="list-style-type: none"> <li>• Healthcare is not the purview of the City, nor is housing of well compensated health care practitioners. Rather, the City should focus on its Housing Action Plan and supporting affordable housing. If City continues to foray into medical services, consider a patient-centric focus (e.g. bulk billing mandates, lower cost appointments).</li> <li>• The below evidence supports repeal of the scheme:             <ul style="list-style-type: none"> <li>- The scheme in its current form is not having a large impact on its objectives.</li> <li>- The scheme is undersubscribed and is downward trending in uptake by participants.</li> <li>- In its current form is burdensome to stakeholders.</li> <li>- Only 2 clinics in the City use the</li> </ul> </li> </ul>	<p>Nil</p>

			<p>scheme.</p> <p><u>Negative</u></p> <ul style="list-style-type: none"> <li>• Another type of intervention from the City may still be required given the original problem (undersupply of GPs) remains. The extent of the problem for AHPs cannot be established.</li> <li>• Current recipients and potential applicants will no longer have access to the scheme from 30 September 2024, however it has been well communicated that the scheme was to end 30 June 2024.</li> </ul>	
4. Scheme should be replaced	6	<p><b>Provide Houses</b></p> <p>Cease cash payments. Exclude AHPs, their uptake suggests scheme is a nice-to-have, not necessary to their retention. Re-focus scheme on provision of discounted, quality GP housing.</p> <p>Costs to be further investigated and administrative processes to be established.</p>	<p><u>Positive:</u></p> <ul style="list-style-type: none"> <li>• Provision of housing eases attraction/retention for GPs.</li> <li>• The City is able to manage this via the existing processes established for the Service Worker Accommodation (SWA) program, utilising different criteria which is administratively more efficient.</li> <li>• The below evidence supports repeal of the scheme: <ul style="list-style-type: none"> <li>- The scheme in its current form is not having a large impact on its objectives.</li> <li>- The scheme is undersubscribed and is downward trending in uptake by participants.</li> <li>- The scheme in its current form is burdensome to stakeholders.</li> <li>- Only 2 clinics in the City use the scheme.</li> </ul> </li> </ul>	<p>Cost to purchase a 4x2 house for the purpose of this scheme would be in the range of \$750,00 to \$850,000 per house.</p> <p>Revenue raised – (based on subsidised rent \$800pw): \$166,400 / annum</p> <p>Opportunity cost (based on \$1,200pw market rent): \$83,000 / annum</p>



			<p><u>Negative:</u></p> <ul style="list-style-type: none"> <li>• Support for AHPs would be removed. This may cause negative community perception of the Council and not be supported by current scheme participants.</li> <li>• A loss of potential higher income stream from rental houses at market rate.</li> <li>• A new program will need to be established, which will take time.</li> <li>• There are currently no City houses available to be utilised for this scheme with some City staff on a waitlist for any housing that becomes available in the near future. The City would have to purchase additional housing stock to support this scheme.</li> </ul>	
7		<p><b>Offer Other incentives</b></p> <p>Provide GPs/AHPs with other incentives (e.g. free access to city facilities). Keep it low maintenance and avoid the exchange of money. The City could support the attraction and retention of AHPs by providing complimentary access/use of City facilities</p> <p>Costs to be further investigated and established.</p>	<p><u>Positive</u></p> <ul style="list-style-type: none"> <li>• The City is supporting the attraction and retention of AHPS/GPs, albeit in a different format.</li> </ul> <p><u>Negative:</u></p> <ul style="list-style-type: none"> <li>• EY study suggests such incentives are not strong attraction and retention mechanisms for GP workforce, who are more incentivised by significant housing benefits, relocation schemes and a high earning potential.</li> <li>• Expectation from other industry sectors for similar incentives.</li> </ul>	<p>To be determined on a case-by-case basis.</p>

Drawing on Table 1, the Administration provides the following summary:

- Primary care is a Federal Government responsibility and not the core purview of Local Government to support. Similarly, there is currently no clear Strategic Direction from Council (e.g. a strategy, plan or policy) to which the provision of housing for health care workers is established as a clear priority or focus.
- Despite this, there remains justification for Council to continue to provide some form of housing assistance to attract and retain GPs given a clear problem still exists (i.e. a shortage of GPs relative to demand). The extent of the problem is not clearly able to be established for AHP workers without further research.
- Ongoing continuation of the scheme in its current form is not recommended given the MSHS is undersubscribed and is achieving the intended objectives to limited degree. There is also an array of existing housing and liveability subsidies provided to eligible local healthcare workers by the state and federal governments, with the MSHS considered modest in relation to these subsidies.
- Amending the scheme, while may contribute to better achieving its outcomes and its potential to act as a more proactive attraction tool, does not negate the ongoing administrative burden on the City and need to fund the program at its own cost. Such rate-payer funds could be used to support actions and projects that have been identified as a clear Council strategic priority (e.g. the Housing Action Plan).
- It is recommended the MSHS cease, and the Administration investigate and establish a baseline understanding of the current health needs of the City's community and associated workforce gaps. Such research will provide Council with a clear evidence base to support a decision on their role and the nature of their support to the health care sector (not just AHPs alone), if required.

#### **LEVEL OF SIGNIFICANCE**

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

#### **STATUTORY IMPLICATIONS**

There are no statutory implications.

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

Consultation on the MSHS Review has taken place with relevant internal stakeholders and the key outcomes were presented to the Executive Management Team on 22 July.

#### **COMMUNITY CONSULTATION**

The MSHS Review study completed by EY involved interviews with 15 stakeholders (current and former scheme participants, enquiring practices, and representatives of government and non-government organisations). The specific names of these organisations has been redacted in the report (Attachment).

#### **POLICY IMPLICATIONS**

There are no policy implications.

#### **FINANCIAL IMPLICATIONS**

There are no financial implications relating to the recommendation of this report.

The Medical Services Housing Scheme has been fully funded via a reserve contributed to by Industry partners. Should Council wish to continue the Scheme the unbudgeted expenditure would be at the City's own cost.

**STRATEGIC IMPLICATIONS**

There are no strategic implications.

**RISK MANAGEMENT CONSIDERATIONS**

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

Category	Risk level	Comments
Health	Low/Moderate	It is considered a low/moderate risk for the City of receive the outcome of a MSHS Review and undertake the proposed next steps as there is the potential for changes to primary health care service provision.
Financial	Low	It is considered a low financial risk for the City of receive the outcome of a MSHS Review and propose next steps.
Service Interruption	Low/Moderate	It is considered low/moderate risk to service interruption for the City of receive the outcome of a MSHS Review and undertake the proposed next steps.
Environment	Low	It is considered low risk to the environment for the City of receive the outcome of a MSHS Review and undertake the proposed next steps.
Reputation	Moderate/Low	It is considered a moderate reputational risk for the City to receive the outcome of this MSHS Review and undertake the proposed next steps as there has been strong community interest by some stakeholders currently supported by the scheme.
Compliance	Low	It is considered a low compliance risk for the City to receive the outcome of the MSHS Review and undertake the proposed next steps.

**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:

1. ENDORSE the extension of the Medical Services Housing Scheme (MSHS) for existing GPs only to allow for the investigation of Option 6, of Table 1 within this report, to offer City-owned housing to General Practitioners, providing a recommendation to Council at a future meeting, after which, the MSHS will cease;

2. APPROVE by ABSOLUTE MAJORITY the unbudgeted expenditure of \$32,400 to continue the scheme in its current form for the existing 3 GPs and REQUESTS the Chief Executive Officer to update the Annual budget; and
3. REQUEST the Chief Executive Officer, in FY 2025/26, to investigate the health care needs of the City and associated workforce demands to establish clear priorities for the Council to consider.

### Option 3

That Council:

1. ENDORSE the continuation of the Medical Services Housing Scheme (MSHS) as per Option 1, as outlined in Table 1 of this report, to 30 June 2025 to allow for the investigation of Option 6 to offer City-owned housing to General Practitioners only, after which, the MSHS will cease;
2. APPROVE by ABSOLUTE MAJORITY the unbudgeted expenditure of a maximum of \$97,200 to continue the scheme in its current form, capped at 9FTE and REQUESTS the Chief Executive Officer to update the Annual budget; and
3. REQUEST the Chief Executive Officer, in FY 2025/26, to investigate the health care needs of the City and associated workforce demands to establish clear priorities for the Council to consider.

### **CONCLUSION**

The City has completed the Medical Services Housing Subsidy (MSHS) Review. The results of the study show that despite having some positive influence on workforce attraction and retention in the size of the Karratha, the Scheme is not having a sizeable impact on its objectives or acting as a proactive attraction tool.

## 11 DEVELOPMENT SERVICES REPORTS

### 11.1 PILBARA KIMBERLEY UNIVERSITY CENTRES FUNDING REQUEST

<b>File No:</b>	ICR312600
<b>Responsible Executive Officer:</b>	Director Development Services
<b>Reporting Author:</b>	Economic Development Coordinator
<b>Date of Report:</b>	22 July 2024
<b>Applicant/Proponent:</b>	Pilbara Kimberley University Centres Incorporated
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s)</b>	<ol style="list-style-type: none"> <li>1. Funding Request Application 2024-2027</li> <li>2. Confidential - Financial Position</li> <li>3. Confidential - Audited Financials 30 June 2023</li> <li>4. Evaluation</li> </ol>

---

#### PURPOSE

For Council to consider funding for the Pilbara Kimberley University Centres Incorporated (PKUC).

---

#### OFFICER’S RECOMMENDATION

That Council:

1. **APPROVE funding to the Pilbara Kimberley University Centres Incorporated as follows:**

	<b>Grant Amount (excl. GST)</b>
<b>PKUC Funding – 2024/25</b>	\$130,000
<b>PKUC Funding – 2025/26</b>	\$120,000
<b>PKUC Funding – 2026/27</b>	\$120,000
<b>TOTAL</b>	<b>\$370,000</b>

2. **APPROVE by Absolute Majority additional unbudgeted expenditure of \$30,000 to now provide funding to a total of \$130,000 to the Pilbara Kimberley University Centre in the 2024/25 Financial Year and update the Annual Budget accordingly.**

---

#### BACKGROUND

PKUC is a not for profit incorporated association which forms part of the Federal Government’s Department of Education Regional University Study Hub Programme. The PKUC was established in 2020 with its main facility located within The Quarter building in Karratha, with additional facilities in Port Hedland and Broome, and further facilities to be established in Onslow and Tom Price in mid-2024. PKUC delivers a mixed mode or supported distance education model of study where students are enrolled in courses with a partner University and supported administratively, pastorally and academically in person at the facility.

The PKUC has requested and received financial support funding from the City on several occasions.

#### 2018/19 Funding

At the March 2018 OCM, Council approved financial support to the Karratha and District Chamber of Commerce and Industry (KDCCI) for the purpose of undertaking a feasibility study for the establishment and operation of a university centre, totalling \$27,000. The Study indicated that a university centre was feasible, which led to further requests for funding from the City.

#### 2019/20 – 2021/22 Funding

At its December 2019 OCM, Council approved financial support to the PUC to assist with fit-out costs and establish mixed-mode courses, aiming to enhance offerings to prospective students, increase student enrolment, and contribute to long-term sustainability.

The City funded the PUC to the amount of \$150,000 per year for a period of three years, totalling \$450,000. Deliverables from the three-year funding agreement included:

- The fit-out and opening of the Karratha PUC campus located in The Quarter in 2020;
- The establishment of two new mixed mode courses offered by the PUC; and
- Scholarships for local students attending the Karratha PUC Campus.

All deliverables were completed. The fit out was completed in April 2020 and the Centre opened in May 2020. The PUC established three mixed mode courses being:

- Skills for Tertiary Education Preparatory Studies;
- Bachelor of Science (Nursing); and
- Bachelor of Science (Health Science) / Bachelor of Science (Sport Science).

The PUC provided 30 bursaries for students attending the Karratha Campus.

#### 2022/23 - 2023/24 Funding

At its September 2022 OCM, the Council approved financial support for PUC to aid in the development and diversification of mixed-mode courses offered at the Karratha campus and to provide scholarships and bursaries to local students.

The City funded the PUC to the amount of \$140,000 for 2022/23 and \$100,000 for 2023/24, totalling \$240,000. Deliverables from the two-year funding agreement included:

- The establishment of at least two new mixed mode courses to be offered by the PUC.  
Course offerings could include:
  - Project Management;
  - Asset maintenance and management; and/or
  - Engineering.
- Scholarships or Bursaries to the value of \$10,000 for a minimum of 15 local Karratha students enrolled through the PUC in each year of funding; and
- Continued delivery of the Bachelor of Nursing qualification with targets for:
  - 16 new nursing students enrolled through PUC in each year of funding
  - An average of 60 nursing students supported through the PUC including training and development through Karratha's medical facilities.

The PUC has successfully acquitted the funding provided to them for the 2022/23 financial year with all deliverables being completed.

Around September 2023, the PUC opened the Broome hub and changed its name to the PKUC to reflect its expanded operations within the Kimberley. The acquittal for the 2023/24

financial year is underway, but indications are that the deliverables have been completed and the PKUC will be able to acquit the funding. The deliverables demonstrated in the 2022/23 financial year include the following items:

- The PKUC established more than two new mixed-mode courses, namely:
  - Post Graduate Certificate in Asset Maintenance and Management;
  - Post Graduate Certificate in Project Management;
  - Associate Degree of Engineering; and
  - Diploma of Engineering Infrastructure (Rail).
- More than \$10,000 of scholarships or bursaries were provided to over 15 local Karratha students enrolled through the PKUC:
  - 29 students were supported with scholarships and bursaries during the 2022/23 financial year totalling \$14,500 (excl. GST).
- The Bachelor of Nursing qualification was delivered to more than 16 new nursing students enrolled through PKUC and more than 60 students were supported through the PKUC, including for training and development through the Karratha’s medical facilities:
  - 36 new nursing students and a total of 104 nursing students were supported in 2022/23.
- Further to this, more recent reporting provided to the City indicated that for the 2023/24 financial year:
  - 13 students received scholarships. In addition, 49 nursing bursaries were awarded in 2023/24, totalling \$37,500. Of this, sponsorships worth \$13,125 were awarded to students from the City of Karratha.
  - 10 new nursing students from Karratha commenced studying. In addition, 9 new nursing students from the rest of Pilbara and Kimberley and 18 non-Pilbara and Kimberley students commenced studying. In total, 98 nursing students are supported, of which 28 nursing students are from Karratha, 52 nursing students are from the Pilbara and Kimberley and 18 are from other areas.

**DISCUSSION**

Funding Request

The PKUC seeks a three-year funding agreement from the City of Karratha to enhance academic support, develop courses, maintain bursaries and scholarships for local students, and upgrade its website. Unlike previous seed funding, this round aims to accelerate PKUC’s growth and produce local skills to support the City’s development.

Area	2024/25	2025/26	2026/27	Total
Course development (allied health, nursing and education)	\$50,000	\$25,000	\$25,000	<b>\$100,000</b>
Academic support	\$50,000	\$75,000	\$75,000	<b>\$200,000</b>
Student scholarships and bursaries	\$20,000	\$20,000	\$20,000	<b>\$60,000</b>
Website development	\$10,000			<b>\$10,000</b>
<b>TOTAL</b>	<b>\$130,000</b>	<b>\$120,000</b>	<b>\$120,000</b>	<b>\$370,000</b>

The PKUC Funding Support Application is included as **Attachment 1** and the PKUC Financial Position is included as **Attachment 2**. A copy of the PKUC's audited financials is also included as **Attachment 3**.

#### Assessment

The request has been evaluated and a copy of this evaluation is included as **Attachment 4**. A summary of the evaluation is provided below and demonstrates that the proposal:

#### *Strategic Alignment*

Aligns with the City's Strategic Community Plan 2020-2030, Corporate Business Plan 2020-2025, and Operational Plan 2024-25 (item 4.d.1.1.19.1) to partner with resource companies and indigenous businesses.

Encourages establishing a university centre that supports employment and addresses skill gaps in training, workforce development, and education, as outlined in Strategy 2.4 of the Economic Development Strategy, which calls for a high-quality tertiary education hub in the city.

#### *Demand/Need*

PKUC has demonstrated the demand and need for a university regional study hub within Karratha through its past performance, including:

- PKUC has shown strong demand through growth in student numbers and performance, supporting over 600 students, with 54 graduates to date and 32 more expected by the end of 2024. It offers 76 courses from Certificate IVs to PhDs and supports 20 universities and higher education institutions.
- Based on the Pilbara DAMA (March 2022) and the City's research, there are acute skill shortages in allied health, education, and additional engineering and technical skills. PKUC aims to address these through a "grow your own" strategy, enabling locals to pursue higher education and meet the City's needs.
- The 2024 Annual Community Survey indicated that nearly three-quarters of the community consider education a high priority, but about two-thirds view current educational offerings as average or below par, highlighting the need for improved educational opportunities in the City.

#### *Economic Impact*

Has demonstrated excellent economic impact and return on investment for the City.

- Between 2018 and 2024, the PKUC's total economic impact within the Pilbara and Kimberley region amounted to \$21.96 for every dollar invested by the City.
- Developed pathways to address skill shortages by:
  - Providing career advice and study options for youth.
  - Developing the existing workforce.
  - Expanding employment options for school leavers to retain and grow the population.
- Socio-economic benefits include:
  - Filling positions in education, healthcare, and engineering, improving services for the growing community.
  - Acting as a conduit for new and sustainable industries.

Given the significant impact of previous funding, additional funding is expected to yield positive results.



### *Value For Money*

In 2022, PKUC requested a three-year funding agreement from the City without demonstrating financial sustainability. To mitigate risk, Council funded PKUC for two years, requiring further financial reporting for future consideration.

Since then, PKUC has improved its financial position by securing broader funding, including from the Federal Government, which supports new study hubs in Onslow and Tom Price. Additional funding sources include resource and industry sectors, other local governments, and tertiary education institutions, with support from organisations like Rio Tinto, Santos, Woodside Energy, Roy Hill, Pilbara Ports Authority, Chevron, and Red Hawk Mining.

While this strengthens PKUC's finances, PKUC's operations and services may gravitate towards regions and courses that receive necessary funding. Current non-government funding is used for nursing equipment, scholarships, and developing programs such as STEM in Sport, Community English, and the Year 13 Programme. The City should consider funding programs that address local skill shortages, add community value, and enable local study opportunities.

PKUC's ad-hoc funding allows program development but requires further support for self-sustainability, as seen with their nursing course. Without City funding, PKUC would:

- Reduce education support staff at Karratha campus,
- Cut back its scholarship program, including nursing bursaries,
- Limit further education course opportunities in allied health and education pathways.

### **LEVEL OF SIGNIFICANCE**

In accordance with Council Policy CG-8 Significant Decision-Making Policy, this matter is of moderate significance in terms of social and economic issues.

### **COUNCILLOR/OFFICER CONSULTATION**

Officers have discussed support for the PKUC through internal processes.

### **COMMUNITY CONSULTATION**

There is no requirement for community consultation on providing funding support for the PKUC.

### **STATUTORY IMPLICATIONS**

In accordance with Section 6.8(1)(b) of the *Local Government Act 1995* a local government must only incur expenditure from its municipal fund where it authorised in advance by resolution made by absolute majority. As a portion of the recommended expenditure in the 2024/25 financial year has not been included in the City's annual budget already approved by Council by absolute majority point two has been included in the recommended for this purpose.

### **POLICY IMPLICATIONS**

There are no policy implications.

### **FINANCIAL IMPLICATIONS**

The PKUC has requested financial support of \$370,000 over three-years from the City of Karratha to assist with the expansion of its study courses and continued sponsorship funding to students from Karratha. The funding is to be phased with \$130,000 in 2024/25, \$120,000 in 2026/27 and \$120,000 in 2027/28.

Over the life of the City's partnership with the PKUC, including the funding for the feasibility study paid to the KDCCI, the City has provided \$717,000 investment and has received

\$924,254.97 in direct payments for various items including rent, venue hire and other costs. If the City continues to fund the PKUC it will likely receive further direct payments as a result of rent and venue hire.

\$100,000 has been included in the 2024/25 budget for the purpose of funding the PKUC, subject to Council considering an application for funding. If the officer's recommendation is adopted the additional \$30,000 will be included in the budget at the next available budget review.

It is noted that the audited financial reporting provided by the PKUC is to 30 June 2023. The 2023/24 audited financials are not yet available but will be provided to the City as part of the acquittal of the 2023/24 funding. The reporting provided also contains inconsistent data sets due to the change in reporting periods for higher education providers from calendar year to financial year, effective from 1 January 2023. This means that the 30 June 2023 financial reporting covers a six month period rather than 12 months as in previous years reporting.

**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 2024-2025 provided for this activity:

Programs/Services: 4.d.1.1.19.1 Partner with resource companies, indigenous businesses and organisations

**RISK MANAGEMENT CONSIDERATIONS**

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

Category	Risk level	Comments
<b>Health</b>	N/A	Nil.
<b>Financial</b>	Moderate	<p>There is a risk to the City that it provides funding for an entity that is not financially sustainable. To address this risk the City has requested information regarding the financial sustainability of the PKUC. The additional reporting provided indicates that the PKUC is being managed in a financially appropriate manner.</p> <p>Since the previous funding request from the City, the PKUC has demonstrated its ability to continuously improve its financial position. The PKUC has broadened its funding base, receiving support from organisations such as Woodside Energy, Roy Hill, Pilbara Ports Authority, Chevron, and Red Hawk Mining. Like most universities, the PKUC will remain dependent on the Federal Government as their main source of income into the future.</p> <p>The City will manage any ongoing financial risks through the funding agreement to ensure that the City’s contribution is applied within the City of Karratha.</p>
<b>Service Interruption</b>	N/A	Nil.
<b>Environment</b>	N/A	Nil.
<b>Reputation</b>	Moderate	There is a reputation risk to the City if the City provides funding for services that are not provided. The risk will be managed through the funding agreement, with funds

Category	Risk level	Comments
		released annually, contingent upon PKUC delivering a satisfactory acquittal of the previous year's activities.
<b>Compliance</b>	Low	There is a low compliance risk that the City provides funding that is not spent on the agreed deliverables. This risk will be managed through the funding agreement with funds released annually, contingent upon PKUC delivering a satisfactory acquittal of the previous year's activities.

**IMPACT ON CAPACITY**

The capacity to deliver the recommendation will be met through the City’s existing operational resources.

**RELEVANT PRECEDENTS**

Year	Purpose of Funding	Grant Amount (excl. GST)
<b>2018/19</b>	Preparation of Business Case and Feasibility.	\$27,000
<b>2019/20</b>	Fit out or premises at The Quarter and development of mixed mode courses.	\$150,000
<b>2020/21</b>	Development of mixed mode courses - Bachelor of Nursing and Bachelor of Science (Health Science) / (Sport Science).	\$150,000
<b>2021/22</b>	Sponsorship and bursary support to students.	\$150,000
<b>2022/23</b>	Development of mixed mode courses – Project Management, Asset Maintenance and Management and Diploma of Engineering Infrastructure (Rail).	\$140,000
<b>2023/24</b>	Sponsorship and bursary support to students.	\$100,000

**VOTING REQUIREMENTS**

Absolute Majority.

**OPTIONS:**

Option 1

As per the Officer’s recommendation.

Option 2

That Council:

1. APPROVE funding to Pilbara Kimberley University Centres Incorporated as follows:

Organisation Name	Financial Year	Funding Amount (excl. GST)
Pilbara Kimberley University Centre Incorporated	2024/25	\$
	2025/26	\$
	2026/27	\$

2. APPROVE by Absolute Majority additional unbudgeted expenditure of \$... to now provide funding to a total of \$... to the Pilbara Kimberley University Centre in the 2024/25 Financial Year and update the Annual Budget accordingly.

Option 3

That Council DECLINE funding the Pilbara Kimberley University Centres Incorporated.

**CONCLUSION**

The PKUC's presence in Karratha is critical for the City's growth and its aspiration to become Australia's most liveable regional city. The PKUC's impact on the economy, community, and local organisations, including the City of Karratha, is substantial. As it expands, PKUC will play a pivotal role in addressing local skills shortages by offering relevant courses to attract new residents and upskill existing ones, thereby meeting the evolving needs of local businesses and the community at large.

The City's support is essential for PKUC to expand its course offerings, addressing high-demand skill development within the region and diversifying its services until achieving financial sustainability. It is recommended that the City support the funding request to the PKUC for the amount requested.

**11.2 ENVIRONMENT AND SUSTAINABILITY ADVISORY GROUP REVIEW**

<b>File No:</b>	LP.291
<b>Responsible Executive Officer:</b>	Director Development Services
<b>Reporting Author:</b>	Sustainability Officer
<b>Date of Report:</b>	23 July 2024
<b>Applicant/Proponent:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	1. Revised Environment and Sustainability Advisory Group Terms of Reference – with track changes 2. Revised Environment and Sustainability Advisory Group Terms of Reference – clean copy

---

**PURPOSE**

For Council to consider the review of the Environment and Sustainability Advisory Group and endorse the updated Terms of Reference.

---

**OFFICER'S RECOMMENDATION**

**That Council:**

- 1. NOTE the review of the Environment and Sustainability Advisory Group;**
- 2. ENDORSE the Terms of Reference included as Attachment 1; and**
- 3. NOTE that the Administration will seek expressions of interest for community members to sit on the Group.**

---

**BACKGROUND**

The City established its first Environment and Sustainability Advisory Group (ESAG) in January 2016. The purpose of the ESAG at this time was to provide feedback and recommendations to the City on environment and sustainability matters.

Since this time, ESAG has met sporadically to provide feedback and recommendations on a range of City projects and initiatives relating to environmental sustainability. Some of these include the draft Environmental Sustainability Strategy, the City's approach to weed and waste management, the ClimateClever Community Sustainability Platform, maintenance and protection of the Yaburara Trail and the City's involvement with energy projects. The last time the ESAG met was in May 2021 for a series of workshops. At these workshops, members prioritised the proposed projects and actions in the draft Environmental Sustainability Strategy which was endorsed by Council in June 2021.

The ESAG Terms of Reference (TOR) was last reviewed and adopted by Council in January 2022. The group has not met since then, as the projects in the Environmental Sustainability Strategy are not at a stage where advice from the community is required.

At the 30 October 2023 Ordinary Council Meeting, Council requested that the TOR for all Advisory Groups be reviewed to ensure the aims, objectives and key deliverables are clear and up to-date, with the revised/updated TOR to be presented to Council for consideration.

**DISCUSSION**

A review of the ESAG was undertaken by Officers and the results are summarised in the table below. The proposed changes are designed to align and promote Council’s Strategic Framework and maximise the opportunities for ESAG to add value to future Council Operations. The revised ESAG TOR is included as Attachment 1.

Focus area	Results	Officer Recommendation
What value has the Group added to City Projects in the past and what is the future need?	Advice from the Group has assisted Council with developing the ESS and with prioritising actions.	Continue with the Group to improve the way the City engages with community on the implementation of sustainability projects.
	During 2024, Council engaged with the Community as part of the review of the Strategic Community Plan. The Community raised many environmental sustainability matters contained in Council’s ESS, which reflects support and interest from the community to continue the Group.	Continue the Group to add value to future Council operations.
Industry best practice for engaging with the community on sustainability matters.	Local Governments who are proactive with sustainability all have community groups providing advice on a range of sustainability topics. The subject matter and the scope of their Groups depends upon the strategic issues for their respective Council. All Groups align their TOR directly with their Strategic Frameworks.	Continue the Group and align directly with Council’s adopted Strategic Framework and ESS.
Operational elements/set up of the Group	General wording of the TOR is lengthy.	Wording simplified where possible.
	The Group’s name does not align with the ESS.	Change Group name to Environmental Sustainability Advisory Group.
	The Purpose was broad and had resulted in matters being raised during meetings that relate to topics that do not necessarily align with the City’s strategic priorities.	Reword to: ‘The purpose of the Group is to provide advice to Council on the preparation, implementation and review of the City’s Environmental Sustainability Strategy.’
	The Objectives repeat the focus areas of the ESS.	Delete Objectives as stated in the ESS.
The Membership of the Group needs adjusting as Council nominated two representatives at the October 2023 Council meeting.	Change to TWO Council members and adjust the numbers required for quorum.	

	<p>The process for appointing members to ESAG needs definition and to align with other Advisory Groups.</p>	<p>Assessment and appointment of applicants to ESAG will be approved by the Director of Development Services based on criteria listed in the draft TOR.</p>
	<p>Community members were required to have sustainability expertise to join. This precludes potential community members with a commitment for sustainability rather than professional expertise.</p>	<p>Change the requirement for community members to have an understanding and commitment to sustainability.</p>
	<p>City officers were listed as Group Members. City officers provide support to convene the Group and not vote on recommendations.</p>	<p>List City officers as Representatives invited for a specific purpose or specialist knowledge.</p>
	<p>Meeting frequency on quarterly basis has not occurred as stipulated in the TOR. This is due to sustainability projects not being at a stage where advice was required.</p>	<p>Recommend amending the meeting frequency to as determined by the Chair. This provides flexibility to align engagement with the scheduling of projects. Also, include the option for members to meet electronically.</p>
	<p>The TOR does not specify Members comply with confidentiality, or the City's Code of Conduct policy, or the Discretionary Declaration of Interest policy. Other LGA Advisory Groups refer these policies.</p>	<p>Include reference to the Code of Conduct and the Discretionary Declaration of Interest policy. The policies will be supplied to Members when inducted to the Group.</p>

**LEVEL OF SIGNIFICANCE**

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

**STATUTORY IMPLICATIONS**

There are no statutory implications.

**COUNCILLOR/OFFICER CONSULTATION**

Consultation has taken place with relevant Officers.

**COMMUNITY CONSULTATION**

High level feedback from the community was received as part of the review of the City's Strategic Community Plan. This indicated community interest in environmental sustainability, and ESAG is a useful engagement tool to improve the way the City engages with the local community on these matters.

**POLICY IMPLICATIONS**

There are no policy implications.

**FINANCIAL IMPLICATIONS**

Time commitment and financial implications of hosting this Group will be met within the existing operational budget.

**STRATEGIC IMPLICATIONS**

This item is relevant to the Council’s approved Strategic Community Plan 2020-2030, the Corporate Business Plan 2020-2025, and the Environmental Sustainability Strategy. In particular, the Operational Plan 2024-2025 provides for this activity:

Programs/Services:	4.a.2.1	Integrated Strategic Planning
Projects/Actions:	4.a.2.1.19.1	Develop, maintain, monitor, and report on the Strategy Community Plan, Corporate Business Plan, Operational Plan, informing strategic documents and Key Performance Measures.

**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	N/A	Nil.
Service Interruption	Low	Activities will require commitment of Officer time. Activities will be planned as part of project scheduling to ensure this occurs with minimal impact to service delivery.
Environment	N/A	No direct environmental risk as a result of creating the Group.
Reputation	Low	Providing an Advisory Group demonstrates the City’s commitment to community engagement and environmental sustainability. The City’s reputation may be impacted if it does not engage meaningfully with community on environmental sustainability matters.
Compliance	Low	The Group will comply with the City’s Code of Conduct and Discretionary Declaration of Interest policy.

**IMPACT ON CAPACITY**

There will be some impact on capacity or resourcing to carry out the Officer’s recommendations, however this is acceptable considering the potential value the Group can provide to Council operations and will be met through existing operational resources.

**RELEVANT PRECEDENTS**

A review of the Advisory Group Terms of Reference has previously been considered by Council following each local government election.

**VOTING REQUIREMENTS**

Simple Majority.

**OPTIONS:**

Option 1

As per Officer’s recommendation.

Option 2

That Council ENDORSE the Terms of Reference with the following changes:



1. \_\_\_\_\_
2. \_\_\_\_\_

Option 3

That Council REJECT the changes to the Terms of Reference for the following reasons:

1. \_\_\_\_\_
2. \_\_\_\_\_

**CONCLUSION**

Administration has reviewed the role, purpose and TOR for the ESAG. This has resulted in a number of suggested changes to the TOR to improve the form and function of the Group. It is recommended that Council endorse the updated TOR. If approved by Council, Administration will commence the recruitment of new members and meetings.

## 12 STRATEGIC PROJECTS & INFRASTRUCTURE REPORTS

### 12.1 RFT 14-23/24 COMMUNITY STORAGE SHEDS DESIGN AND CONSTRUCT

<b>File No:</b>	CP.1794
<b>Responsible Executive Officer:</b>	Director Strategic Projects & Infrastructure
<b>Reporting Author:</b>	Manager Infrastructure Projects
<b>Date of Report:</b>	29 July 2024
<b>Applicant/Proponent:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	1. Confidential – Price Schedule Updated 2. Location Map – Karratha Leisureplex Options

---

#### PURPOSE

For Council to consider the tender for the Community Storage Sheds Design and Construct Tender, Number 14-23/24.

---

#### OFFICER'S RECOMMENDATION

That Council:

- APPROVE by Absolute Majority an allocation of \$580,000 (excluding GST) to deliver the Community Storage Sheds Design and Construct Separable Portion One and Two awarded under RFT 14-23/24 inclusive of the blockwork retaining wall, the additional trenching and services at the Karratha Leisureplex location; and**
- NOTE that the Project Budget would be increased by \$105,000 (excluding GST) as part of Council's next Budget review.**

---

#### BACKGROUND

At its April 2024 Meeting, Council resolved to:

- ACCEPT the tender submitted by Trasan Contracting Pty Ltd ABN 94 115 343 345 for Separable Portion One and Two, as the most advantageous tender to form a contract, based on the assessment of the compliance criteria, qualitative criteria and pricing structures offered under RFT 14-23/24 for the Community Storage Sheds Design and Construct;
- AUTHORISE the Chief Executive Officer to execute a contract with Trasan Contracting Pty Ltd, SUBJECT to any variations of a minor nature; and
- APPROVE by Absolute Majority an allocation of \$475,000 (excluding GST) across the 2023/2024 and 2024/2025 Budgets to deliver Separable Portion One and Two.

This report outlines the value management process that has been undertaken to award a construction value of \$475,000 (excluding GST) as specified in the above resolution.

**DISCUSSION**

Further to Council's decision in April 2024, Officers undertook a strategic review to ascertain the preferred location of the storage shed at the Karratha Leisureplex.

Three options were initially costed by the preferred contractor, Trasan Contracting Pty Ltd, to confirm service routes. The options considered were a location at the western end of the oval, substituting bays from the existing car park; the eastern end of the rectangular oval, adjacent to the new existing storage shed; and the centre of the playing surface, adjacent to the older existing storage shed. However, the best functional location adjacent to the existing storage shed and the oval was highly valued by all sporting groups and the facility managers. Note that the adjacent storage shed also required a retaining wall when built in this location.

Refer also to Attachment 2 Location Map - Karratha Leisureplex Options.

Officers initially considered reducing the size of the proposed storage shed, adopting a four bay 4m by 12.6m shed with a 1.0m verandah. The preferred location necessitates the construction of a 20-lineal-metre retaining wall offset from the existing causeway roadway. Despite the cost of the retaining wall, this solution eliminated any adverse impact on the playing surface and provided the best functional outcome for all key stakeholders.

However, despite the merit of the proposed solution the estimated value of the proposed work is considered to be greater than a minor variation to contract and exceeds the Chief Executive Officer's delegation to award the project. Accordingly, Officers now seek direction from the Council on how best to proceed.

While the value of the services for the Karratha Leisureplex community storage shed were initially provided as a provisional sum allowance only, the strategic review by Officers have identified the proposed cost to proceed including services and the retaining wall and are summarised within the Confidential Attachment.

The Acting Director Strategic Projects & Infrastructure and the Acting Chief Executive Officer have endorsed the recommendation.

**LEVEL OF SIGNIFICANCE**

In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of low significance in terms of social issues and economic issues.

**STATUTORY IMPLICATIONS**

Tenders were called in accordance with Section 3.57 of the *Local Government Act 1995* and associated regulations.

**COUNCILLOR/OFFICER CONSULTATION**

Officers consulted across all Departments on the draft tender documents and in addition undertook a strategic review of Separable Portion Two location and services consulting with the City's Manager Facilities and Asset Maintenance to update the accumulated project knowledge.

**COMMUNITY CONSULTATION**

Further consultation with sporting groups has been undertaken since April 2024 as part of the strategic review of to inform the preferred location of the storage shed at the Karratha Leisureplex.

**POLICY IMPLICATIONS**

Council Policies CG12 - Purchasing, CG11 - Regional Price Preference and CG12 - Public Art Policy is applicable to this matter.

**FINANCIAL IMPLICATIONS**

Council had initially allocated \$475,000 (excluding GST) in its original 24/25 Budget to implement Separable Portion One and Two being the storage sheds at Nickol West Oval and the Karratha Leisureplex.

Should Council support the Officer’s recommendation, it is proposed to construct two storage sheds as the initial priority through this tender award. If agreed and noting the works are likely to be completed in the 24/25 Financial Year, a total Budget allocation of \$580,000 (excluding GST) including an approximately five per cent construction contingency would be required in 24/ 25 Financial Year.

**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 2024-2025 provided for this activity:

Programs/Services: 1.a.2.5 Community Facility Planning  
 Projects/Actions: 1.a.2.5.22.7 Implement stages 1 and 2 (Nickol West and KLP) of the Community Storage Plan

**RISK MANAGEMENT CONSIDERATIONS**

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

Category	Risk level	Comments
Health	Low	Aligns with the City’s commitment to provide appropriate public open spaces to support good health and wellbeing within our communities.
Financial	Moderate	Implementation of the Community Shed program involves an ongoing financial commitment from Council in response to available funding and suitable progressive staging of the works.
Service Interruption	Low	Should works proceed there may be minor impact in sporting ground users for the period during the works. The Contractor is responsible for Management Plans and development and implementation, including the Communication and Traffic Management Plan.
Environment	Low	Construction will be in accordance with all statutory and relevant standards. Noise output and dust pollution throughout construction will be managed by the contractor.
Reputation	Low	An upgrade to exiting storage facilities is likely to deliver positive reputational impact for Council.
Compliance	Moderate	Works are expected to comply with relevant standards.

**IMPACT ON CAPACITY**

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

Management of the potential successful tenderer and future maintenance programs are afforded within existing resources.

**RELEVANT PRECEDENTS**

Bulgarra Sporting Precinct, Tambrey Oval, Kevin Richards Memorial Oval, Wickham Recreation Precinct, Windy Ridge Oval, Nickol West Oval, Peg Creeks Oval, Roebourne Oval, and the Karratha Leisureplex, all include community storage options for registered sporting clubs, associations, community, and cultural groups.

**VOTING REQUIREMENTS**

Absolute Majority.

**OPTIONS:**Option 1

As per Officer's recommendation.

Option 2

That Council:

1. AUTHORISE the Chief Executive Officer to execute a contract with Trasan Contracting Pty Ltd ABN 94 115 343 345 for Separable Portion One only at this stage under RFT 14-23/24 for the Community Storage Sheds Design and Construct, SUBJECT to any variations of a minor nature; and
2. DEFER construction of Separable Portion Two to further consider placement of the storage shed at the Karratha Leisureplex.

**CONCLUSION**

The Officers believe that the recommended tenderer has the capacity to deliver the works to the standard expected by the City and has provided the most advantageous outcome for the project.

Should Council support the Officer's recommendation, the contract period is anticipated to commence in September 2024, subject to contract negotiations. On the basis that the combined Separable Portions One and Two proceed as a rolling staged delivery, all associated work under the Contract is anticipated to be delivered within six (6) months from the agreed commencement on site, including approvals and management plans from the date of contract award.

## 12.2 RFT - COOLAWANYAH DE WITT INTERSECTION UPGRADE – TENDER OUTCOME

<b>File No:</b>	RFT0000006
<b>Responsible Executive Officer:</b>	Director Strategic Projects & Infrastructure
<b>Reporting Author:</b>	Contract Administration Officer
<b>Date of Report:</b>	22 July 2024
<b>Applicant/Proponent:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	Confidential – Tender Evaluation Report

---

### PURPOSE

For Council to consider tenders for the Coolawanyah De Witt Intersection Upgrade.

---

### OFFICER'S RECOMMENDATION

That Council:

1. **ACCEPT** the tender submitted by Corps Earthmoving Pty Ltd ABN 90 650 586 511 as the most advantageous tender to form a contract, based on the assessment of the compliance criteria, qualitative criteria and pricing structures offered under RFT0000006 Coolawanyah De Witt Intersection Upgrade;
2. **AUTHORISE** the Chief Executive Officer to execute a contract with Corps Earthmoving Pty Ltd SUBJECT to any variations of a minor nature; and
3. **APPROVE** by Absolute Majority an increased Budget allocation of \$597,000 from the Infrastructure Reserve to deliver the Coolawanyah De Witt Intersection Upgrade works estimated at \$2.019M.

---

### BACKGROUND

The Coolawanyah / De Witt Road intersection is located at one of two entrances to the Karratha Light Industrial Area (LIA) providing access to all the major businesses located within the LIA.

The intersection upgrade will address non-conformances as identified in the Road Safety Audits completed in 2014 and 2021 and provide safer travel and traffic movement for road users.

The main scope of works includes the widening of the road, replacing three (3) barrels of reinforced concrete box culverts, reshaping the existing open drain under the access road to align with the new culvert, installation of new lights and realignment of the existing V-drain west of De Witt Road.

Tenders were advertised on 18 March 2024 and closed on 26 June 2024.

Three (3) tenders were received from:

- BCP Contracting Pty Ltd
- Corps Earthmoving
- Northwest Gravel and Sand

The tender was evaluated by a three (3) person panel comprising of:

- Acting Manager Asset Maintenance
- Principal Engineering Coordinator
- Civil Engineer

The Tender was assessed initially for compliance with the tender documents. It was then assessed against weighted qualitative criteria:

<b>Criteria</b>	<b>Weighting</b>
Relevant Experience	10%
Methodology	10%
Capacity to Deliver	15%
Sustainability	5%
Price	60%

The Regional Price Preference Policy was applicable to two (2) of the three (3) Tenderers.

A copy of the Evaluation Report is contained within the confidential section of the agenda.

The Acting Director Strategic Projects & Infrastructure and the Acting Chief Executive Officer have endorsed the recommendation.

**DISCUSSION**

The Coolawanyah/De Witt Intersection Upgrade project was initiated in 2021 with an initial estimated budget of \$900,000, encompassing both design and construction costs. The budget allocation was updated in the 23/24 financial year to \$1,523M.

The estimate accounted for the reconstruction of existing pavement, widening of swept paths for RAV 10 turning movements, and a lighting upgrade. This financial projection was based on an internal high-level estimate that reflected market prices at the time. Consequently, the funding application for the Blackspot Program was predicated on this estimate. However, it is important to note that this original estimate did not take into account market growth between 2021 and the present, resulting in an outdated projection that no longer aligns with current market conditions.

Over the past four years, there has been a consistent increase in construction prices, ranging from approximately 30% to 50%. Cognisant of the prevailing market conditions, City Engineers collaborated with the Design Consultant in late 2023 to engage in value management aimed at reducing overall project costs. Adjustments to the initial project scope included:

- a) Replacing the total pavement depth reconstruction with resurfacing only, saving approximately \$455,000 through the following:
  - Retaining the subbase layer, saving approximately \$205,000.
  - Retaining the basecourse layer, saving approximately \$250,000.
- b) Eliminating cofferdam installation for new culverts, saving approximately \$6,500.

These adjustments were expected to yield total savings of about \$461,000. In February 2024, the Consultant's Cost Estimator provided a revised project cost estimate of \$2,075M,

which included a consideration to current market conditions. Despite the removal of several high-cost items, tenders received by the closing date revealed ongoing market growth, with further increases in prices between February and June 2024.

The three tender submissions ranged between \$1.876M and \$2.042M (excl GST).

In comparison to recent construction projects undertaken by the City, significant increases in costs were identified:

- a) Subbase material: previous contract rate per sq.m = \$10.97 vs current project rate = \$73.64 (a 571% increase).
- b) Basecourse material: previous contract rate per sq.m = \$23.67 vs current project rate = \$89.50 (a 278% increase).
- c) Asphalt: previous contract rate per sq.m = \$40.75 vs current project rate = \$107 (more than 100% increase).

The City Engineers have further reviewed the scope of work for value management however are constrained by the outcome of the Road Safety Audits’ requirements completed by STANTEC and GHD in 2021 and 2024 respectively, which are reflective in the project’s design and drawings.

The revised scope of work is viewed to be the minimum requirements to meet the project’s objectives, improve safety, ensure quality and conformances to the relevant standards and specifications. The following table provides further details:

No	Critical Scope of Work as required by the RSAs	Value Management 1	Value Management 2
1	Road Resurfacing/line marking and Signage Installation	Existing pavement layers to be maintained and works limited to resurfacing only.	<ul style="list-style-type: none"> <li>• Removal of resurfacing from project scope is not possible as the current seal has reached its design life.</li> <li>• Substituting asphalt with sprayed seal is not recommended as sprayed seal does not provide sufficient support nor response well to high shearing forces and stresses from RAV10 turning or braking at intersections.</li> <li>• Line marking and new signage installation cannot be removed or reduced to meet design requirements.</li> </ul>
2	Widening and construction of new pavement layers	Substituting new subbase material with recycled concrete.	<ul style="list-style-type: none"> <li>• No further cost reduction for this item (i.e., substituting Material A for basecourse with other materials) as it will be a non-compliance to both the City and MRWA’s standards and specifications.</li> </ul>
3	Lighting Upgrade	No value management	No removal or reduction to meet the lighting design requirements.



Given the above-mentioned factors, the current tender prices are considered to be reflective of current market rates and the preferred contractor having been through a competitive tender process offers the most advantageous outcome for the City.

**LEVEL OF SIGNIFICANCE**

In accordance with Council policy CG-8 Significant Decision Making Policy, this matter is considered to be of low significance in terms of economic and environmental issues.

**STATUTORY IMPLICATIONS**

Tenders for the works were called in accordance with Section 3.57 of the *Local Government Act* and associated *Regulations*.

**COUNCILLOR/OFFICER CONSULTATION**

No Councillor or Officer consultation is required.

**COMMUNITY CONSULTATION**

No community consultation is required.

**POLICY IMPLICATIONS**

CG11 – Regional Price Preference and CG12 – Purchasing Policies are applicable to this matter.

**FINANCIAL IMPLICATIONS**

The cost of the works including the proposed award of this tender is \$2.019M excl GST. The Budget allocated for these works is \$1,524M which is proposed to be funded from the Infrastructure Reserve. Any adjustment to the reserve transfer has a nil impact on the proposed annual surplus/deficit throughout the year.

Officers are requesting an additional budget increase from Infrastructure Reserve of \$597K, which includes a 5% contingency for the duration of the construction phase. Whilst pre-investigative activities have occurred to minimise risk, Officers have identified a potential risk of minor variations relating to traffic management, weather and existing site conditions buried under the existing infrastructure. Any contingency not used will be returned at the conclusion of the project.

The City has secured offset funding through the MRWA Blackspot program and the Local Roads and Community Infrastructure program. When the funding offsets are applied, the net cost to the City for this project would be \$872K.

2023 Approved Budget	\$ 400K
2024 Approved Budget	\$ 1,124K
<b>TOTAL APPROVED BUDGET</b>	<b>\$ 1,524K</b>
<b>Total Construction Cost (including Contract Value)</b>	<b>\$ 2,019M</b>
<b>Additional Budget Required (Inc 5% Contingency)</b>	<b>\$ 597K</b>
<b>FINAL PROJECT BUDGET (Inc 5% Contingency)</b>	<b>\$ 2,120M</b>
Grant - MRWA Blackspot	\$ 900K
Grant - LRCIP Round 4	\$ 349K
<b>TOTAL GRANT FUNDING OFFSET</b>	<b>\$ 1,249M</b>
<b>TOTAL NET COST TO COUNCIL</b>	<b>\$ 872K</b>
<b>Original net cost to Council prior to tender</b>	<b>\$ 275K</b>

**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 2024-2025 provided for this activity:

Programs/Services: 1.a.2.3 Civil Infrastructure  
 Projects/Actions: 1.a.2.3.24.2 Design and Construct DeWitt/Coolawanyah intersection upgrade (blackspot funding)

**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	Whilst funding has been included in the 24/25 budget for these works an increase in budget allocation would be required as a contingency to cover any unforeseen variables.
Service Interruption	Low	Relevant traffic management processes will be used to minimise interruption to road users. Construction timeframe will be minimised by installing precast culvert and associated materials rather than in situ concrete materials.
Environment	N/A	Nil.
Reputation	Low	Failure to maintain infrastructure could lead to negative community feedback and complaints.
Compliance	Low	Works will be undertaken in accordance with relevant Australian Standards, current legislation, OSH provisions and best industry practice. The scope of works was determined based on the outcomes of a Road Safety Audit.

**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**

Absolute Majority.

**OPTIONS:**Option 1

As per Officer's recommendation.

Option 2

That Council REJECT all tenders for Coolawanyah De Witt Intersection Upgrade and readvertise the tender.

**CONCLUSION**

The Evaluation Panel believes that the recommended Tenderer has the required level of skill, knowledge, expertise and capacity to perform the contract requirements to the expected level.

The Evaluation Panel sees no advantage in requesting the RFT0000006 Coolawanyah De Witt Intersection Upgrade be readvertised considering the competitive price afforded in this tender and limited further opportunity to reduce the scope of works.

## **13 CHIEF EXECUTIVE OFFICER REPORTS**

### **13.1 ITEMS FOR INFORMATION ONLY**

**Responsible Officer:** Chief Executive Officer

**Reporting Author:** Minute Secretary

**Disclosure of Interest:** Nil

---

#### **PURPOSE**

To advise Council of the information items for August 2024

#### **VOTING REQUIREMENTS**

Simple Majority.

---

#### **OFFICER'S RECOMMENDATION**

That Council note the following information items:

- 13.1.1 Community Experience update**
- 13.1.2 Concession on Fees and Charges**
- 13.1.3 Development Services update**
- 13.1.4 Public Agenda Briefing Session Additional Information**

**13.1.1 COMMUNITY EXPERIENCE INFORMATION – JUNE 2024**

**File No:** CS.23  
**Responsible Executive Officer:** Director Community Experience  
**Reporting Author:** EA Community Experience  
**Date of Report:** 19 July 2024  
**Applicant/Proponent:** Nil  
**Disclosure of Interest:** Nil  
**Attachment(s)** Nil

**PURPOSE**

To provide Council with an update on Community Experience services for June 2024.

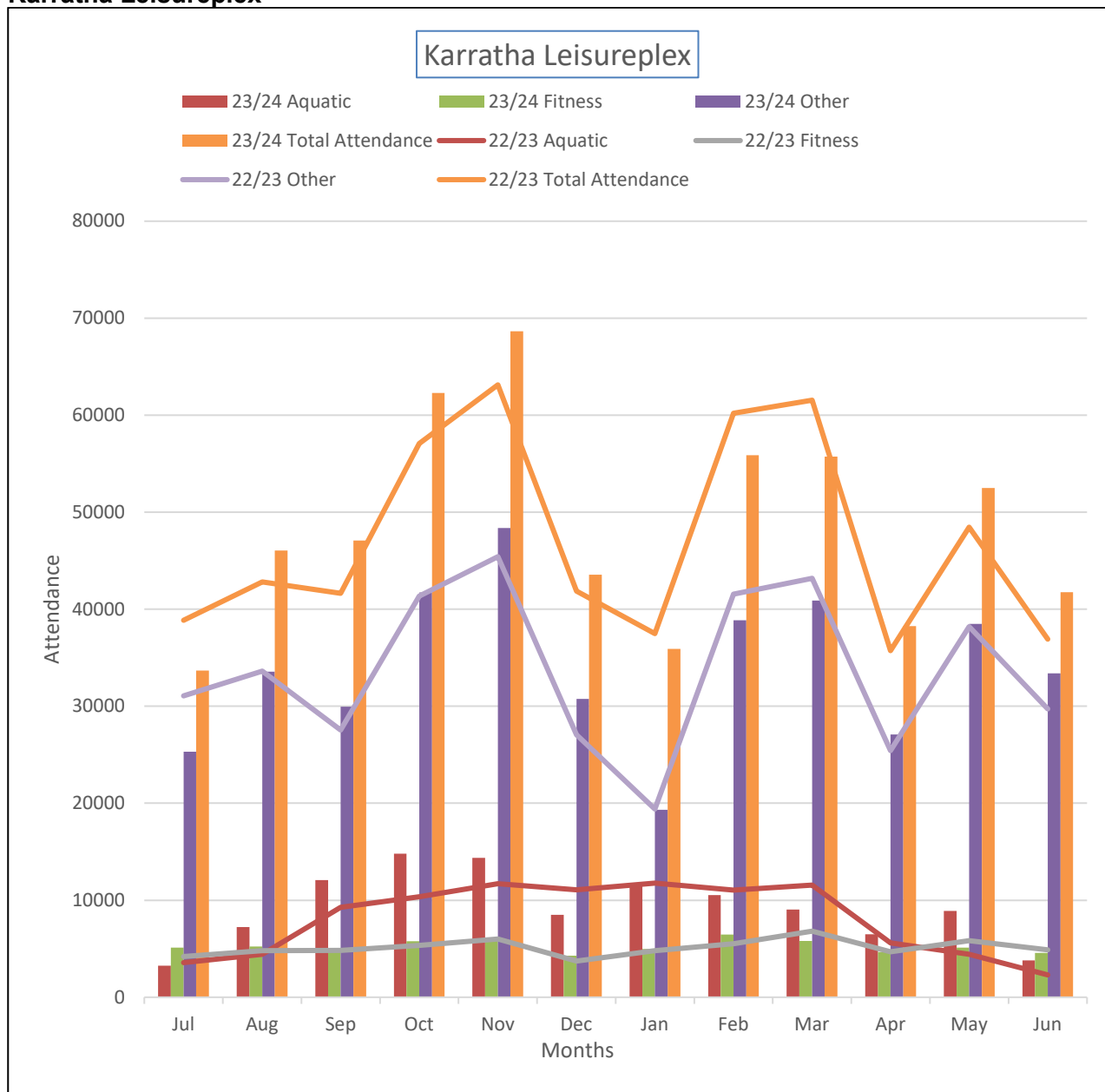
**Attendance & Utilisation Summary**

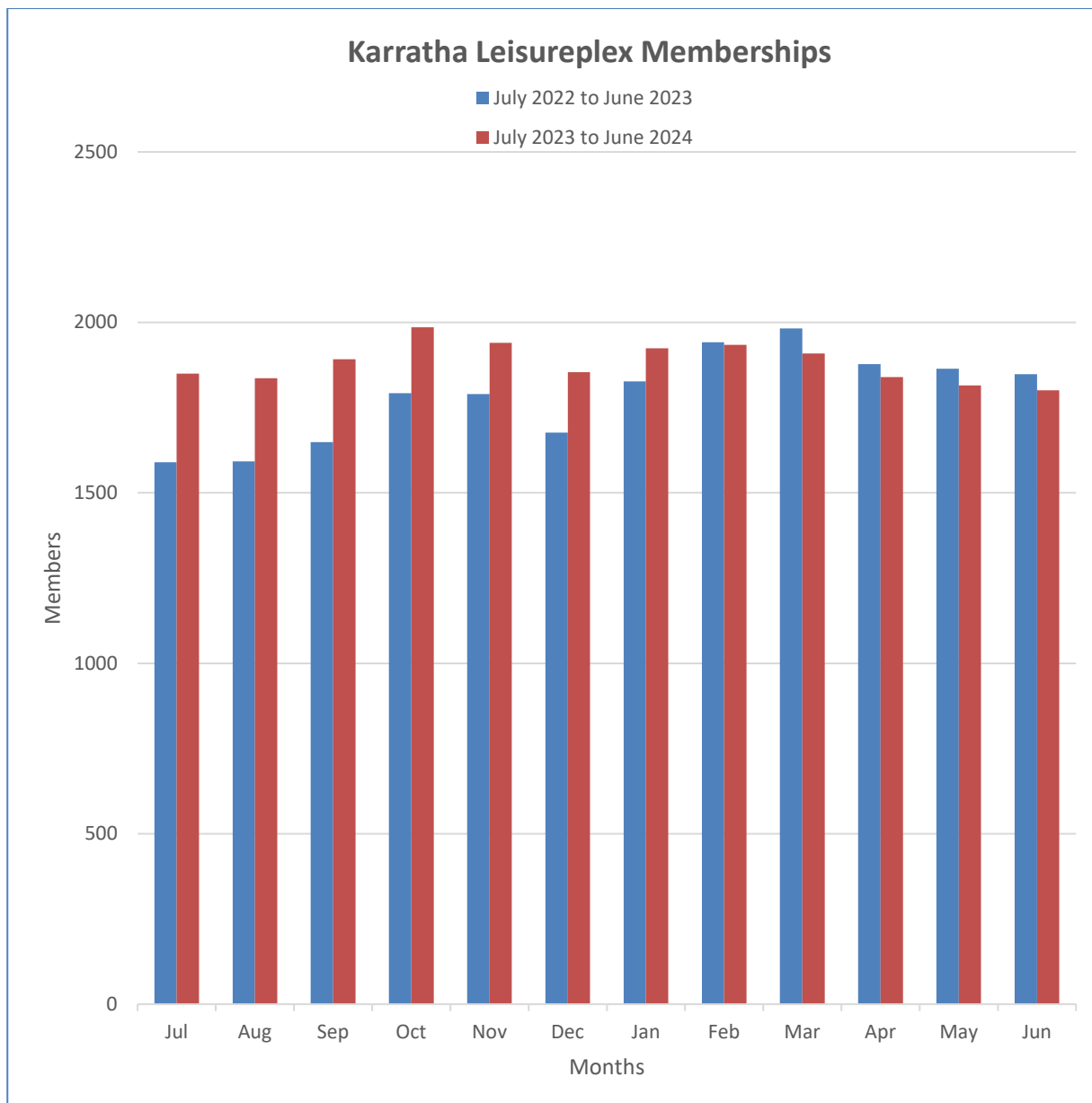
<b>Facility Attendance</b>	<b>June 2023</b>	<b>June 2024</b>	<b>Year on Year %</b>
The Youth Shed	1,144	552	- 52%
The Base	661	921	+ 39%
Total Library	8,898	8,397	- 6%
Karratha Leisureplex	36,913	41,750	+ 13%
Wickham Recreation Precinct	1,802	2,099	+ 16%
Roebourne Aquatic Centre	0	0	0%
Red Earth Arts Precinct	4,405	5,354	- 22%
Arts Development & Events	1107	0	- 100%
Indoor Play Centre	2,310	2,231	- 3%
<b>Community Programs</b>	<b>May 2024</b>	<b>Jun 2024</b>	<b>Month on Month %</b>
Security Subsidy Scheme properties	18	20	+ 11%
Meet the Street Parties	1	0	- 100%

**Small Community Grants**

There were no Small Community Grants in June 2024.

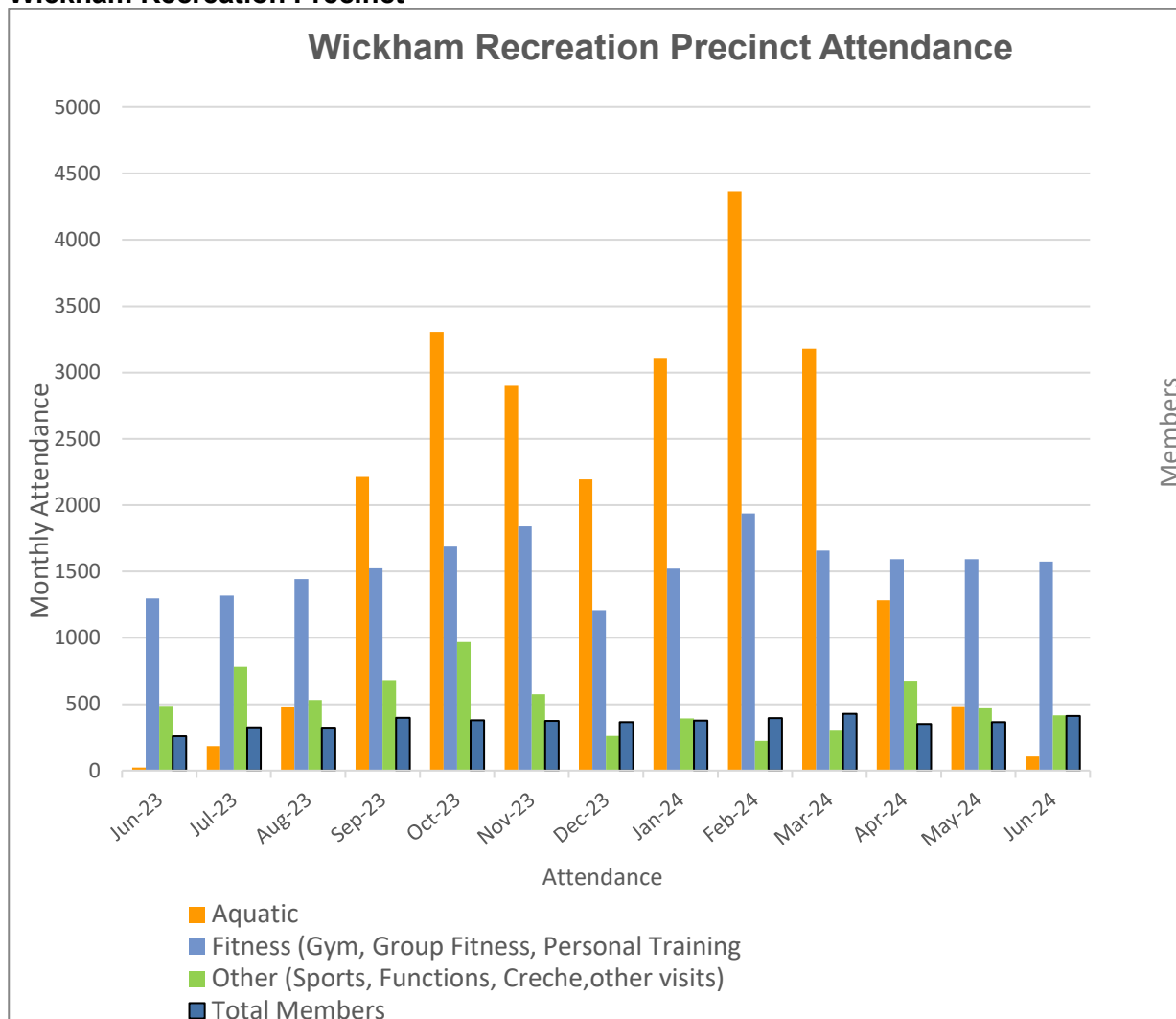
**Karratha Leisureplex**





Total attendance was up 13% on June 2023 at 41,750 – this can be attributed to strong growth in netball and increased aquatic attendance in June and major sporting events. Memberships continued downward trend (normal for this time of the year) – total 1801. 422 enrolments in term 2 (winter) swim school. Total aquatic attendance was up 40.72% on June 2023 which can be attributed to growth in our school swimming lessons in term 2. Total attendance for the year is a record 581,347.

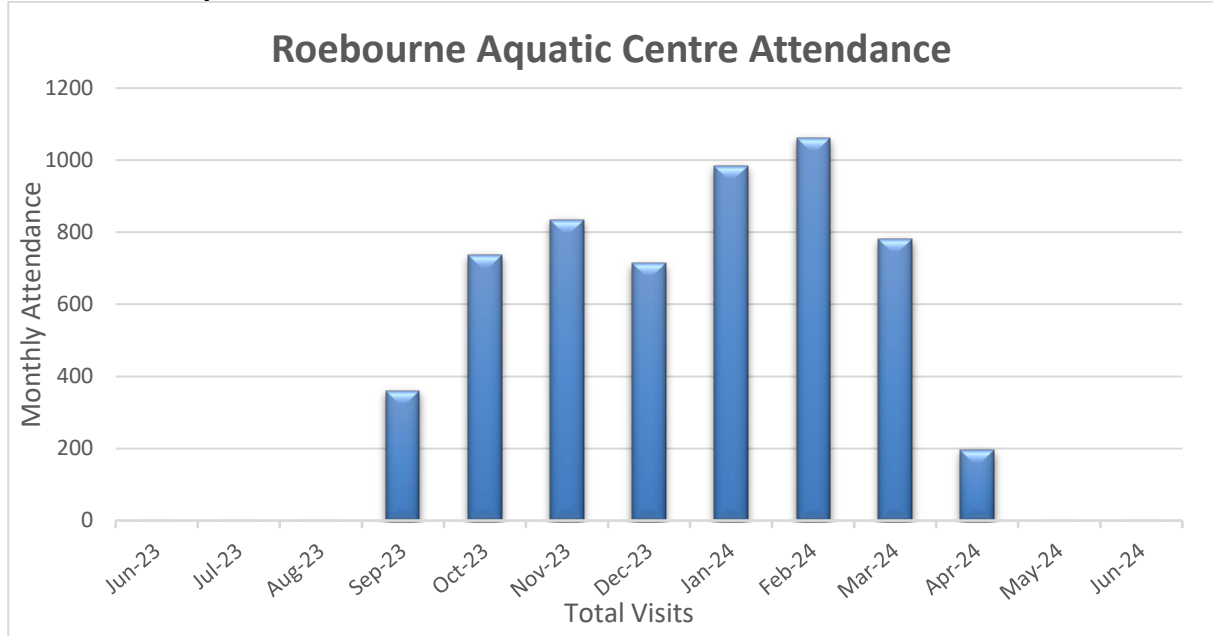
**Wickham Recreation Precinct**



Wickham Recreation Precinct had an increase of 39% memberships from June 2023 and a 10% group fitness increase from June 2023. WAC has continued to see numbers decrease, sitting at 107. Whilst these are low numbers, this is an increase from the same time last year and can be attributed to cooler weather and pool temperature. Total attendance is up 16% from the same time last year.

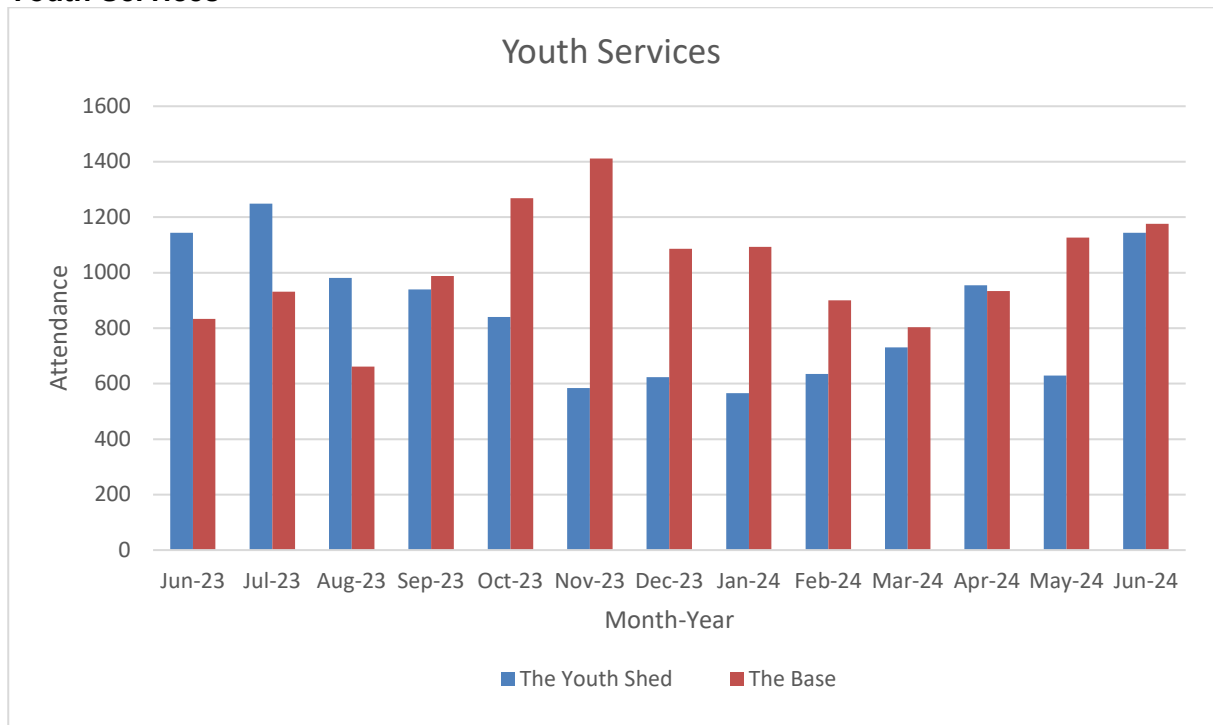


**Roebourne Aquatic Centre**



Centre closed – seasonal.

**Youth Services**



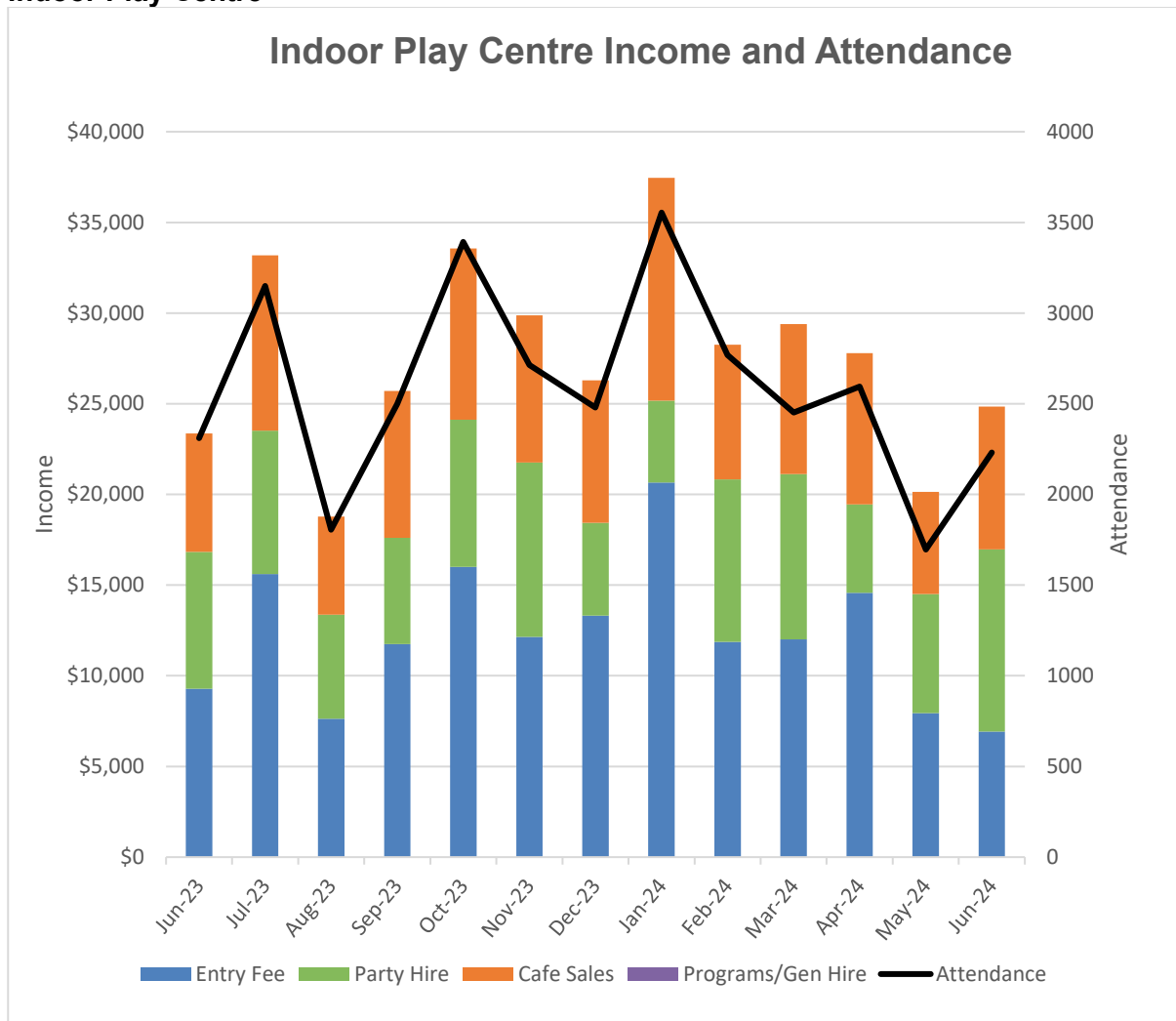
**The Base, Wickham**

In June, attendance at The Base in Wickham increased by 39% from 2023 to 2024. This growth is due to our weekly programs and inclusive approach. On June 28, PCYC brought their youth program to the Base for the Friday night pool competition and this collaboration drew 77 youths. Our attendance at the Roebourne Active Network (RAN) meetings also strengthens community connections and supports youth development. Despite a slight drop in numbers from May (958) to June (921), The Base remains strong, focusing on community engagement, enhanced stakeholder participation, and creating a safe, structured, and welcoming environment.

**The Youth Shed, Karratha**

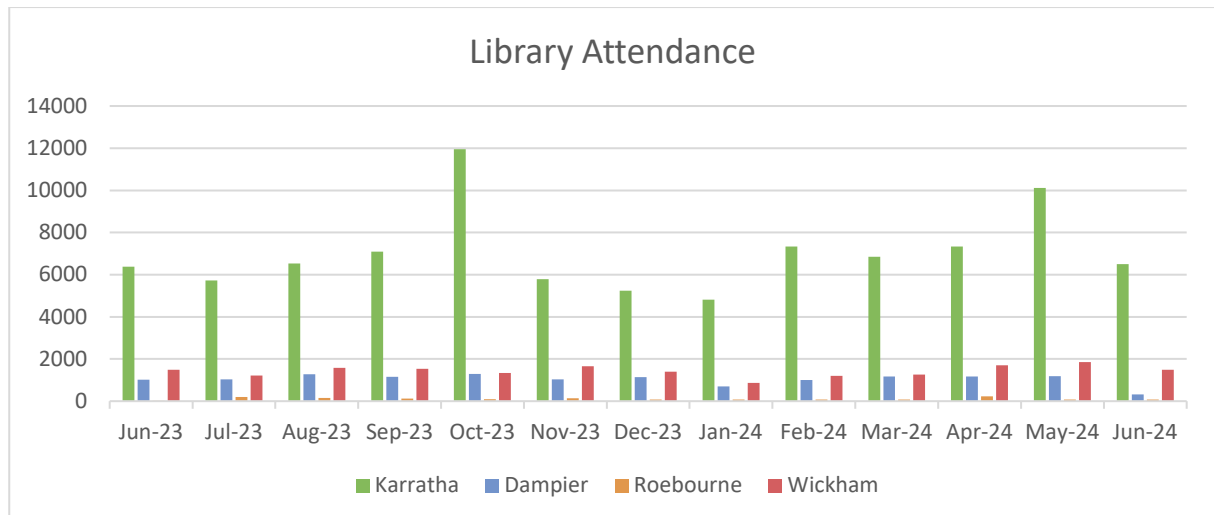
In June, The Youth Shed worked hard to boost attendance and engagement. We offered 11 weekly programs and collaborated with local organisations like Clontarf and T120 to improve accessibility and engagement. The Youth Shed hosted four events, including a basketball workshop with Greg Hire, a visit from the "Are You OK" convoy from NSW with a café and activities, and a visit from Waste Sorted Schools for eco-friendly activities. These events successfully drew large crowds and fostered positive engagement. Attendance in June 2024 was down compared to June 2023, with a total of 552 attendees. This decline may be due to roadworks hindering access to our facility and sport training. Moving forward, our Youth staff will increase community engagement and consultation to improve our programs. In July, we aim to enhance communication through local youth networks, schools, and the broader community to increase involvement and program participation at The Youth Shed.

**Indoor Play Centre**



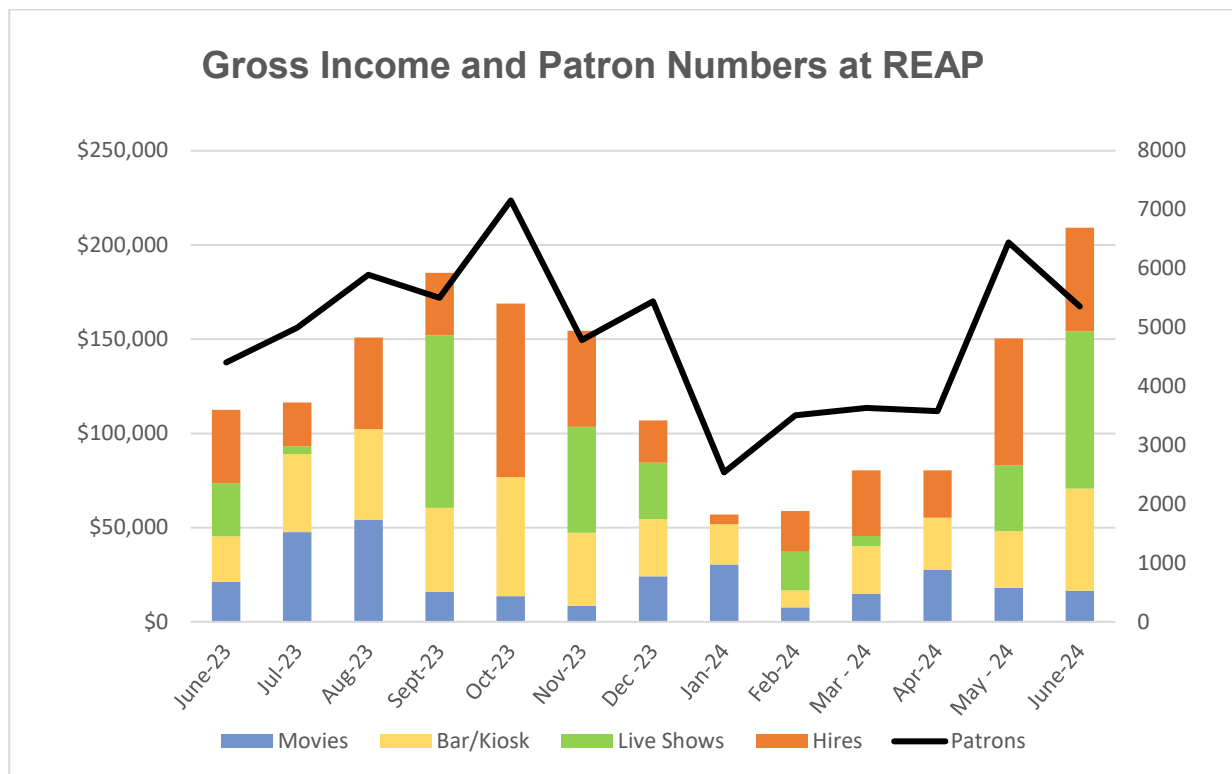
Attendance numbers have increased from May 2024 and are comparable to June 2023. Laser Tag parties were unavailable during this period due to the equipment being offline for repair. Revenue however was higher than the same period in 2023, driven predominately through party bookings and Café sales.

**Library Services**



<b>11,422</b> Total memberships (85 new members signed up in June).	<b>4,071</b> Physical items and <b>1,810</b> eResources borrowed.
<b>868</b> Individual computer log ins by members and guests (excludes Wi-Fi).	<b>12</b> External requests for local history information.
<b>1,057</b> Program participants at <b>50</b> programs, (including Story Time, Rhyme Time, Family Funday, Libraries After Dark and Special Story Time).	<b>70</b> Better Beginnings Packs were distributed to Population Health, Kindy classes and Library Patrons.
<b>1,150</b> Technical enquiries (including assistance with Computers, Wifi, Printing and Scanning).	
<b>225</b> Participants at the Special Outreach Firefighter Story Time at Dampier Skate Park.	
Karratha Library closed 25-27 June for the Pilbara Summit – Door count not captured for these three days.	

**Red Earth Arts Precinct**



In June 2024, REAP exhibited an above average performance, closing the financial year on a high note. Below is a detailed analysis, including comparisons to June 2023:

**Movies:** The top-performing movie for the month was the ‘Garfield Movie’, which attracted 465 attendees over five screenings. This movie was well received by families and contributed significantly to our monthly movie attendance.

**Bar/Kiosk:** Bar and Kiosk revenues were significantly bolstered by two major events. The Melbourne International Comedy Festival generated \$18,221 with a large audience. The Eskimo Joe concert earned \$20,279 from this highly anticipated event, adding to the overall revenue for the month.

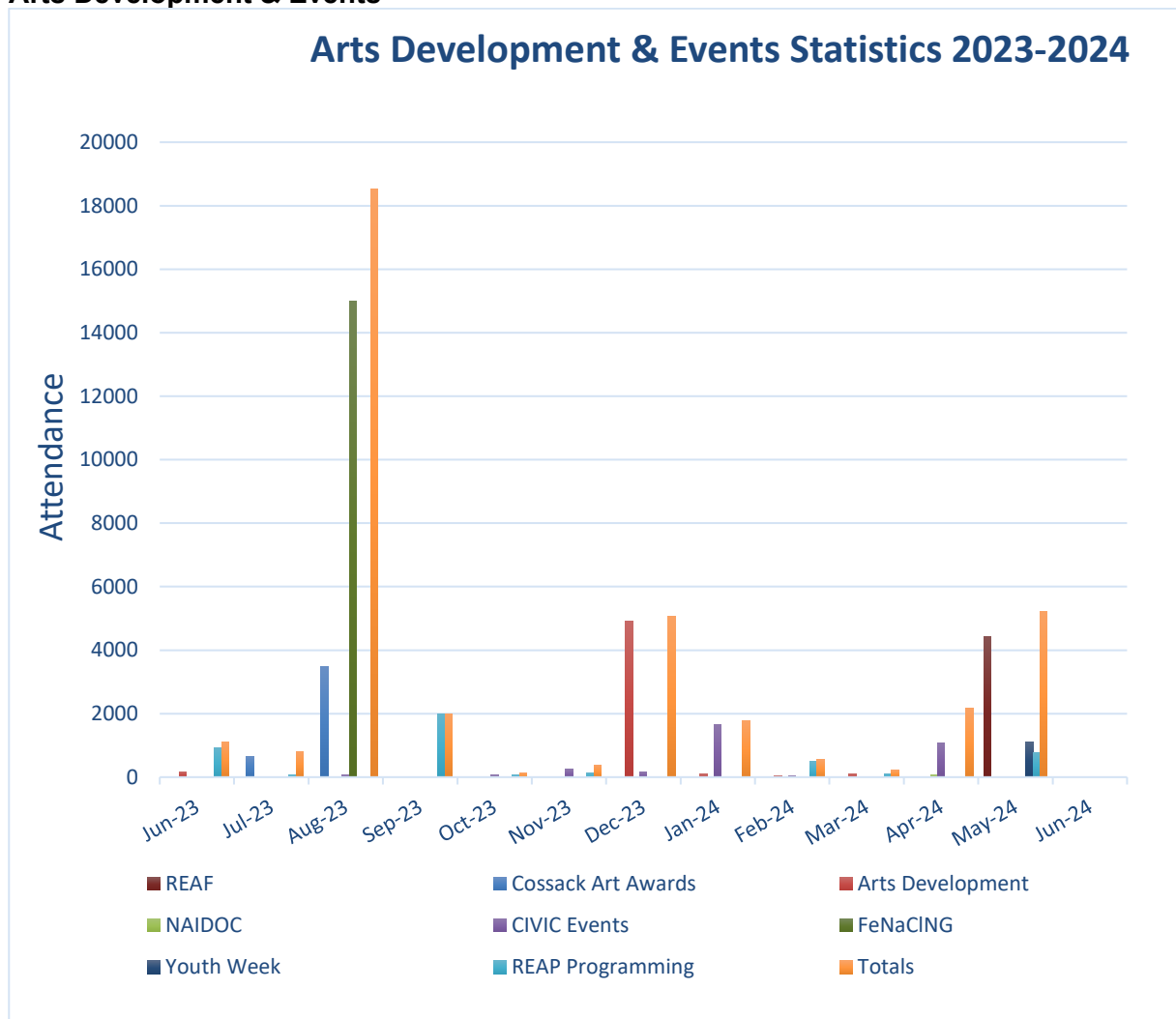
**Live Shows:** June featured two major live shows, both of which performed exceptional well. The Melbourne International Comedy Festival had a total attendance of 749 over the two shows and a ticketing income of \$41,697. The festival was a major draw, bringing in attendees from across the region and contributing significantly to our live show income. The Eskimo Joe Concert drew 622 attendees over 2 shows with a ticketing income of \$41,850. Eskimo Joe’s performances were a highlight this month, with ticket sales and bar revenue exceeding expectations.

**Venue Hires:** June also saw successful venue hires with the Pilbara Summit being a standout event. Pilbara Summit had 1,156 attendees over 2 days and a hire income of \$41,687. The seamless execution of the library transformation was a standout.

**Patrons:** The total number of patrons (5,354) visiting the precinct increased significantly compared to June 2023 (4,405). This represents a 22% increase in patronage demonstrating the growing popularity of our events and hires.

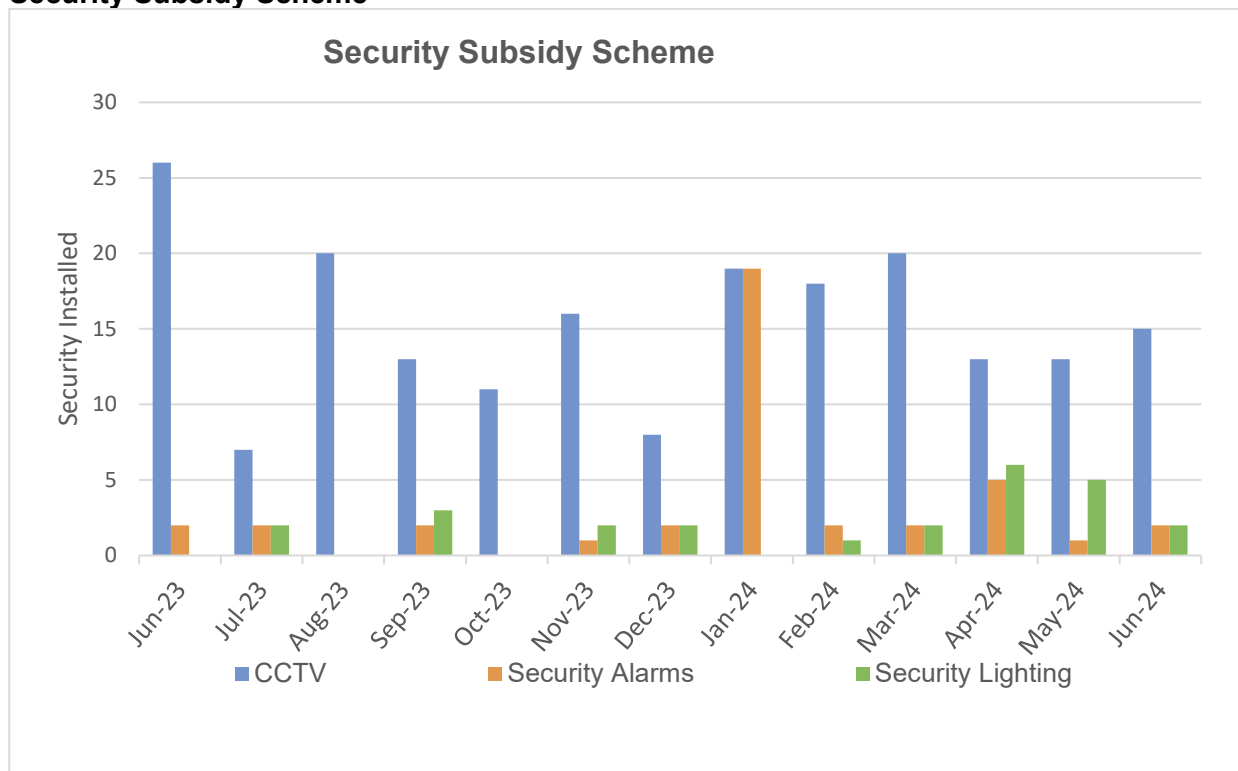
**Total Revenue:** Overall, total revenue for June 2024 \$209,123 saw a substantial increase compared to June 2023 \$112,486.

**Arts Development & Events**



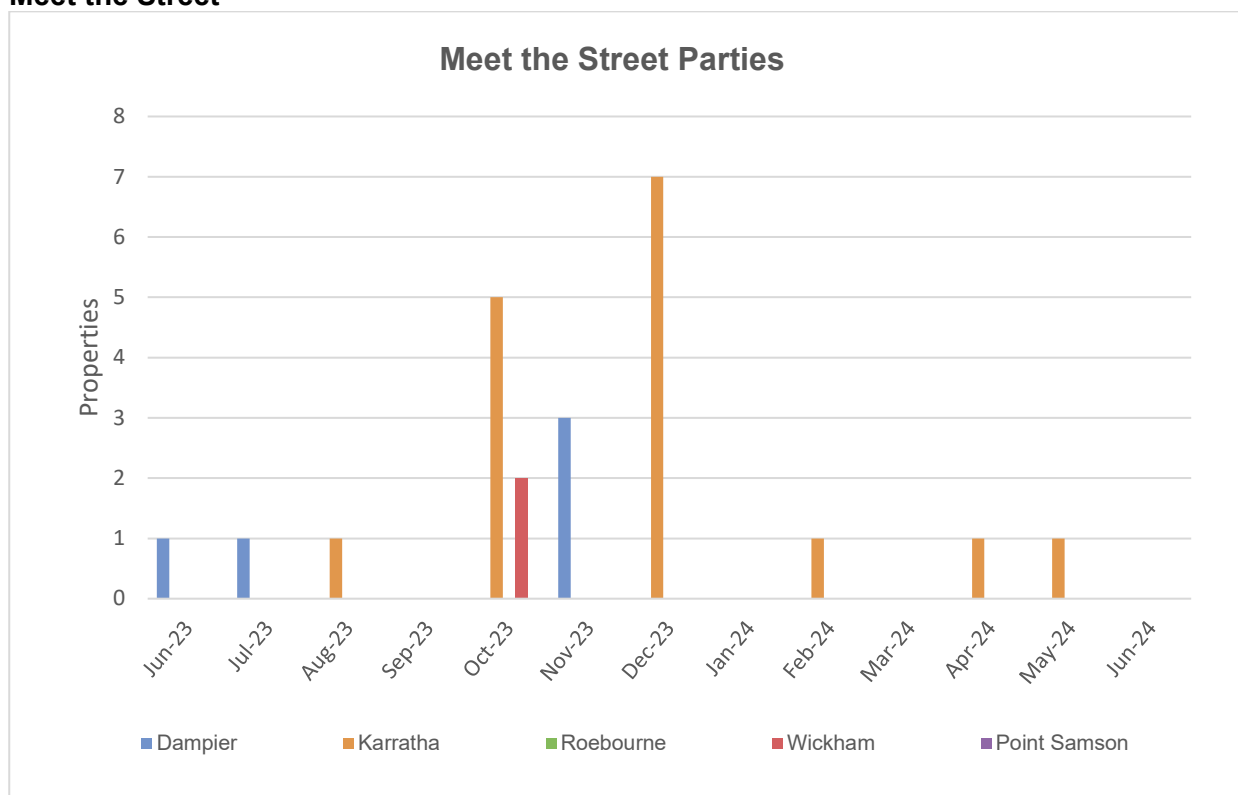
June was a quiet month as we prepare for NAIDOC week in July and our two biggest events of the year, the Cossack Art Awards in July and Fenacling in August.

**Security Subsidy Scheme**



20 Security Subsidy applications with more people using the full \$500 reimbursement.

**Meet the Street**



No Meet the Street parties held in June 2024.

**13.1.2 CONCESSION ON FEES FOR CITY FACILITIES**

**File No:** CR.38  
**Responsible Executive Officer:** Director Community Experience  
**Reporting Author:** EA Community Experience  
**Date of Report:** 18 July 2024  
**Disclosure of Interest:** Nil

**PURPOSE**

To provide Council with a summary of all concessions on fees for the City’s community facilities under Delegation 1.10 of the Delegations Register for the month of June 2024

Organisation	Reason	Authorised Officer	Amount (excl. GST)
Wickham Tidy Towns	To waive the fee of \$530 for venue hire at the Wickham Community Hub Public Hall to host a community fundraising event.	Director Community Experience	\$481.82

**13.1.3 DEVELOPMENT SERVICES UPDATE**

<b>File No:</b>	DB.32
<b>Responsible Executive Officer:</b>	Director Development Services
<b>Reporting Author:</b>	Statutory Planning Coordinator
<b>Date of Report:</b>	23 July 2024
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s)</b>	List of current decisions subject of State Administrative Tribunal Review and List of current Joint Development Assessment Panel applications

---

**PURPOSE**

To provide information relating to current State Administrative Tribunal (SAT) Reviews and development applications to be determined by the Joint Development Assessment Panel (JDAP).

This information is provided to keep Council informed of major development applications within the City of Karratha that will be determined by the JDAP rather than the City, and decisions made under planning legislation within the City that are being challenged in SAT.

These matters may also be of interest to members of the local community. The attached summaries also make information publicly available on major development applications and decisions that are being challenged.



**As of 23 July 2024**

APPLICATION (Name, No., City File Reference &/or JDAP File Reference)	PROPERTY	DATE FOR SAT REVIEW / APPLICATION LODGED	STATUS	RESPONSIBLE OFFICER	DATE CLOSED / COMPLETED
<b>SAT</b>					
Nil					
<b>JDAP</b>					
DA24-024	Bayview Caravan Park Lot 2654 Bayview Road, GAP RIDGE	8 April 2024	<ul style="list-style-type: none"> <li>• Proposed Hotel and Restaurant development.</li> <li>• Application proposes:                             <ul style="list-style-type: none"> <li>○ Demolition of existing park homes, ablution blocks and related amenities, with the retention &amp; refurbishment of existing swimming pool, reception area and caretakers' facility;</li> <li>○ Guest accommodation consisting of 832 rooms, sited within 68 buildings;</li> <li>○ Associated amenities (gym, laundry);</li> <li>○ New restaurant, licenced bar and beer garden; and</li> <li>○ Associated areas of car parking, access and landscaping</li> </ul> </li> <li>• All new buildings within the proposal are of a modular construction.</li> <li>• Application was advertised in the newspaper, on the City's website, letters to property owners and occupiers within 200m of the site and also on the City's Facebook page.</li> <li>• Independent design review undertaken on 29 May 2024.</li> <li>• City's Responsible Authority Report (RAR) originally due to JDAP on 4 July 2024.</li> <li>• City requested further information from applicant on 7 June 2024.</li> <li>• Applicant requested extension of time until 19 July 2024 to provide requested information.</li> <li>• Response to RFI completed by applicant on Friday 19 July 2024.</li> </ul>	Manager Planning	Under Assessment / Ongoing

			<ul style="list-style-type: none"> <li>• City has requested and applicant has agreed to extension of time until 5 August 2024 to submit RAR.</li> <li>• Meeting date has been set by DAP and is scheduled for 15 August 2024.</li> </ul>		
DA24-066	Lot 572 Mof Road, BURRUP	25 June 2024	<ul style="list-style-type: none"> <li>• Proposed modifications to the Pluto Train 1 LNG Plant.</li> <li>• Application proposes modifications to Train 1 to be able to accept and process Scarborough gas through the facility.</li> <li>• The application comprises:                             <ul style="list-style-type: none"> <li>○ Temporary construction facilities, to be removed by 2027;</li> <li>○ Construction of Pluto Train 1 Scarborough Modifications (modules) to allow the processing of the Scarborough gas through the existing Train 1 facility; and</li> <li>○ Laydown areas.</li> </ul> </li> </ul>	Senior Planner	Under Assessment

**13.1.4 PUBLIC BRIEFING ADDITIONAL INFORMATION – 12 AUGUST 2024**

<b>File No:</b>	CM.191
<b>Responsible Executive Officer:</b>	Chief Executive Officer
<b>Reporting Author:</b>	Minute Secretary
<b>Date of Report:</b>	12 August 2024
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	Nil

---

**PURPOSE**

To record meeting proceedings of the Public Agenda Briefing Session held on Monday 12 August 2024 and outline areas of the August 2024 Ordinary Council Meeting agenda with additional information following the meeting.

**BACKGROUND**

The Public Briefing session is a meeting whereby councillors can ask questions and obtain additional information related to Council Agenda items. No decisions can be made at this meeting. Meeting is also open to members of the public, where questions can be asked, and deputations/presentations can be made (time limited) to Council Agenda items only.

**14 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

**15 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

**16 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION**

**17 MATTERS BEHIND CLOSED DOORS**

---

**OFFICER’S RECOMMENDATION**

In accordance with Section 5.23 (2) (e) (iii) of the *Local Government Act 1995*, that Council move in camera to discuss items:

**ATTACHMENT TO ITEM 11.1 Pilbara Kimberley University Centre Funding Request – Financial Position**

**ATTACHMENT TO ITEM 11.1 Pilbara Kimberley University Centre Funding Request - Audited Financials 30 June 2023**

**ATTACHMENT TO ITEM 12.1 RFT14-2324 Pricing Schedule Update**

**ATTACHMENT TO ITEM 12.2 COOLAWANYAH DE WITT INTERSECTION UPGRADE – TENDER OUTCOME - Tender Evaluation Report**

These matters if disclosed would reveal information about the business, professional, commercial or financial affairs of a person.

**18 CLOSURE & DATE OF NEXT MEETING**

The meeting closed at \_\_\_\_\_.

The next meeting is to be held on 16 September 2024 at 6pm at Council Chambers - Welcome Road, Karratha.