



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 Monday, 28 July 2025 at 6pm**

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

**VIRGINIA MILTRUP
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: 
Virginia Miltrup, Chief Executive Officer

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

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

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

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

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

NOTES ON FINANCIAL INTEREST (FOR YOUR GUIDANCE)

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

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

INTERESTS AFFECTING IMPARTIALITY

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

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

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

IMPACT OF AN IMPARTIALITY CLOSURE

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

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

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AGENDA

1 OFFICIAL OPENING

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

Mayor Scott notifies all attendees that this meeting will be live streamed and a recording of the meeting will be made.

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 Kelly Nunn
- Cr Sarah Roots
- Cr Tony Simpson
- Cr Jodie Swaffer
- Cr Joanne Waterstrom Muller

Staff:	Virginia Miltrup	Chief Executive Officer
	Emma Landers	Director Community Experience
	Warren van Wyk	Director Corporate & Commercial
	Lee Reddell	Director Development Services
	Simon Kot	Director Projects & Infrastructure
	Henry Eaton	Manager Governance & Organisational Strategy
	Kate Jones	Minute Secretary

Apologies:

Absent:

Leave of Absence:

Members of Public:

Members of Media:

3 PUBLIC QUESTION TIME

4 PETITIONS/DEPUTATIONS/PRESENTATIONS

5 REQUESTS FOR LEAVE OF ABSENCE

6 DECLARATIONS OF INTEREST

Cr Furlong declared an interest in the following items:

- Indirect financial interest in 12.1 Wickham Recreation Precinct Multi-Purpose Courts Shade – Request to Call Tenders as Cr Furlong's husband is an employee of Rio Tinto and the assets under consideration are owned by Rio Tinto.
- Indirect financial interest in 12.3 Wickham Oval Carpark and Playing Surface Earthworks – Tender Outcome as Cr Furlong's husband is an employee of Rio Tinto and the assets under consideration are owned by Rio Tinto.

Cr Gillam declared an interest in the following items:

- Indirect financial interest in 12.1 Wickham Recreation Precinct Multi-Purpose Courts Shade – Request To Call Tenders as Cr Gillam's husband is an employee of Rio Tinto and the assets under consideration are owned by Rio Tinto.
- Indirect financial interest in 12.3 Wickham Oval Carpark and Playing Surface Earthworks – Tender Outcome as Cr Gillam's husband is an employee of Rio Tinto and the assets under consideration are owned by Rio Tinto.
-

Cr Nunn declared an interest in the following items:

- Indirect financial interest in 12.1 Wickham Recreation Precinct Multi-Purpose Courts Shade – Request to Call Tenders as Cr Nunn's husband is an employee of Rio Tinto and the assets under consideration are owned by Rio Tinto.
- Indirect financial interest in 12.3 Wickham Oval Carpark and Playing Surface Earthworks – Tender Outcome as Cr Nunn's husband is an employee of Rio Tinto and the assets under consideration are owned by Rio Tinto.
- Impartiality interest in 12.4 Karratha Golf Course Maintenance Compound and Shed Upgrade - Request to Call Tenders as Cr Nunn is employed by Volunteering WA and Karratha Country Club is a regional affiliate member of Volunteering WA.

Cr Roots declared an interest in the following items:

- Indirect financial interest in 12.1 Wickham Recreation Precinct Multi-Purpose Courts Shade – Request To Call Tenders as Cr Roots' husband is an employee of Rio Tinto and the assets under consideration are owned by Rio Tinto.
- Indirect financial interest in 12.3 Wickham Oval Carpark and Playing Surface Earthworks – Tender Outcome as Cr Roots' husband is an employee of Rio Tinto and the assets under consideration are owned by Rio Tinto.

Cr Waterstrom Muller declared an interest in the following items:

- Impartiality interest in 12.4 Karratha Golf Course Maintenance Compound and Shed Upgrade - Request to Call Tenders as Cr Waterstrom Muller is a paid social member of country club / Karratha Golf club.

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 Monday, 30 June 2025, 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 31 MAY 2025

File No:	FM.19
Responsible Executive Officer:	Director Corporate & Commercial
Reporting Author:	Corporate Accountant
Date of Report:	18 June 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. Statement of Financial Activity 31 May 20252. Statement of Financial Position 31 May 20253. Variance Commentary SFA by Nature 31 May 20254. Net Current Funding Position 31 May 2025

PURPOSE

To provide a summary of Council's financial position for the period ending 31 May 2025.

OFFICER'S RECOMMENDATION

That Council RECEIVE the Financial Statements for the financial period ending 31 May 2025 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 reports for May 2025 have been prepared in accordance with the *Local Government Act 1995* and the associated *Local Government (Financial Management) 1996 Regulations*.

The financial reports presented for May 2025 are subject to audit and adjustment.

The following table is a summary of the Financial Activity Statement compared to the Budget as of 31 May 2025:

2024/25	Original Budget	Current Budget	Year to Date Budget	Year To Date Actual	YTD Variance*	Variance %	Surplus Impact
Operating Activities							
Revenue (incl. Rates)	139,971,171	162,145,240	148,589,529	147,731,237	(858,293)	-0.6%	↓
Expenditure	(130,098,130)	(132,284,868)	(120,605,852)	(117,781,682)	2,824,170	2.3%	↑
Investing Activities							
Inflows	6,328,243	2,952,327	2,455,977	2,238,360	(217,617)	-8.9%	↓
Outflows	(52,180,508)	(49,811,891)	(41,960,670)	(32,310,249)	9,650,422	23.0%	↑
Financing Activities							
Inflows	24,777,999	30,210,662	0	1,095,907	1,095,907	0.0%	↑
Outflows	(18,588,938)	(42,218,874)	(8,512,978)	(4,322,297)	4,190,681	49.2%	↑
Non-Cash Items	29,791,441	29,038,871	27,195,633	28,030,833	835,200	3.1%	↑
Restricted PUPP Surplus BFWD 1 July	0	0	0	0	0	0.0%	
Unrestricted Surplus BFWD 1 July	9,490	9,490	9,490	9,490	0	0.0%	
Restricted PUPP Surplus CFWD	0	0	0	0	0	0.0%	
Surplus/(Deficit) 2024/25	10,768	40,957	7,171,129	24,691,599	17,520,470	244.3%	↑

*Refer to variance commentary attachment for explanation of material differences.

The comments provided in Attachment 3 - Variance commentary Statement of Financial Activity by Nature, explain material variances contributing to the total YTD budget variance shown in the above table. These variances are due to cash flow and timing issues; however some months can be quite large and generally reflect usual business for the City. Whilst every effort is made to time the cash flow movements appropriately, there may still be months of large variances due to unexpected items processed.

FINANCIAL MANAGEMENT UPDATE

Local Government Financial Ratios

The following table shows the YTD actual financial ratios meet the target ratios.

Period Ended 31 May 2025	Target Ratio	YTD Budget Ratio	Original Annual Budget Ratio	YTD Actual Ratio
Current Ratio	> 1	N/A	N/A	13.69
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 can cover its immediate cash commitments.				
Asset Sustainability Ratio (ASR)	> 0.90	0.85	1.64	0.84
The ASR measures how effectively a local government's assets are being replaced or renewed. Upgrades, expansions, and new works are not considered for the ASR.				
Operating Surplus Ratio (OSR)	> 15%	30.9%	8.0%	22.7%
The OSR measures how well a local government can cover its operational costs with funds left over for capital projects and other purposes				
Own Source Revenue Coverage Ratio (OSRC)	> 0.90	1.24	0.95	1.14
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.				
Debt Service Cover Ratio (DSCR)	> 2	52.2	46.9	53.0
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

	May 2025	April 2025	% Change	Comments
Current				
Assets	157,684,809	161,403,679	-2.30%	Decrease in Trade & Other Receivables. Decrease in Cash & Cash Equivalents
Liabilities	8,747,580	8,723,321	0.28%	Increase in Trade and Other Payables.
Non-Current				
Assets	762,563,183	761,192,435	0.18%	Increase in Infrastructure
Liabilities	6,451,877	6,451,877	0.00%	No Movement
Net Assets	905,048,535	907,420,916		

Debtors Schedule

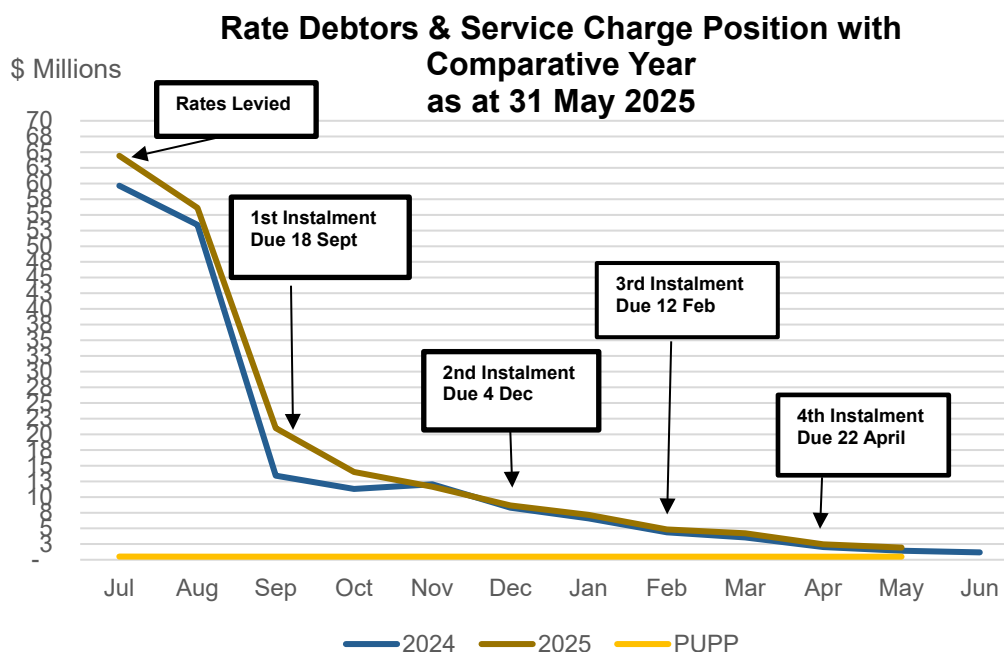
The following table shows Trade Debtors that have been outstanding over 40, 60 and 90 days as at the end of May 2025. The table also includes the total Rates and PUPP Service Charges outstanding.

When the following table is compared to Attachment 2, there is a balance sheet difference of \$3.7m, reflecting the loans receivable, accrued revenue and GST receivable.

Debtors Schedule

	May 2025	April 2025	Change %	% of Current Total
Sundry Debtors				
Current	7,875,925	7,025,630	12%	95.4%
> 40 Days	10,257	365,496	-97%	0.1%
> 60 Days	350,789	5,867	5879%	4.2%
> 90 Days	20,516	1,067	1823%	0.2%
Total	8,257,487	7,398,059	12%	100%
Rates Debtors				
Total	1,940,510	2,466,828	-21%	100%
PUPP Debtors				
Total	488,598	486,919	0.3%	100%

A total of \$65m of Rates (including ESL and waste charges) has been paid by the end of May 2025, representing a collection rate of 97.1% to date (comparative collection rate 97.7% for 31 May 2024).



There was no material change in May in the PUPP Debtors' balance. PUPP payments have now been received on 99.78% of properties and of those paid, 99.44% have paid in full, with 0.22% (\$488,598) still outstanding. Review of these is currently underway of their debt collection status.

Collection of outstanding debts greater than 40 days is continuing in line with Council policy. The table below 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
C529	Corps Earthmoving PL	-	214,441.11	-	Waste Disposal February 2025. Initial debt was for \$428,882.21. Approved payment plan with completion date of 30 June 2025. Current Balance owing \$107,220.51
K373	Guadalupe Del Carmen Kocsis	-	49.91	9,143.37	Directions issued by Rangers for reimbursement for unsightly property clean ups at property in Bulgarra. Debt Recovery continuing.
L136	If Foundation	-	27.21	5,260.28	Facility Hire Fees between October 2022 and March 2023. Contact has been made with Debtor. Sent to Ampac to issue letter of demand 29/05/25.

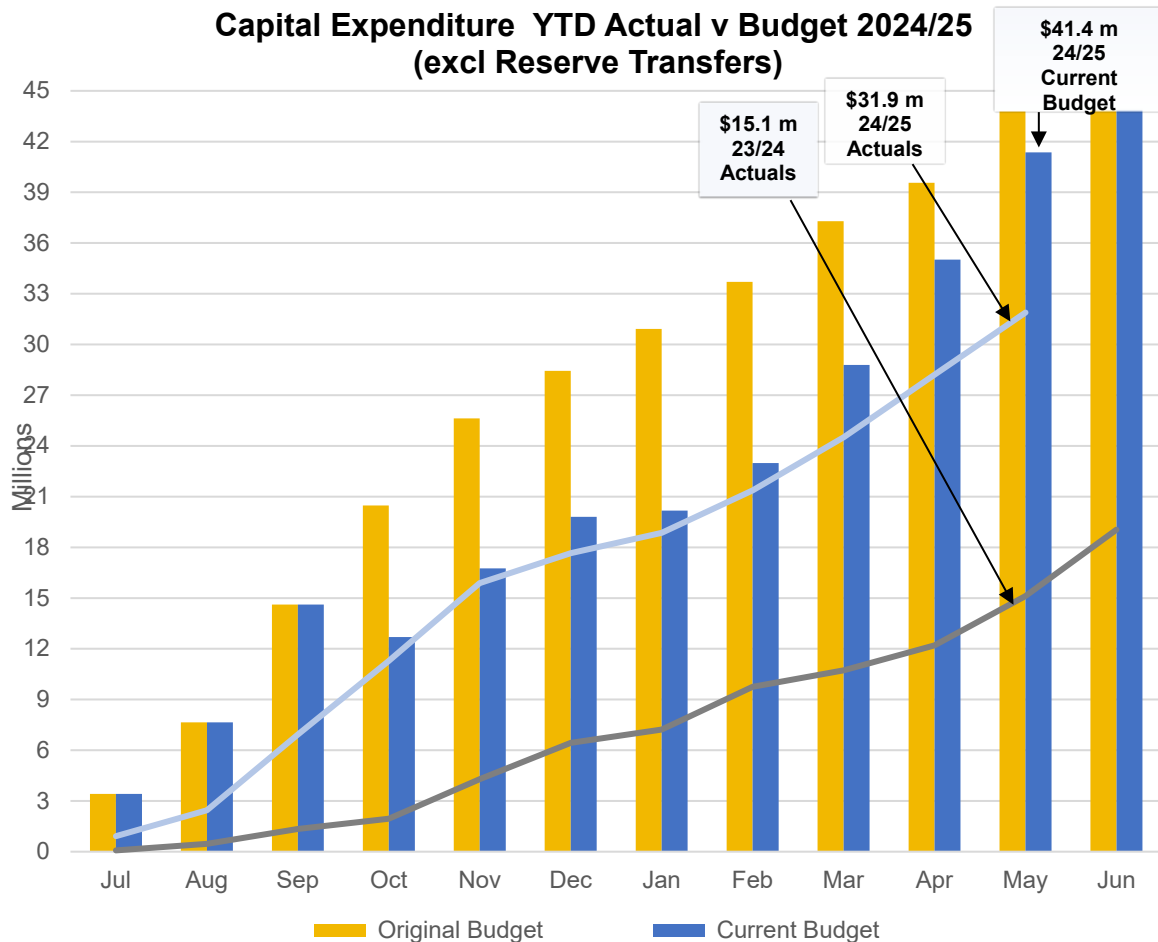
Capital Expenditure

Council's current 2024/25 Capital Expenditure budget is \$49.8 m which includes significant projects such as: Hillview/Balmoral Upgrade, Karratha Leisureplex Lighting Replacement, Kevin Richards Memorial Oval Lighting and Pole Upgrade, Coolawanyah & Dewitt Road Intersection Reconstruction and Roebourne Streetscape Master Plan – Stage 1.

The City spent \$31.9 m on its capital program to the end of May 2025, \$9.4 m (22.9%) less than the YTD budget (up from 19.4% in April 2025). These capital projects are detailed in Attachment 3 – Variance Commentary Report.

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 Current Budget	% of Annual Budget
	31 May-25			30-June-25		
Land	0	190	0.0%	0	0	0.0%
Artwork	0	0	0.0%	0	0	0.0%
Buildings	7,345,489	5,248,355	-28.5%	12,026,371	8,320,975	63.1%
Equipment	1,214,365	813,414	-33.0%	1,710,427	1,737,445	46.8%
Furn & Equip	1,821,960	1,005,124	-44.8%	1,145,000	1,828,210	55.0%
Plant	1,311,411	1,510,292	15.2%	1,468,365	2,079,411	72.6%
Inv Property	104,974	189,542	80.6%	0	104,974	180.6%
Infrastructure	25,026,475	20,317,158	-18.8%	32,454,924	29,596,926	68.6%
Work in Progress	4,534,598	2,803,214	-38.2%	3,354,140	6,122,669	45.8%
Totals	41,359,272	28,207,921	-22.9%	52,159,227	49,790,610	64.0%



Financial Statements

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

- Statement of Financial Activity (Attachment 1).
- Statement of Financial Position (Attachment 2).
- Variance Commentary - Statement of Financial Activity by Nature (Attachment 3).
- Net Current Funding Position (Attachment 4).

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 Council Plan 2025 - 2035.

RISK MANAGEMENT CONSIDERATIONS

The level of risk to the City has been assessed and 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 the Council of the current financial position of the City.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

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

9.2 LIST OF ACCOUNTS – 1 MAY 2025 TO 31 MAY 2025

File No:	FM.19
Responsible Executive Officer:	Director Corporate and Commercial
Reporting Author:	Senior Creditors Officer
Date of Report:	23 June 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. List of Payments – May 20252. Purchase Cards Report – May 20253. Fleet Fuel Card Report – April 2025

PURPOSE

To advise Council of payments made for the period from 1 May 2025 to 31 May 2025.

OFFICER'S RECOMMENDATION

That Council **RECEIVE** the list of payments totalling **\$13,877,599.10** as detailed in Attachments 1, 2 and 3 being made up of:

1. Trust Payments: nil;
2. BPay Payments 795 to 831 and EFT Payments 89199 to 89950 (Inclusive): **\$10,266,308.11**;
3. Cheque Voucher: nil;
4. Cancelled Payments: nil;
5. Direct Debits: 89505 & 89506: **\$2,510.00**;
6. Credit Card Payments (May 2025): **\$60,983.67**;
7. Payroll Payments: **\$3,547,797.32**

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 May 2025 to 31 May 2025 (including credit card transactions – May 2025) totalled \$13,877,599.10 which includes a sample of large payments as follows:

- BCP Contractors – Hillview/Balmoral Upgrade Claim - \$351,870
- CBRE (GSWLA) Pty Ltd – Admin Building, Supply Chiller - \$329,280
- Dampier Plumbing – Airport Fire/Water Upgrade Claim - \$272,822

- Dampier Plumbing – Airport WWTP Deposit Capital Works - \$575,388
- MSS Security Services – Airport Security, March & April 2025 - \$524,041
- The Artisan Co WA P/L – Roebourne Streetscape Works Claim - \$1,155,832
- Westrac Equipment – Purchase New Skid Steer - \$190,729

Consistent with CG-11 Regional Price Preference Policy, 60.5% of the total value of external payments reported for the period were made locally. This result is slightly higher than the prior month. In May 2025, 68% of the total number of invoices paid were for local suppliers, slightly less than the prior period.

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

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.

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.

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 2024-2025 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.

CONCLUSION

Payments and credit card payments for the period 1 May 2025 to 31 May 2025 totalled \$13,877,599.10. Payments have been approved by authorised officers in accordance with agreed delegations, policies, and budget.

COUNCILLOR QUESTION:

Regarding the \$232,251.33 payment to Corps, can you clarify why this payment is being made, given that they currently have an outstanding debt owed to us?

CITY RESPONSE:

Payments by the City to Corps and the handling of outstanding debts from Corps are separate matters and need to be managed separately. The City is bound to pay these individual contracts separately to other arrangements. Corps have entered a payment arrangement for one particular invoice that related to some internal works.

COUNCILLOR QUESTION:

Regarding payment to Ausolar Pty Ltd, why are there so many investigate and rectify charges? Has there been an issue?

CITY RESPONSE:

There were several faulty isolators with the previous solar installations at City houses that have all been replaced.

COUNCILLOR QUESTION:

Regarding payment 15056 for \$38,214 to Fremantle Biennale, what Red Earth Arts Festival event is that payment for?

CITY RESPONSE:

This was for the Red Earth Arts Festival First Lights Show at Hearson's Cove.

COUNCILLOR QUESTION:

What was the attendance for this event?

CITY RESPONSE:

The event sold out, with just over, 2,000 attendees.

COUNCILLOR QUESTION:

Regarding payment 14812 for \$21,813 to Zeritas P/L, what was that payment for?

CITY RESPONSE:

This payment is for work delivered on the review of dog exercise areas within the City, including site identification and analysis for a new fenced off-leash dog exercise area (Council initiative) and recommendations for improvements to existing dog exercise areas (e.g. dog control regulation, litter bags and bins, signage, shade and compliance monitoring).

COUNCILLOR QUESTION:

In credit card payments there is a significant number of accommodation bookings for consultants travelling, have we ever done any work regarding having a transit accommodation facility available for that purpose?

CITY RESPONSE:

The City has transit accommodation and do try to host our consultants and contractors there where possible, if the transit accommodation is unavailable then alternate accommodation will be booked.

9.3 INVESTMENTS FOR PERIOD ENDED 31 MAY 2025

File No:	FM.19
Responsible Executive Officer:	Director Corporate & Commercial
Reporting Author:	Corporate Accountant
Date of Report:	18 June 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	Nil

PURPOSE

To provide a summary of Council's investment position for the period ending 31 May 2025.

OFFICER'S RECOMMENDATION

That Council RECEIVE the Investment Report for the financial period ending 31 May 2025.

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).

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 1. Cash Allocations of City Funds

Institution	Accounts	Principal Investment \$	Balance 31 May 2025 \$	Interest %	Investment Term	Maturity	Source
RESERVE FUNDS							
WBC	Business Premium Cash Reserve		99,278	1.85	At Call		Reserve at Call
WBC	Reserve Term Deposit	20,000,000	21,013,573	5.27	12 months	Jun-25	Reserve TD
WBC	Reserve Term Deposit	8,000,000	8,377,968	5.44	12 months	Jul-25	Reserve TD
WBC	Reserve Term Deposit	5,000,000	5,145,751	5.14	12 months	Nov-25	Reserve TD
NAB	Reserve Term Deposit	13,000,000	13,308,182	5.12	7 months	Jul-25	Reserve TD
WBC	Reserve Term Deposit	11,000,000	11,252,111	5.07	10 months	Oct-25	Reserve TD
WBC	Reserve Term Deposit	4,000,000	4,077,415	5.01	10 months	Nov-25	Reserve TD
WBC	Reserve Term Deposit	18,000,000	18,248,745	4.85	11 months	Jan-26	Reserve TD
WBC	Reserve Term Deposit	19,000,000	19,244,892	4.85	11 months	Jan-26	Reserve TD
WBC	Reserve Term Deposit	10,000,000	10,047,474	4.56	3 months	Jul-25	Reserve TD
WBC	Reserve Term Deposit	10,000,000	10,004,789	4.37	12 months	May-26	Reserve TD
MUNICIPAL FUNDS							
WBC	Municipal Term Deposit	5,000,000	5,110,429	5.07	10 months	Oct-25	Muni TD
WBC	Municipal Term Deposit	2,000,000	2,000,474	4.83	3 months	Aug-25	Muni TD
WBC	Municipal (Transactional)		17,174,016	3.95	At Call		Muni at Call
N/A	Cash on Hand		8,505				
TOTAL		125,000,000	145,113,602				
The balance of all Term Deposits includes interest accrued to 31 May 2025							

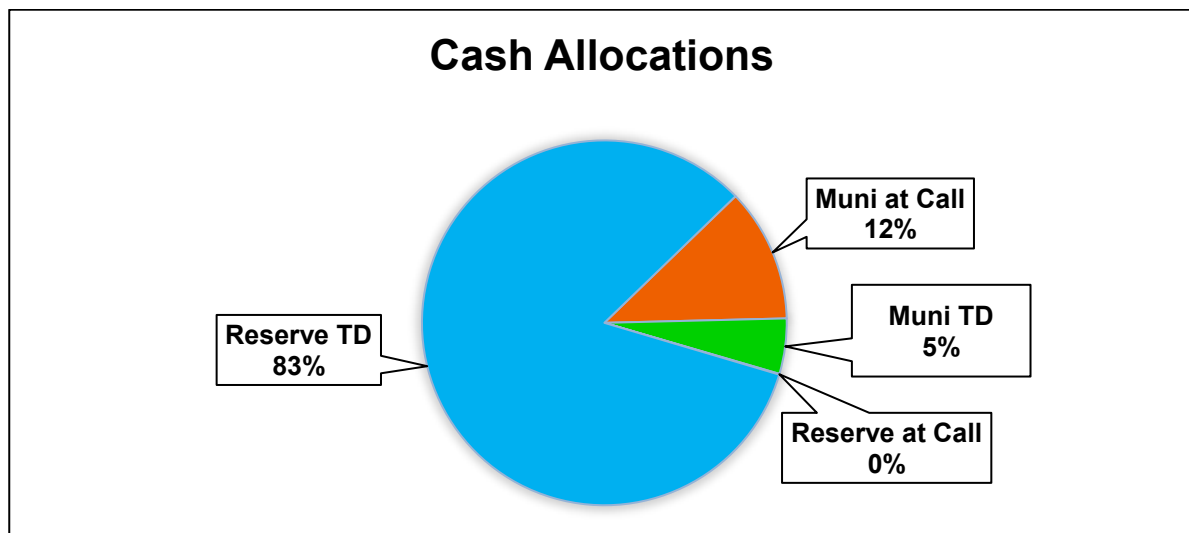
On average, the City is earning 4.7% across Municipal Term Deposits and 4.97% across Reserve Term Deposits.

The RBA official cash rate (overnight money market interest rate) reduced to 385 basis points during the month of May. Municipal Funds held in the Westpac transaction account are now earning 3.7% interest (down from 3.95% in April).

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.

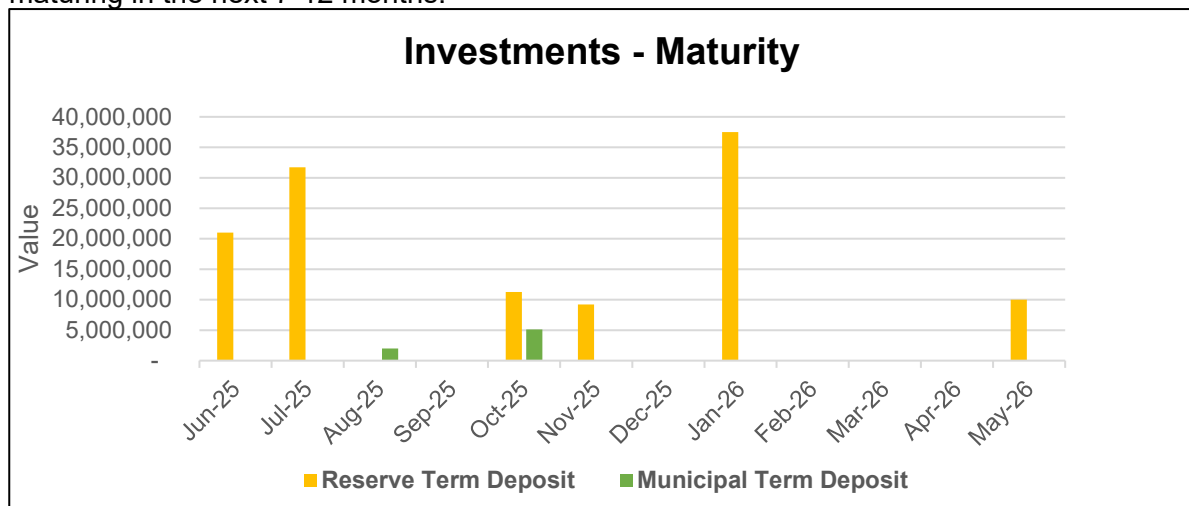
The following graph demonstrates the allocation of our Cash and Financial Investments to maximise return on investment which shows that 88% of our Cash and Financial Investments are invested in Term Deposits. This has reduced from the prior month (92% at 30 April 2025), enabling the City to preserve cash flow through end of year operations. This has resulted in an increase in Muni at Call to 12% (8% at 30 April 2025).



Graph 1. Percentage of Cash Allocations

Schedule of Maturity of Cash and Financial Investments

In accordance with the City's Investment Policy (CF03), in respect to liquidity of funds, the following schedule shows the maturity of our various investments. 43% of Cash and Financial Investments will mature in the next 3 months, 20% maturing in the next 4-6 months and 37% maturing in the next 7-12 months.

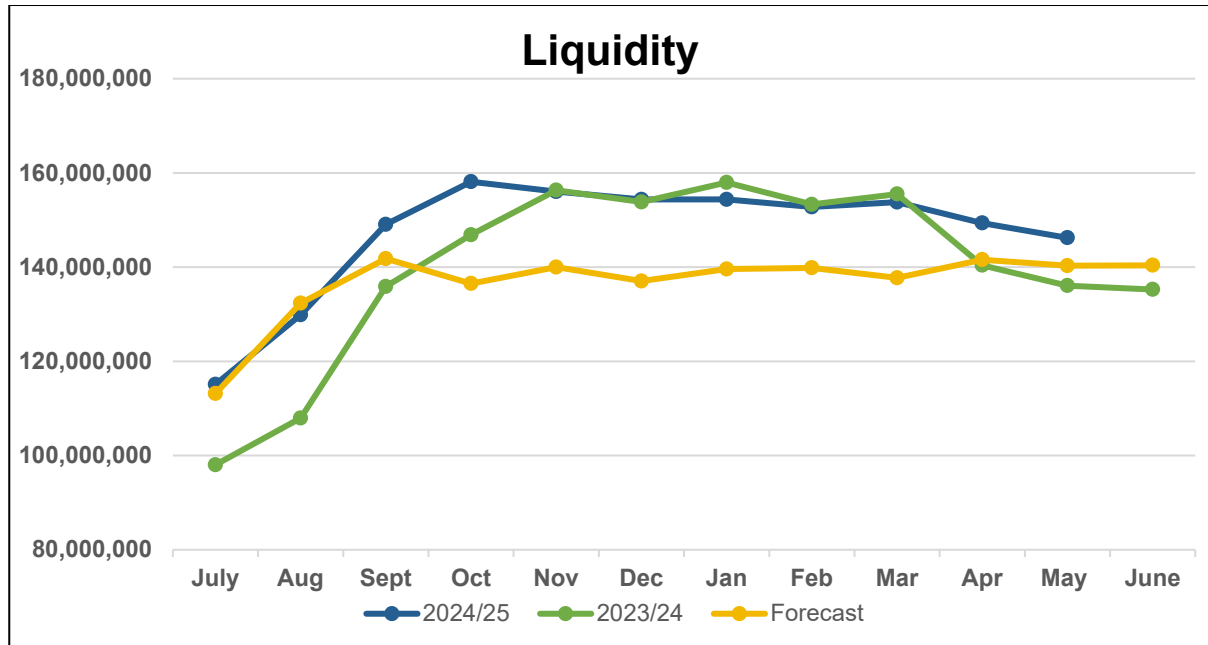


Graph 2. Schedule of Maturity of Cash and Financial Investments

Schedule of Liquidity

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

The liquidity graph for 2024/25 demonstrates an increase compared to May forecasts.



Graph 3. 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 tables below.

The expenditure paid this month relates to the annual insurance premium. A calculation error has been corrected increasing the Annualised ROI for the life-to-date investment to 55.2% (45.9% at 30 April 2025).

Table 2. Aspen Medical – Hangar Lease Performance

	Month 31 May 2025 \$	Year-to-Date 31 May 2025 \$	Life-to-Date 31 May 2025 \$
Total Income Received	33,250	388,443	2,676,555
Total Expenditure Paid	(13,653)	(21,314)	(149,172)
Net Income	19,597	367,129	2,527,383
Annualised ROI	7.8%	13.3%	55.2%

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.

The expenditure paid this month relates to the annual insurance premium. A calculation error has been corrected increasing the Annualised ROI for the life-to-date investment to 50.9% (41.5% at 30 April 2025).

Table 3. Babcock Offshore – Ground & Hangar Lease Performance

	Month 31 May 2025 \$	Year-to-Date 31 May 2025 \$	Life-to-Date 31 May 2025 \$
Total Income Received	49,847	567,098	3,221,007
Total Expenditure Paid	(943)	(943)	(18,554)
Net Income	48,904	566,155	3,202,453
Annualised ROI	13.8%	14.6%	50.9%

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.

Table 4. The Quarter HQ Performance

	Month 31 May 2025 \$	Year to Date 31 May 2025 \$	Life to Date 31 May 2025 \$
Total Income Received	395,328	3,728,590	27,354,316
Total Expenditure Paid	(85,032)	(1,542,588)	(12,858,784)
Net Income	310,296	2,186,002	14,495,532
Annualised ROI	18.6%	11.9%	9.2%

Ageing of Outstanding Lessees Balances

The following table highlights The Quarter lessees with aged balances in excess of \$5,000 as of 31 May 2025 by month.

Table 5. Aged Debtors of The Quarter

Suite ID	Lessee	Total Amount Outstanding (\$)	Commentary
3	T0000699 - Pilbara Weddings & Events	11,144.34	Lessee has entered into a payment plan with the City to repay the balance outstanding.
9	T0000716 – Onyx Group WA Pty Ltd	5,945.38	Debtor in liquidation proceedings. The liquidators are expecting that there will be no dividends paid to creditors.

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. The total loan approved was \$4.1M, with a 10-year period, with the total principal required to be repaid in 2030. 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.

Table 6. Scope Property Group Loan Agreement Schedule

	Month 31 May 2025 \$	Year to Date 31 May 2025 \$	Life to Date 31 May 2025 \$
Funded Amount	-	-	3,800,000
Interest Charges	(12,667)	(139,334)	(477,753)
Remaining Loan Amount	(300,000)	(300,000)	(300,000)

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 4.97%, there is an opportunity cost for the year to date of \$41,267 and a life to date cost of \$5,939. For the current month of May 2025, the opportunity cost is \$3,131. 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 Investment Policy CF03 & CF12. These are 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 2024-2025 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.

CONCLUSION

Council is obliged to receive the monthly investment report as per statutory requirements. This report guides Council on the performance of investments the City possesses and maintains.

9.4 REVIEW OF COUNCIL POLICIES

File No:	CM.124
Responsible Executive Officer:	Director Corporate & Commercial
Reporting Author:	Manager Governance & Organisational Strategy
Date of Report:	23 June 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. CI05 Artificial Intelligence (AI) Usage Policy (new)2. CG14 Election Caretaker Period Policy (current)3. CG14 Election Caretaker Period Policy (tracked)4. CG14 Election Caretaker Period Policy (clean)5. CG17 Attendance at Events Policy (current)6. CG06 Councillor Fees, Allowances, and Reimbursements Policy (current)7. CG06 Councillor Fees, Allowances, and Reimbursements Policy (tracked)8. CG06 Councillor Fees, Allowances, and Reimbursements Policy (clean)9. CG08 Significant Decision Making Policy (current)10. CG08 Significant Decision Making Policy (tracked)11. CG08 Significant Decision Making Policy (clean)12. EM01 Social Media Policy (new)13. Public Briefing Presentation

PURPOSE

For Council to consider the adoption of the following reviewed policies:

- CG14 Election Caretaker Policy,
- CG17 Attendance at Events Policy,
- CG06 Councillor Fees, Allowances, and Reimbursements Policy and
- CG08 Significant Decision Making Policy

And adopt the following new policy:

- CI05 Artificial Intelligence (AI) Usage Policy
- EM01 Social Media Policy.

OFFICER'S RECOMMENDATION

That Council:

1. **ADOPT** the following amended policies:
 - a. **CG14 Election Caretaker Period Policy,**
 - b. **CG06 Councillor Fees, Allowances, and Reimbursements Policy (incorporating former policy CG17 Attendance at Events), and**
 - c. **CG08 Significant Decision Making Policy.**

2. ADOPT the following new policies:

- a. **CI05 Artificial Intelligence (AI) Usage Policy**
- b. **EM01 Social Media Policy.**

3. REPEAL Council Policy CG17 Attendance at Events as this is included in Council Policy CG06 Councillor Fees, Allowances and Reimbursements Policy.**BACKGROUND**

Several policies presented for consideration have been in place for years and require periodic review and updates to maintain their relevance and effectiveness. Policies have been consolidated where necessary.

DISCUSSION**CI05 Artificial Intelligence (AI) Usage Policy**

This policy has been created to establish clear principles for the appropriate, ethical, and secure use of Artificial Intelligence (AI) tools for all users of City data or Information Systems. The policy ensures legal compliance, risk management, and community trust while enabling innovation and embracing the potential benefits of AI for the City and its community.

EM01 Social Media Policy

The purpose of this policy is to provide a clear, professional, and respectful framework for the City of Karratha's (City) use of social media. The document outlines expectations for official and personal use of social media by Council Members, employees, and authorised users. It reinforces the City's commitment to inclusive, responsive, and accountable communication with the community.

The following policies have undergone updates as part of a regular review process with amendments captured individually for each policy in the below tables:

- CG14 Election Caretaker Period Policy,
- CG06 Councillor Fees, Allowances, and Reimbursements Policy incorporating CG17 Attendance at Events, and
- CG08 Significant Decision Making Policy.

CCG14 Election Caretaker Period Policy:

Item reference	Proposed amendment	Rationale
2.1.2 Definitions: 'Caretaker Period'	Expanded definition to indicate amended time period from closure of nominations to when results are declared. Further clarification that the period does not include extraordinary elections.	Amended to align with legislative amendments.
2.1.2 Definitions: 'Significant Act'	New definition added to include local laws, employment contracts, land transactions and major land transactions, major trading undertakings, contracts in excess of \$250,000, tenders in excess of \$250,000, changes to regional local governments or regional subsidiaries, changes to local planning strategies schemes or	This is an expanded list from the previous version as defined through legislative amendments.

Item reference	Proposed amendment	Rationale
	policies, and procurement of a panel of prequalified suppliers.	
2.1.2 Definitions: 'Major Policy Decision'	Removed references to significant matters identified in the Significant Act definition.	Removed duplications.
2.1.4 Decisions made during a Caretaker Period	Any Significant Act undertaken during the caretaker period is required to have local public notice in addition to notifying the CEO (Director General) of the Department of Local Government.	Amended to align with legislative amendments.
2.2 Part 2 – Extraordinary Circumstances Requiring Exemption	Included criteria that would be considered appropriate such as a written law, court order or tribunal order, or a contractual obligation entered into prior to the Caretaker Period. CEO of the Department of Local Government is to authorise a Significant Act if it is an emergency or to ensure proper operation of the local government.	Provides clarity to what is extraordinary circumstances and to align with legislative amendments.
2.3 Part 3 – Caretaker Statement	Added text for clarity	Administrative update.
2.7 Part 7 – The use of City of Karratha's Resources	Updated title of code of conduct to "Code of Conduct for Council Members, Committee Members and Candidates"	Administrative update.

CG06 Councillor Fees, Allowances, and Reimbursements Policy

Item reference	Proposed amendment	Rationale
Purpose		
Policy Statement	Remove content from statement paragraph.	Moved to explanatory sections
Terminology	"Councillors" changed to 'Council Members'	
Deputy Mayor Allowance	Amalgamated with Mayor allowances section	
General	Minor administrative corrections made throughout the document.	Improved readability.
Superannuation	New section	Added in line with new legislation.
Appendix A at Attendance Events	Adding former provisions of Council Policy CG17 Attendance at Events as an appendix to CG06.	Improved alignment with the substantive policy
Purpose	Added "the purpose of the policy is to establish the requirements relating to Council Members and	Updated to be more succinct

Item reference	Proposed amendment	Rationale
	the Chief Executive Officer when attending events as representatives of the City of Karratha, without restricting their participation in a Council decision making process”	
Definitions	Added definition of ‘gift’.	Necessary for context
General	Minor administrative corrections made throughout the document.	Improved readability.

CG08 Significant Decision Making Policy

Item reference	Proposed amendment	Rationale
General	Minor administrative changes updating Strategic Community Plan and Corporate Business Plan to Council Plan	Improve readability and align with new strategic documents.
Thresholds	Updating identified thresholds to not be ultra-vires of legislation by reducing threshold limits from 5% or more of total rates and 5% of more of total assets to a figure of \$250,000.	This is to comply with legislative changes as it relates to the Caretaker Policy and what is defined as significant.

LEVEL OF SIGNIFICANCE

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

STATUTORY IMPLICATIONS

Section 2.7(2) (b) of the *Local Government Act 1995* provides that the Council is to determine the local government’s policies.

COUNCILLOR/OFFICER CONSULTATION

Consultation has taken place with relevant officers as required.

COMMUNITY CONSULTATION

No community consultation is required.

POLICY IMPLICATIONS

Council Policies CG14, CG06 and CG08 are proposed to be updated and applied in accordance with Council’s decision. Policy CG17 will be repealed with its details to be incorporated into CG06.

New Policy CI05 and EM01 are proposed to be effective from the date resolved by Council.

FINANCIAL IMPLICATIONS

Any financial implications are included in budget forecasts for 2025/26.

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.e.1.2 Organisational Risk Management
 Projects/Actions: 4.e.1.2.20.2 Review and maintain a contemporary set of Council Policies

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	N/A	Nil
Environment	N/A	Nil
Reputation	Moderate	Policies endeavour to provide guidance, transparency and fairness to decisions carried out by the Council and City employees. Compliance with policies maintains the City's reputation with all stakeholders.
Compliance	Moderate	Under s.2.7 of the Act, Council is required to determine and implement its policies. A number of policies are also required to be implemented under state legislation.

IMPACT ON CAPACITY

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

RELEVANT PRECEDENTS

Council adopted a previous version of:

CG08 and CG14 in August 2023,
 CG17 in August 2020, and
 CG06 in June 2020.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

Updating of Council's policy documents is a necessary activity to ensure that policies are consistent with current practices and remain contemporary with industry or organisational standards. The reviews ensure that they remain effective and continue to align with the community's changing goals and values.

COUNCILLOR QUESTION:

Has WALGA or any other local government provided guidance on AI policy?

CITY RESPONSE:

The WA State Government has established general principles for the use of AI in the public sector and also encouraged WA local governments to comply with these principles. WALGA is currently working with local governments in the AI space to determine readiness and provided more detailed guidance. Policies of other local governments in WA and other jurisdictions have been researched. The proposed policy aligns with other local governments and follows state government recommendations.

COUNCILLOR QUESTION:

In the Social Media Policy, and Social Media During Emergencies, what are considered to be 'reliable sources', and should these sources be outlined in the policy?

CITY RESPONSE:

It is not recommended to include these in the policy document in case they change over time. As per previous advice, for emergency situations people should be referred to DFES and Emergency WA for information. On a case-by-case basis we provide advice to employees and Councillors as to the reliable source of information for the incident.

COUNCILLOR QUESTION:

Is there specific wording required to outline the CEO's conduct on social media given that the CEO is employed by council?

CITY RESPONSE:

The CEO can respond to administrative matters on social media. These responses aim to reflect progressive and modern communication with the community. When responding on social media, the CEO will be clear that a response is made as the CEO of City of Karratha to ensure clarity for the community. The CEO would ensure that any legislative or policy requirements are adhered to.

COUNCILLOR QUESTION:

Is there general training available for staff on the utilisation of AI in the workplace?

CITY RESPONSE:

In support of the training requirements of this Policy, a security awareness training (SAT) product is being configured to provide staff training that is consistent with the requirements of the AI Usage Policy, cybersecurity requirements and the upcoming PRIS legislation.

Additionally, staff have access to LinkedIn Learning which provides a wide range of training options on how to best utilise AI tools.

Staff will also receive education and advice on the implementation of this policy, and when specific AI software is rolled out.

COUNCILLOR QUESTION:

Will the City's AI tool register referenced in the policy be publicly accessible?

CITY RESPONSE:

Registers and procedures that support policies are typically maintained internally. The AI tool register is not intended to be a public register; the policy wording refers to supporting documents maintained by the City.

9.5 MEMBERSHIP TO EXTERNAL ADVOCACY BODIES

File No:	GR.49
Responsible Executive Officer:	Director Corporate and Commercial
Reporting Author:	Manager Governance & Organisational Strategy
Date of Report:	14 July 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. Australian Mining Cities Alliance Annual Report 2023-242. Regional Capitals Alliance WA Annual Report 20233. Regional Capitals Australia Annual Statement 20244. NW Defence Alliance Terms of Reference5. NW Defence Alliance Chair Report 0410246. Public Briefing Presentation

PURPOSE

For Council to consider the City's ongoing commitment and representation on external advocacy bodies.

OFFICER'S RECOMMENDATION

That Council:

- 1. SUPPORT the continued membership to the following organisations:**
 - a. Australian Mining Cities Alliance;**
 - b. Regional Capitals Alliance WA;**
 - c. Regional Capitals Australia; and**
 - d. North West Defence Alliance**
- 2. APPROVE Mayor and CEO, or proxy, representation at related meetings; and**
- 3. APPROVE the membership fees and associated travel costs to these bodies.**

BACKGROUND

The Council has been an effective and strong advocate for the Pilbara region and in promoting Karratha as Australia's most liveable regional city.

The following groups have been actively represented by the City of Karratha to advocate for our region:

- Australian Mining Cities Alliance
- Regional Capitals Alliance WA
- Regional Capitals Australia
- North West Defence Alliance

DISCUSSION

Below is a brief overview of each of the external advocacy bodies.

The City maintains memberships with several advocacy organisations, and it is considered best practice to periodically review these affiliations. These memberships offer a variety of advantages, including opportunities for knowledge sharing among peers and collaborative lobbying efforts.

Outlined below is a summary of each external advocacy organisation, accompanied by an analysis of their distinct roles and the corresponding benefits of membership.

Australian Mining Cities Alliance

The Australian Mining Cities Alliance (AMCA) was established in 2017, with the City of Karratha joining in July 2021. Their vision is to enhance economic, social, and environmental standards and sustainability for mining cities and regions.

Overview	<p>The Australian Mining Cities Alliance (AMCA) is a formal coalition of local governments from Australia's major mining cities.</p> <p>They advocate for smart, coordinated national policy that reflects the true value, challenges, and opportunities of mining-affected communities.</p> <p>These regions generate billions for the national economy and serve as hubs for critical minerals, but remain under-serviced and excluded from long-term federal planning.</p>
Membership	<ul style="list-style-type: none"> • Western Australia - Town of Port Hedland, City of Kalgoorlie-Boulder, City of Karratha, Shire of East Pilbara • New South Wales - City of Broken Hill • Queensland - Mount Isa City Council, Isaac Regional Council
City of Karratha representation	<ul style="list-style-type: none"> • Mayor Dan Scott - Board Director • Deputy Mayor Daiva Gillam - Proxy Board Director • CEO Virginia Miltrup - Operational Committee Member
Advocates to	Federal Government
Advocacy activity	<ul style="list-style-type: none"> • Expand Critical Minerals List – Include iron ore, magnetite and steel-making coal to support global infrastructure and energy transition. • Address FIFO/DIDO Impacts – Create a national framework and adjust funding to reflect ghost population pressures. • Reform FBT for Housing – Extend FBT exemptions to encourage permanent residency and reduce FIFO reliance. • Support Post-Mining Transition – Fund retraining and diversification to sustain communities after mine closures. • Improve Housing Affordability – Increase regional housing investment and reform loan/funding settings.
Alignment to City Advocacy Positions and/or City Strategies	<ul style="list-style-type: none"> • Tax Reform to enable mining Cities to share in mining royalties

	<ul style="list-style-type: none"> • Tax Reform to unlock Regional Housing. Key partners driving the 'More than Mining' campaign • Improved measurement by the ABS of the impact of the FIFO and DIDO workforce population
Comment	<p>This organisation assists the City to champion issues that are specific to mining Cities at the Commonwealth level.</p> <p>The key benefits have been to raise the profile of mining communities with the Federal Government Ministers and Shadow Ministers. The Federal Government is more receptive to listening to issues that affect more than one Local Government.</p> <p>Lobbying for the 'more than mining' campaign has occurred, and policy change will require further lobbying, supported by analytical data. There is generally strong alignment of member Councils.</p> <p>The organisation is currently led by the City of Kalgoorlie Boulder's Mayor and CEO who carry the administrative load.</p> <p>City of Karratha expenditure typically relates to travel, however membership provides the opportunities for resource sharing between the organisations, particularly when developing advocacy positions.</p>

Regional Capitals Alliance WA

The Regional Capitals Alliance WA (RCAWA) was established in 2012. The City of Karratha joined in July 2014.

Overview	The RCAWA's vision is to be the sought after unified voice, key stakeholder and collaborator on matters that impact on the economic and social vibrancy and sustainability of Regional Western Australia.
Membership	<ul style="list-style-type: none"> • City of Albany • Shire of Broome • City of Bunbury • City of Busselton • Shire of East Pilbara • Shire of Esperance • City of Greater Geraldton • City of Kalgoorlie-Boulder • City of Karratha • Shire of Northam • Town of Port Hedland
City of Karratha representation	<ul style="list-style-type: none"> • Mayor Dan Scott • CEO Virginia Miltrup
Advocates to	State Government

Advocacy activity	<ul style="list-style-type: none"> • Housing - Advocating for funding and delivery partners to boost housing supply through infill, greenfield, regeneration, and key worker accommodation projects. • Transport (Airports & Roads) - Calling for investment in regional transport infrastructure to support economic growth, tourism, and national connectivity. • Waste - Seeking funding for modern, fit-for-purpose waste facilities to meet environmental standards and protect public health. • Community Development - Promoting investment in projects that enhance liveability, attract residents, and support tourism across regional capitals.
Alignment to City Advocacy Positions and/or City Strategies	<ul style="list-style-type: none"> • Housing advocacy in the Regions, including the impact of GROH • Transport & Infrastructure, including the costs borne by Regional Local Governments to manage and run airports • Impact of Government policy on Regional Local Governments, including implementation of Local Government Reform, expense of mandatory use of the Auditor General, expense of the WA electoral commission
Comment	<p>This organisation assists the City to champion issues that are specific to Regional WA. Member Councils regularly work on joint projects and share resources and knowledge.</p> <p>This organisation regularly establishes meetings with State Government Ministers.</p> <p>In 2024 it supported the City's advocacy concerning Regional Housing constraints, lobbying for increasing housing supply through urban infill, greenfield developments, and key worker accommodation to address critical shortages in regional capitals.</p> <p>The organisation advocated for regional aviation investment through a formal submission to the Aviation Green Paper. Additionally, it created a service review template to align with upcoming local government reforms, and completed a major review of regional performing arts centres, producing over 50 sustainability recommendations.</p> <p>A key benefit is participation in an annual performance benchmarking process to assist Regional Councils to compare their efficiency and cost to serve.</p> <p>There is generally strong alignment of member Councils.</p>

	<p>The organisation is currently led by the City of Bunbury's Mayor and CEO who carry the administrative load.</p> <p>City of Karratha expenditure typically relates to travel, however membership provides the opportunities for resource sharing between the organisations, particularly when developing advocacy positions.</p> <p>The CEO leads the benchmarking and service review projects to enable the exchange of data and resources across the Regional Councils.</p>
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Regional Capitals Australia

Regional Capitals Australia (RCA) was established in 2012. The City of Karratha joined in July 2017.

Overview	RCA's vision is to see Australia's regional capital cities attain the investment needed to reach their full social and economic potential.
Membership	<ul style="list-style-type: none"> • Western Australia – Shire of Broome, City of Busselton, City of Greater Geraldton, City of Kalgoorlie-Boulder, City of Karratha, Town of Port Hedland • Queensland – Fraser Coast Regional Council • New South Wales – Albury City Council, Armidale Regional Council, Broken Hill City Council, Dubbo Regional Council, Goulbourn Mulwaree Council, Griffith City Council, City of Wagga Wagga • Northern Territory – City of Palmerston • South Australia – City of Port Lincoln • Victoria – Ballarat City Council, Greater Geelong City Council, Latrobe City Council
City of Karratha representation	<ul style="list-style-type: none"> • Mayor Dan Scott • CEO Virginia Miltrup is Treasurer, supporting the Mayor of the Town of Port Hedland who is the Chairperson
Advocates to	Federal Government
Advocacy activity	<ul style="list-style-type: none"> • Population - Boost skilled migration to regional capitals through DAMA reform, expanded visa eligibility, and improved settlement support. • Regional Infrastructure - Secure \$1B over four years for major and mid-scale infrastructure to support growth and liveability. • Community Infrastructure - Establish a \$2B program for councils to maintain and enhance local community assets post-LRCI. • Local Roads - Maintain \$1B+ annual funding for safer, more resilient local road networks with flexible delivery. • Airports & Aviation - Increase funding and support for regional airports to manage costs, security, and route viability.

	<ul style="list-style-type: none"> • Housing - Fund enabling infrastructure and innovation to accelerate housing supply, backed by skills investment. • Water Security - Enable councils to directly access federal funding for critical water infrastructure upgrades. • Arts & Culture - Ensure equitable federal funding for regional arts, with tailored grant programs and simpler access.
Alignment to City Advocacy Positions and/or City Strategies	<ul style="list-style-type: none"> • Housing advocacy in the Regions, including the impact of GROH • Transport & Infrastructure, including the costs borne by Regional Local Governments to manage and run airports • Tax Reform to enable mining Cities to share in mining royalties
Comment	<p>This organisation assists the City to champion issues that are specific to Regional Cities at the Commonwealth level.</p> <p>Due to the number of member Councils, and the support of a professional Canberra-based lobbying organisation it is effective in raising the profile of regions.</p> <p>The key benefits have been to raise the profile of regional Australia with the Federal Government Ministers and Shadow Ministers. The Federal Government is more receptive to listening to issues that affect more than one Local Government. Additionally, there is often the opportunity to raise Pilbara-specific issues in these forums.</p> <p>The Chairperson is the Mayor Carter from Port Hedland and the Board includes representatives from every state. Membership fees pay for a professional lobby group who set up meetings and prepare advocacy positions.</p> <p>City of Karratha expenditure typically relates to travel, however membership provides the opportunities for resource sharing between the organisations. The CEO provides some oversight of their finances however the time commitment is minimal.</p> <p>Key achievements have included:</p> <ul style="list-style-type: none"> • Secured \$1B through programs like Growing Regions and Regional Precincts to support economic and liveability projects. • Successfully advocated for increased funding – Roads to Recovery doubled to \$1B/year, plus new \$200M Safer Roads program and boosted Black Spot funding.

	<ul style="list-style-type: none"> • Influenced \$49.3M investment in modular housing and expanded home guarantee schemes to tackle regional housing shortages. • Helped secure \$8.6M for regional music and cultural events through the Revive Live program. • Contributed to government action preserving regional air routes via \$50M intervention to support Rex Airlines' continued operation.
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North West Defence Alliance

North West Defence Alliance (NWDA) was established in 2021. The City of Karratha was an inaugural member.

Overview	NWDA's mission is to raise awareness of the North West's strategic vulnerability to ensure that the region receives the necessary defence infrastructure and personnel to safeguard its people, resources and economy. It aims to protect the vital assets that generate billions of dollars for Australia's economy, whilst also creating opportunities for local businesses to engage with defence industries.
Membership	<ul style="list-style-type: none"> • City of Karratha • Town of Port Hedland • Shire of Derby – West Kimberley • Shire of Halls Creek • Shire of Wyndham – East Kimberley • Shire of Broome • Shire of Exmouth
City of Karratha representation	<ul style="list-style-type: none"> • Mayor Dan Scott • CEO Virginia Miltrup (Secretariat)
Advocates to	<ul style="list-style-type: none"> • State Government • Federal Government • Department of Defence
Advocacy activity	<ul style="list-style-type: none"> • Increase investment in Australian Border Force to protect the Northern Coastline • Increasing presence of the Australian Defence Force in the north to protect strategic National and State mining and resources industries and its proximity to vital trade routes. • Building "Defence Ready" workforces. • Officially partnering with Defence West to deliver favourable outcomes in the North of WA. • Partnering with industry and government and seeking funding to develop a "Local Capabilities Register", training of contractors to support defence initiatives in the regions. • Federal MP Melissa Price (former Minister for Defence) is a patron of the Alliance.
Alignment to City Advocacy Positions and/or City Strategies	<ul style="list-style-type: none"> • Promotes regional safety and economic opportunities

Comment	<p>This organisation assists the City to champion defence-related safety and security issues for the North West.</p> <p>The organisation secured recognition of the North West in the Defence Strategic Review, elevating its status as a priority region in national defence planning.</p> <p>It has contributed to increased federal investment in defence infrastructure, with key upgrades in Derby and Exmouth enhancing Australia's northern defence capability. It is often contacted for comment on behalf of North West communities in relation to border control and defence matters.</p> <p>There is generally strong alignment of member Councils.</p> <p>The organisation is currently led by the Shire of Exmouth's Mayor and CEO who carry the administrative load.</p> <p>City of Karratha has no travel with this organisation.</p> <p>The City of Karratha CEO provides secretarial support, following the hand over from Mayor Peter Long. This involves attending 1 meeting per year, held at the WALGA Annual Conference, and is not demanding.</p>
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LEVEL OF SIGNIFICANCE

In accordance with Council Policy CG-8 Significant Decision Making Policy, this matter is of moderate significance in terms of Council's social and economic responsibilities to represent its community and to source the services and funds necessary to remain a viable and sustainable local government.

STATUTORY IMPLICATIONS

There are no statutory implications.

COUNCILLOR/OFFICER CONSULTATION

No Councillor or Officer consultation is required.

COMMUNITY CONSULTATION

No community consultation is required.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

Costs associated with being an annual member to these organisations are noted below:

Body	Annual Membership	Travel Costs	Meetings (Feb 2024 – April 2025)
Australian Mining Cities Alliance	25/26: \$20,000	\$8,147	5 meetings in 2024/25 (3 online)

Body	Annual Membership	Travel Costs	Meetings (Feb 2024 – April 2025)
		(2 mtgs – Kalgoorlie, Canberra)	
Regional Capitals Alliance WA	\$16,500	\$10,600 (2 mtgs – Canberra)	4 meetings in 2024/25 (2 online)
Regional Capitals Australia	\$11,000	\$9,896 (3 mtgs – Perth x2, Newman)	8 meetings in 2024/25 (4 online)
North West Defence Alliance	\$5,500	N/A (Meeting coincides with the WALGA Annual Conference)	2 meetings in 2024/25 (1 online)

Supporting the City's participation in external advocacy bodies involves an additional investment of time and resources. In the 2024-25 Budget, \$60,000 has been allocated to support travel costs for attendance at meetings, forums, and delegation visits. Depending on the location and number of attendees, travel-associated costs can range from \$5,000 to \$10,000 and typically involve three days per trip. These trips are usually filled with City-related meetings and engagement activities that complement the agendas arranged by the advocacy bodies. A further \$20,000 has been allocated for the preparation of briefing materials, submissions, and supporting documentation to ensure advocacy is evidence-based and aligned with City priorities.

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.a.2.7	Government Relations
Projects/Actions:	4.a.2.7.20.1	Advocate for Regional, State and National recognition of Regional Capitals Alliance WA and other bodies that promote the City's objectives.
Programs/Services:	4.a.3.1	Government Relations
Projects/Actions:	4.a.3.1.20.1	Partner with government to recognise the City as the North West Hub for delivery and location of government agencies.
Programs/Services:	4.b.1.1	Business improvement program and initiatives
Projects/Actions:	4.b.1.1.20.1	Partner in the implementation of benchmarking practices with the WA Regional Capitals Alliance
Programs/Services:	4.d.2.2	Local government collaboration
Projects/Actions:	4.d.2.2.20.1	Develop support services in the region for other local government authorities.

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	The City has been a party to many of the bodies and has established a strong sense of unity with like minded local governments. The financial risks are low in comparison to the benefits that can be gained.
Service Interruption	N/A	Nil
Environment	N/A	Nil
Reputation	Low	The ability to unite local government authorities across the state and nation that have common interests and pursuits enables a stronger voice to persuade change in policy and legislation that could benefit the local communities.
Compliance	N/A	Nil

IMPACT ON CAPACITY

There is a significant impact on the active participation by both the Mayor and CEO associated with time travelling and attending RCA and AMCA meetings in Canberra advocating on behalf of the City and its regions.

RELEVANT PRECEDENTS

The City has been a representative around the table to these bodies for many years and considers them important strategically in supporting our community vision.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

Advocacy is an important role for the City of Karratha to provide a unified voice representing the needs for regional local governments in seeking changes to policy and legislation. Maintaining representation and leadership is a positive contribution to developing Karratha and the Pilbara region.

COUNCILLOR QUESTION:

Have we conducted a cost benefit review of these affiliations and associated travel costs?

CITY RESPONSE:

The report is intended to show what the membership costs are, the likely impact in terms of travel, and what some of the advocacy positions have been.

Cost benefit of advocacy is not always easy to quantify, due to the time required to build momentum when lobbying on a specific matter.

Also, the benefits are sometimes intangible. For example, RCA did a large airport case study. As a result of that, additional funding was received from the federal government by all of those regional capitals.

When travelling to Canberra for advocacy purposes, it is easier to get meetings with Ministers when a council is part of a group. Participation provides City of Karratha with more opportunities to raise the profile of the City of Karratha and to influence outcomes.

COUNCILLOR QUESTION:

Can you provide details on what the group is using the total membership fees for?

CITY RESPONSE:

Primarily labour to support the organisations. For example, RCA employ a professional lobby firm who build position papers and advice, get the meetings with lobbyists, undertake bookkeeping, marketing materials and other business activities. The membership fee enables us to benefit from this work and share the cost.

COUNCILLOR QUESTION:

Do we pay anything to be at WALGA Pilbara Country Zone?

CITY RESPONSE:

We are a member of WALGA and pay a membership fee. This could be considered an advocacy body, although there are other membership benefits. This was not considered in this paper.

COUNCILLOR QUESTION:

Is membership within all of these organisations opt in or by targeted invitation?

CITY RESPONSE:

All councils have opted in to the membership.

9.6 LONG TERM FINANCIAL PLAN

File No:	FM.1
Responsible Executive Officer:	Director Corporate & Commercial
Reporting Author:	Corporate Accountant
Date of Report:	25 June 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. Draft Long Term Financial Plan 2025-20352. Public Briefing Presentation

PURPOSE

For Council to consider the draft Long Term Financial Plan for the period 2025/26 to 2034/35

OFFICER'S RECOMMENDATION

That Council by SIMPLE Majority pursuant to Section 5.56 of the *Local Government Act 1995* RESOLVE to ADOPT the Long Term Financial Plan 2025-35 (as attached).

BACKGROUND

Section 5.56(1) of the Local Government Act 1995 requires local government authorities in Western Australia to plan for the future. To assist local government authorities in meeting their strategic planning responsibilities pursuant to this section, the Department of Local Government, Sport, and Culture has developed an Integrated Planning and Reporting (IPR) Framework.

As part of the development of the Integrated Strategic Planning Framework, Council is required to adopt a Long Term Financial Plan (LTFP). The LTFP is a ten-year rolling financial plan and is created based on a series of assumptions that consider strategic direction, priorities and services identified throughout the City's Strategic Community Plan and Corporate Business Plan.

The LTFP integrates with other important strategic documents such as rating strategies (differential rating), the capital expenditure program, asset management plans and the workforce plan. The LTFP identifies the City's long term financial sustainability, allows early identification of financial issues and the longer-term impacts, shows the linkages between specific plans and strategies, and enhances the transparency and accountability of the Council to the community.

The following table highlights significant differences over the 10-year term since the adoption of the City's previous Long Term Financial Plan.

	2024/25	2025/26	Explanation
	\$	\$	
Operating Revenue			
Rates	657m	896m	Increase in rates revenue due to population growth and new commercial and industrial developments. TWA and Strategic Industry rates account for new developments expected and approval extensions, such as Perdaman, Bechtel and The Ranges.
User fees and charges	766m	879m	The revised LTFP includes lease income derived from the Quarter Investment property, plus revenue generated from the Red Earth Arts Precinct and the Karratha Leisureplex. Waste and Airport fees and charges reflect increases above CPI due to independent assessment. The airport has grown in excess of assumptions in place for the previous LTFP
Operating Expenses			
Employee Costs	575m	717m	Increase in FTE from 378 in 2024/25 to 398.11 in 2025/26. The revised LTFP is based on the updated figures from the workforce plan which identifies workforce requirements and strategies for current and future operations to enable the City to plan and address, rather than just react to, business, sustainability, and environmental challenges
Depreciation	339m	323m	Depreciation assumption decreased from 1.5% to 1.0% to maintain a consistent asset base with capital works.
Capital			
New borrowings	17m	-	No current borrowings.
Capital Program	486m	489m	The following significant items have been included in the capital program; <ul style="list-style-type: none">• Karratha Leisureplex Improvement Study Masterplan• Kevin Richards Memorial Development• Conzinc Bay Road (Murujuga) increased expenditure• Roebourne Recreation Precinct• Red Earth Arts Precinct amphitheatre extension• Shakespeare Precinct Improvement Project• Windy Ridge Sporting Precinct Masterplan• Karratha Country Club Redevelopment• Karratha Airport improvements and upgrades• Point Samson Masterplan• Roebourne Streetscape Masterplan• Construction of new Cells at 7 Mile Waste Facility• Operations Centre (Depot) Improvements• Wickham Recreation Precinct – Multisport Courts Hard Shade• Wickham Recreation Precinct – Oval and carpark redevelopment

The Long Term Financial Plan is a ten-year rolling plan formulated based on additional assumptions regarding the City's revenue and expenditure.

As included within the above table, prospective projects and facilities that are not sufficiently detailed at this stage have not been removed from the plan. They will be incorporated into future plans once endorsed by Council and transparency around timing, revenue, expenditure, and capital is known. Conversely, those projects such as Project Dorothy, Dampier Land Transfer and the Community Infrastructure Plan that have not been endorsed through Council are not included in the LTFP due to timing and will be collated in the next revision.

At this time, costs are expected to continue to change. Therefore, it is necessary to effectively draw a line in the sand when preparing the capital program for the LTFP. The values disclosed in this plan represent estimated future prices and costs.

This plan will be reviewed on a regular basis and will assist in the development of the Annual Budget and Reports.

DISCUSSION

Financial sustainability is a key challenge facing local governments due to several contributing factors including increased demand for services beyond those traditionally provided, anticipated population growth, cost shifting from other levels of government, ageing infrastructure and constraints on revenue growth.

The financial challenges identified in the LTFP have emerged over a number of years and can be attributed to:

- the need to remain financially sustainable and generate sufficient funding to renew and expand essential community assets;
- Local Government costs continually increasing at a higher rate than CPI which combined with additional costs associated with the remoteness of the region provides a funding challenge for ensuring sustainability and meeting increasing community expectations and environmental standards;
- population growth forecasts vary significantly making it difficult to calculate market demand for facilities and services;
- State agreements for resource projects create inequity in our rating process across business and industry. This severely limits the ability to source additional capital and operational funding to offset FIFO impacts on community facilities;
- reduction in State and Federal grants as the City progresses as they are based on population and capacity to generate rates and revenues;
- impact of demand for additional facilities and services identified through the development of the Community Strategic Plan.

In preparing the LTFP, three scenarios have been modelled to inform the community of the financial implications of activities and service levels outlined in the City's Council Plan.

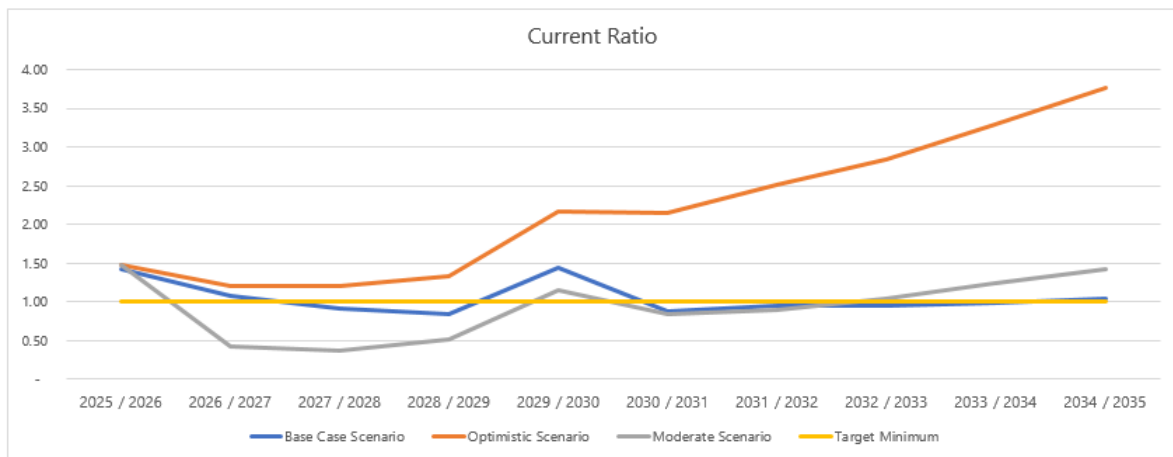
The base case scenario being a business-as-usual approach is based on an assessment of demand created by known resource projects, housing initiatives and expected population growth. The moderate growth scenario is based on nominal average population growth of 1.05% (Current REMPLAN Forecast) and higher than expected CPI, which increases costs for goods and services due to decreased demand. The high growth scenario reflects increased expectations around major project employment and lower than expected CPI, which increases consumer spending, lowering the cost of goods and services through

increased demand. The high growth scenario is aspirational and assumes all local operational employees of new resource projects will require a residential property.

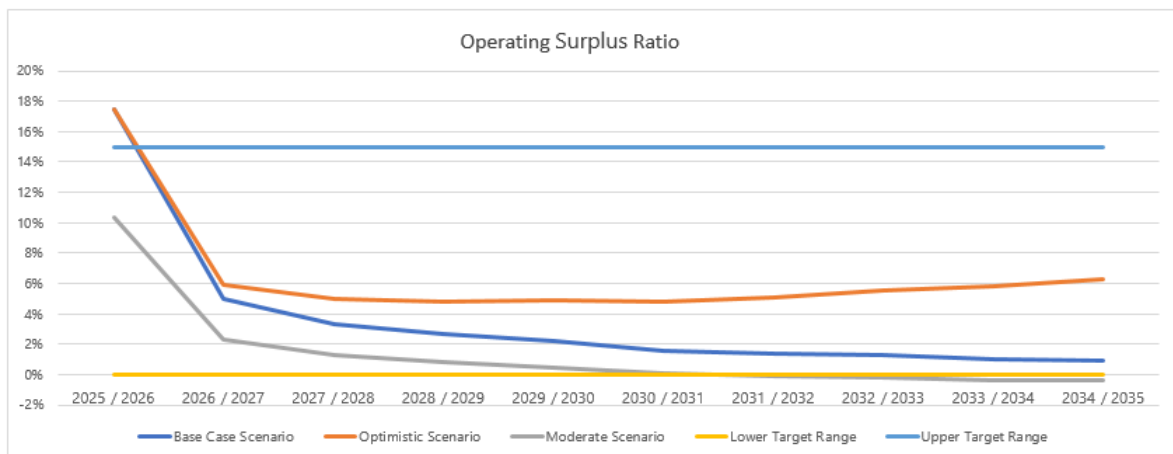
Administration recommends the base case scenario as it presents less risk to the City while improving the standard of amenity and service. The base case scenario results in a positive operating surplus, sound capacity to meet short-term financial obligations, a consistent trend in rates coverage and ability to generate sufficient cash to cover requirements.

The following graphs provide a snapshot of the City's financial sustainability measures over the life of the LTFP:

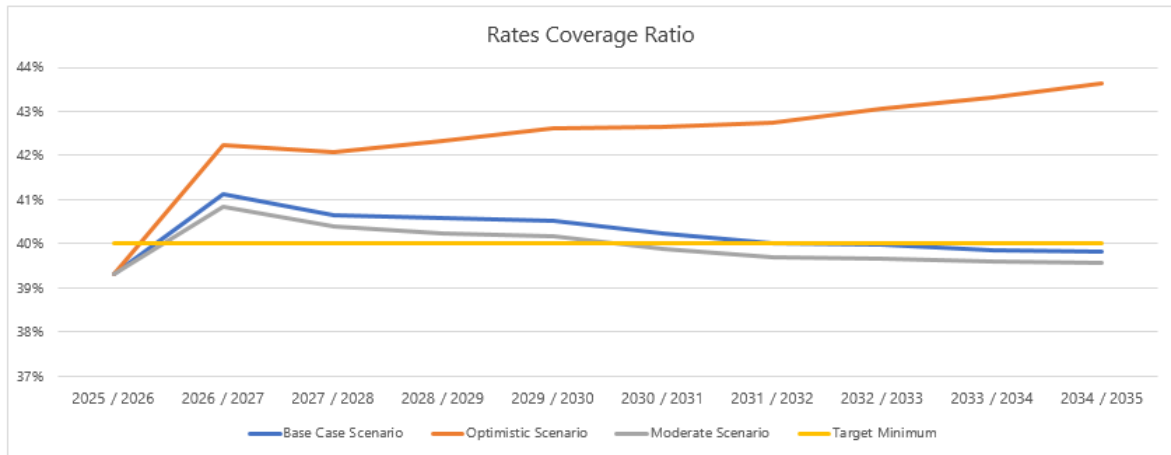
The Current Ratio measures the capacity of Council to meet its short-term financial obligations from available funds. The Current Ratio falls slightly below the target of 1% throughout the 10 years of the plan, however, for the 2025/26 and 2029/30 years it is significantly above target with 141.9% and 144.0%, respectively.



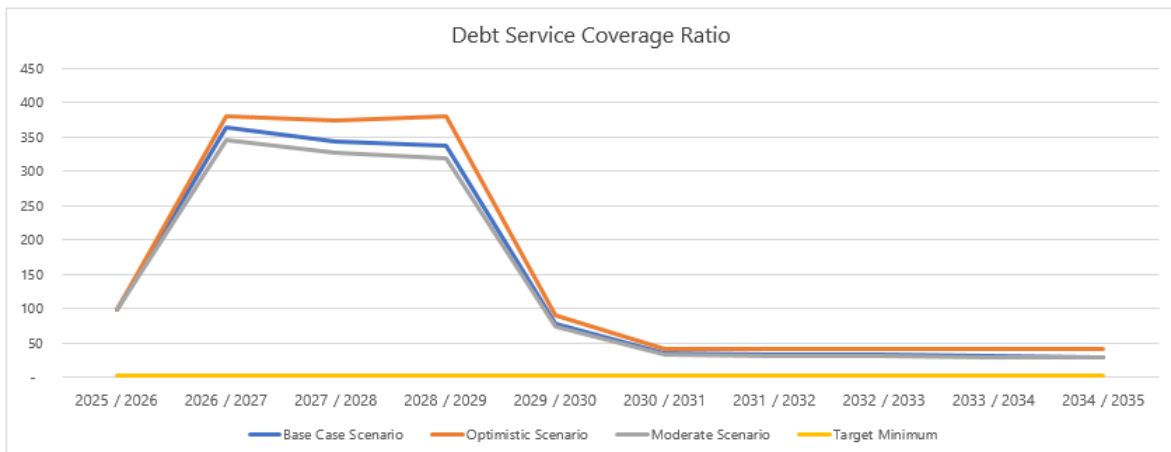
The Operating Surplus Ratio indicates the extent to which revenue raised not only covers operational expenses but also provides for Capital Funding. The target of an operating surplus is achieved each year of the LTFP. This indicates that surplus funds are available for capital works.



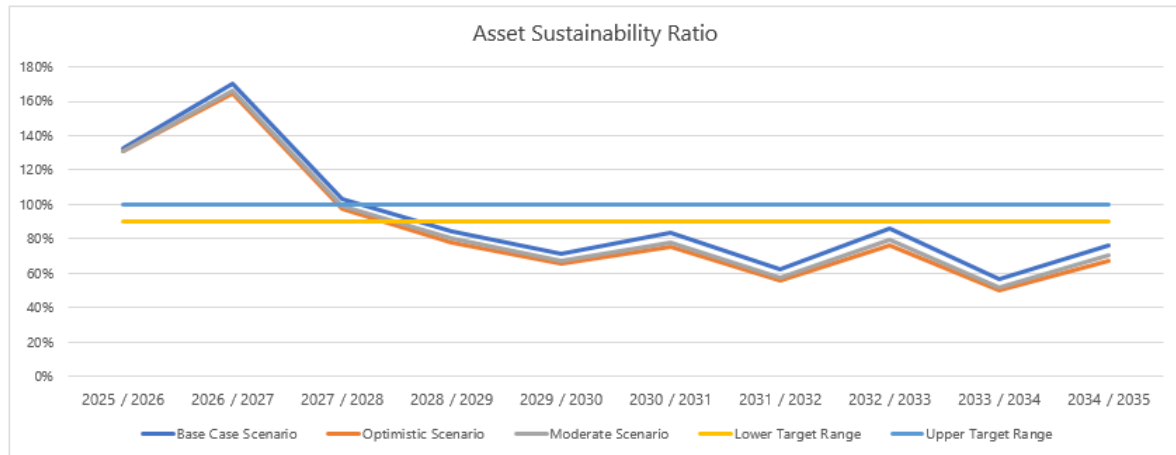
The Rates Coverage Ratio provides an indication of Council's ability to cover its costs from its own source revenue. Trend shows the rates coverage ratio steady between 39.5% to 41.1% over the 10 years of the plan.



The Debt Service Coverage Ratio indicates the City's ability to generate sufficient cash to cover its debt payment. The City's debt ratio being higher than 2 indicates the ability to fund the LTFP's proposed levels of debt and in 2034/35 is anticipated to have no outstanding debt.



The Asset Sustainability Ratio indicates the extent to which assets managed by Council are being renewed or replaced as they reach the end of their useful lives. For the first years of the LTFP, the City achieves a ratio within the target range or well in excess of the range. From 2027/28 the ratio drops below the target 90%. This is due to new works forecasted within the capital works program, in excess of renewal works which are used to calculate the ratio. This ratio is but one measure of financial sustainability, and it is only due to new works that it appears poor. As assets age, renewal works are expected to increase, however with new assets being built it will be some time before this ratio is expected to improve again.



LEVEL OF SIGNIFICANCE

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

Financial integrity is essential to the future operational viability of the City but also as the custodian of community assets and service provision. An ability to forecast, predict and monitor financial operations, activities and capital projects is imperative to ensure that future 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

Section 5.56 Local Government Act 1995 provides that a local government is to plan for the future of the district.

COUNCILLOR/OFFICER CONSULTATION

Consultation via workshops has taken place with Council, relevant Managers and Executives in reviewing the detail contained within the Long Term Financial Plan.

COMMUNITY CONSULTATION

No community consultation is required.

POLICY IMPLICATIONS

There are no policy implications.

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 Council Plan 2025-2035. In particular, the Operational Plan 2024-2025 provided for this activity:

Programs/Services:	4.c.2.5	Long Term Financial Plan
Projects/Actions:	4.c.2.4	Review and update Long Term Financial Plan

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	Financial risk will be addressed through an annual review of budgetary expenditure and revenue allocated within the LTFP and Council Plan effected through development of an Operational Plan for each financial year. The LTFP will assist with preparation of the Annual Budget.
Service Interruption	N/A	Nil
Environment	N/A	Nil
Reputation	N/A	Nil
Compliance	Moderate	The updated Long Term Financial Plan will continue to ensure Council's compliance with <i>Section 5.56(1) of the Local Government Act 1995</i>

IMPACT ON CAPACITY

Decisions made within the adoption of the LTFP may impact on future resourcing of Council and will directly inform the Council Plan.

RELEVANT PRECEDENTS

The LTFP is updated regularly with the last review adopted by Council in 2024/25

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

The Long Term Financial Plan 2025-2035 will facilitate the progression of updates to Integrated Strategic Planning documents to ensure the sustainability of the City as it continues to meet the ongoing needs of the Community now and into the future.

COUNCILLOR QUESTION:

The REMPLAN population growth figure varies greatly to the cumulative impact study figures, do we need to use the REMPLAN data?

CITY RESPONSE:

REMPAN have access to a broad data set that informs their figures and the City has recently engaged them to provide regular updates to our cumulative impact model and make it more accessible. It is considered appropriate REMPLAN data be utilised.

9.7 2025/26 ANNUAL BUDGET**File No:** FM.1**Responsible Executive Officer:** Director Corporate and Commercial**Reporting Author:** Chief Financial Officer**Date of Report:** 28 July 2025**Applicant/Proponent:** Nil**Disclosure of Interest:** Nil

Attachment(s):

1. Draft 2025/26 Budget
2. Ministerial approval - City of Karratha Differential rating 2025-26 (late attachment)
3. Landgate Correspondence GRV methodology

PURPOSE

For Council to consider the adoption of the Annual Budget for the 2025/26 financial year together with supporting schedules, including striking of the municipal fund rates and other consequential matters arising from the budget papers.

OFFICER'S RECOMMENDATION**That Council:**

1. **IMPOSE** the following differential general and minimum rates on Gross Rental and Unimproved Values;

GRV/ UV	Differential Rates Categories	2024/25 Rate in the \$	2025/26 Proposed Rate in \$	Multiplier Lowest Rate in \$	Minimum Rate
GRV	Residential	0.076119	0.055795	Lowest GRV	\$1,750
GRV	Commercial/Industrial	0.105689	0.091110	1.63	\$1,750
GRV	Airport/Strategic Industry	0.152238	0.111589	2.00	\$1,750
GRV	Transient Workforce Accommodation/ Workforce Accommodation	0.305799	0.223179	4.00	\$1,750
UV	Pastoral	0.117051	0.130035	Lowest GRV	\$367
UV	Mining/Other	0.150100	0.145248	1.12	\$367
UV	Strategic Industry	0.208808	0.219248	1.69	\$367

2. **APPROVE** the following due dates for rate payment in full or by instalments:

- Full payment and 1st instalment due date 10 October 2025
- 2nd instalment due date 12 December 2025
- 3rd instalment due date 13 February 2026
- 4th and final instalment due date 17 April 2026

3. **GRANT** a concession of \$1,700, as detailed in the table below, in respect of the

rates on each property in the Cossack town site, in recognition of the fact that the properties are not serviced and they are part of the heritage precinct:

Assess No.	Property Owner	Property Address	GRV	Calculated Rates	Concession	Rates Receivable
A107	B & J Quealy	101 Perseverance Street, Cossack	\$20	\$1,750	\$1,700	\$50
A115	H Wilson (Estate Of)	112 Perseverance Street, Cossack	\$20	\$1,750	\$1,700	\$50
A123	H Wilson (Estate Of)	116 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A131	H Wilson (Estate Of)	117 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A149	T Patterson	121 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A157	J Davies & J Branch	141 Perseverance Street, Cossack	\$20	\$1,750	\$1,700	\$50
A165	J & S Montesana	142 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A173	L Gibellini & S Ferrier	143 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A181	T Patterson	144 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A199	T Patterson	145 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A204	M Otto	149 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A212	G Van Waardenberg	150 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A220	T Patterson	151 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A238	T Patterson	152 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A246	T Patterson	153 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A254	H Wilson (Estate Of)	165 Cossack Road, Cossack	\$20	\$1,750	\$1,700	\$50
A262	T Patterson	167 Perseverance Street, Cossack	\$20	\$1,750	\$1,700	\$50
A270	R Zappacosta	20 Perseverance Street, Cossack	\$20	\$1,750	\$1,700	\$50
A288	V Bull & S Donovan	176 Perseverance Street, Cossack	\$20	\$1,750	\$1,700	\$50
A91332	W Moore (Estate Of)	21 Perseverance Street, Cossack	\$20	\$1,750	\$1,700	\$50
Total				\$35,000	\$34,000	\$1,000

4. WAIVE rates for the following properties owned or occupied by community/sporting associations:

Assess No.	Property Owner/ Lessee	Property Address	Use	GRV	UV	Rate in \$	Rates	%	Waiver
A91931	Karratha Women's Place Inc	Unit LS1 11 Teesdale Place, Millars Well	Community Services	\$10,800	\$0	0.091110	\$1,750	100%	\$1,750
A46391	Karratha Arts & Learning Centre	23 Richardson Way, Bulgarra	Community Services	\$24,050	\$0	0.091110	\$2,191	100%	\$2,191
A91555	Karratha Bikers Association	L4903 Anderson Road, Karratha Industrial Estate	Community Club	\$0	\$0	0.091110	\$1,750	100%	\$1,750
A46554	Karratha BMX Club Inc	84 Rosemary Road, Baynton	Community Club	\$0	\$0	0.091110	\$1,750	100%	\$1,750
A46529	Karratha Business Enterprise Centre Inc	18 Hedland Place, Karratha	Community Services	\$245,416	\$0	0.091110	\$22,360	50%	\$11,180

A55681	Karratha Community Garden Inc	L52/11 Teesdale Place, Millars Well	Community Services	\$1,000	\$0	0.091110	\$1,750	100%	\$1,750
A65587	Karratha Equestrian Centre	50 Robins Road, Mulataga	Community Club	\$23,000	\$0	0.091110	\$2,096	100%	\$2,096
A30944	Karratha Kart Club	Lot 4903 Anderson Road, LIA	Community Club	\$0	\$0	0.091110	\$1,750	100%	\$1,750
A62872	Karratha Kats Sporting & Rec Club Inc	LOT 502 Tillbrook Close, Millars Well	Community Club	\$20,150	\$0	0.091110	\$1,836	100%	\$1,836
A34396	Karratha Recreation Club Inc	Lot 3000 Bayview Road, Bulgarra	Commercial/Tourism	\$62,750	\$0	0.091110	\$5,717	100%	\$5,717
A23931	Karratha Scout Group	70 Nairn Street, Bulgarra	Community Club	\$0	\$0	0.091110	\$1,750	100%	\$1,750
A73245	Nickol Bay Speedway Club Inc	Lot 115 Cinders Road, Karratha Industrial Estate	Community Club	\$14,400	\$288,000	0.14525	\$41,831	100%	\$41,831
A91842	Nickol Bay Sporting Shooters Association	Lot 298 Cinders Road, Burrup	Community Club	\$35,000	\$439,000	0.14525	\$63,764	100%	\$63,764
A69808	Nor-West Game Fishing Club Inc	Lot 22 Rosemary Island, Dampier	Community Club	\$0	\$0	0.091110	\$1,750	100%	\$1,750
A76464	Norwest Jockey Club	Lot 94 North West Coastal Highway, Roebourne	Community Club	\$0	\$0	0.091110	\$1,750	100%	\$1,750
A90724	Pilbara Health Network	66 Welcome Road, Karratha	Commercial/Tourism	\$570,000	\$0	0.091110	\$51,933	100%	\$51,933
A36801	Reach Us Pilbara	11 Bond Place, Pegs Creek	Community Services	\$43,160	\$0	0.0558	\$2,408	100%	\$2,408
A54554	The Grand Lodge of WA Freemasons Homes for The Aged Inc	5 Dwyer Place, Millars Well	Freemasons Activities	\$53,050	\$0	0.091110	\$4,833	54%	\$2,610
A77616	WA Rifle Association Inc	Lot 133 Cossack Road, Roebourne	Community Club	\$0	\$0	0.091110	\$1,750	100%	\$1,750
A92062	West Pilbara Softball Organisation Inc	Lot 3001 Bayview Road, Bulgarra	Community Club	\$0	\$0	0.091110	\$1,750	100%	\$1,750
A1006	Yinjaa-Barni Art Aboriginal Corporation	48 Roe Street, Roebourne	Community Services	\$14,750	\$0	0.091110	\$1,750	100%	\$1,750
A91554	Karratha Enduro & Motocross Club Inc	Lot 4903 Anderson Road, LIA	Community Club	\$0	\$128,000	0.145248	\$18,592	100%	\$18,592
Total Waivers 2025-26									\$223,408

5. NOTE rates exemptions applicable to the following properties:**Not Rateable in Accordance with Section 6.26(2)(a)(i) of the Local Govt Act - Crown Land Used for Public Purpose**

Assess No.	Property Owner/ Lessee	Property Address	Use	GRV	UV
A77359	Department for Child Protection	Address Withheld	Community Services	\$0	\$0

Not Rateable in Accordance with Section 6.26(2)(d) of the Local Govt Act - Religious Properties

Assess No.	Property Owner/ Lessee	Property Address	Use	GRV	UV
A1569	Apostolic Church Australia Limited	10 Roe Street, Roebourne	Clergy Premises	\$21,705	\$0
A4478	Apostolic Church Trust	12 Roe Street, Roebourne	Place of Worship	\$22,500	\$0
A35821	Australasian Conference Association Ltd	12 Mirfin Way, Pegs Creek	Clergy Premises	\$29,120	\$0
A35075	Baptist Union of Western Australia Inc	5 Finnerty Street, Bulgarra	Clergy Premises	\$27,040	\$0
A62864	Baptist Union of Western Australia Inc	77 Gawthorne Drive, Millars Well	Place of Worship	\$79,600	\$0
A55102	Church of Jesus Christ of Latter-Day Saints	17 Galbraith Road, Pegs Creek	Place of Worship	\$47,400	\$0
A54677	Jehovah's Witnesses Congregations	4 Gray Court, Millars Well	Place of Worship	\$28,400	\$0
A34184	Salvation Army (WA) Property Trust	1 Nelson Court, Pegs Creek	Clergy Premises	\$55,120	\$0
A68420	Salvation Army (WA) Property Trust	2 Bond Place, Pegs Creek	Place of Worship	\$55,200	\$0
A35813	Seventh Day Adventist Church	15 Galbraith Road, Pegs Creek	Place of Worship	\$2,400	\$0
A12209	The Roman Catholic Bishop of Geraldton	L138 Kurrajong Street, Wickham	Place of Worship	\$25,100	\$0
A54725	The Roman Catholic Bishop of Geraldton	19 Welcome Road, Karratha	Place of Worship	\$95,020	\$0
A69035	The Roman Catholic Bishop of Geraldton	371 High Street, Dampier	Place of Worship	\$18,500	\$0
A34590	Trustees of the Diocese of North-West Australia	1/2 Samson Way, Bulgarra	Place of Worship	\$29,640	\$0
A34591	Trustees of the Diocese of North-West Australia	2/2 Samson Way, Bulgarra	Clergy Premises	\$24,600	\$0
A4509	Trustees of the Diocese of North-West Australia	41 - 49 Hampton Street, Roebourne	Place of Worship	\$8,800	\$0
A88991	Trustees of the Northern Diocese	160 Warton Street, Cossack	Vacant Land	\$0	\$0
A88992	Trustees of the Northern Diocese	94 Dampier Street, Cossack	Vacant Land	\$0	\$0

Not Rateable in Accordance with Section 6.26(2)(e) of the Local Govt Act - Religious Schools

Assess No.	Property Owner/ Lessee	Property Address	Use	GRV	UV
A65511	Roman Catholic Bishop of Geraldton	33 Rosemary Road, Stove Hill	Education	\$657,125	\$0
A88120	Roman Catholic Bishop of Geraldton	37 Wellard Way, Bulgarra	Education	\$206,700	\$0

Not Rateable in Accordance with Section 6.26(2)(g) of the Local Govt Act - Charitable Purposes (Health, Education, Relief of Poverty & Community Service)

Assess No.	Property Owner/ Lessee	Property Address	Use	GRV	UV
A65228	Aboriginal Lands Trust	L390 North West Coastal Highway, Roebourne	Vacant Land	\$0	\$0
A89223	Aboriginal Lands Trust	L44 Cape Lambert Road, Point Samson	Cultural site	\$0	\$0
A77929	Aboriginal Lands Trust	54 Hampton Street, Roebourne	Community Services	\$0	\$0
A90143	Australian Executor Trustees Limited	12 Mantaray Loop, Nickol	Community Services	\$45,240	\$0
A52950	Australian Executor Trustees Limited	6 Hutton Court, Nickol	Community Services	\$42,640	\$0
A57497	Australian Executor Trustees Limited	1 Watts Place, Baynton	Community Services	\$53,560	\$0
A88790	Australian Executor Trustees Limited	99 Baynton Drive, Baynton	Community Services	\$49,400	\$0
A27503	Australian Executor Trustees Limited	5 Dolphin Way, Bulgarra	Community Services	\$40,560	\$0
A78891	Australian Executor Trustees Limited	14B Snook Way, Pegs Creek	Community Services	\$28,600	\$0
A73773	Australian Executor Trustees Limited	13 Sing Place, Pegs Creek	Community Services	\$47,840	\$0
A32531	Australian Executor Trustees Limited	10A Schultz Court, Pegs Creek	Community Services	\$29,640	\$0
A79181	Australian Executor Trustees Limited	9 Pinnacle Street, Nickol	Community Services	\$57,200	\$0
A43709	Australian Executor Trustees Limited	6 Corbett Place, Millars Well	Community Services	\$42,120	\$0
A58184	Australian Executor Trustees Limited	4 Leslie Loop, Baynton	Community Services	\$48,880	\$0
A78565	Australian Executor Trustees Limited	25 Mudlark Turn, Nickol	Community Services	\$53,560	\$0
A57837	Australian Executor Trustees Limited	10 Parker Close, Karratha	Community Services	\$57,720	\$0
A68690	Australian Executor Trustees Limited	11/27 Strickland Drive, Millars Well	Community Services	\$32,760	\$0
A87854	Australian Executor Trustees Limited	4 Yirrawarri Street, Baynton	Community Services	\$53,560	\$0
A27668	Australian Executor Trustees Limited	28 Dolphin Way, Bulgarra	Community Services	\$38,480	\$0

A77024	Australian Executor Trustees Limited	U9 2 Buchanan Circuit, Baynton	Community Services	\$43,160	\$0
A35732	Australian Executor Trustees Limited	2 Galbraith Road PEGS CREEK	Community Services - Relief of poverty	\$39,520	\$0
A77761	Australian Executor Trustees Limited	11a Kapitzke Road NICKOL	Community Services - Relief of poverty	\$47,320	\$0
A87870	Australian Executor Trustees Limited	79 Marniyarra Loop BAYNTON	Community Services - Relief of poverty	\$59,280	\$0
A88736	Australian Executor Trustees Limited	13 Tharnda Road BAYNTON	Community Services - Relief of poverty	\$54,080	\$0
A48911	Australian Executor Trustees Limited	9 Boyd Close BAYNTON	Community Services - Relief of poverty	\$30,160	\$0
A89800	Australian Executor Trustees Limited	46 Ridge Elbow, Baynton	Community Services - Relief of poverty	\$50,440	\$0
A77924	Australian Executor Trustees Limited	3 Delmere Way BAYNTON	Community Services - Relief of poverty	\$55,640	\$0
A78479	Australian Executor Trustees Limited	21 Raynor Road, Baynton	Community Services	\$54,080	\$0
A68713	Australian Executor Trustees Limited	3/28 Strickland Drive, Millars Well	Community Services	\$32,760	\$0
A43319	Australian Executor Trustees Limited	1 Hill Place, Millars Well	Community Services	\$42,640	\$0
A2206	Australian Executor Trustees Limited	18 Fraser Street, Roebourne	Community Services	\$16,900	\$0
A2858	Australian Executor Trustees Limited	7 Lockyer Way, Roebourne	Community Services	\$21,060	\$0
A28923	Australian Executor Trustees Limited	14 Clarkson Way BULGARRA	Community Services - Relief of poverty	\$38,480	\$0
A52929	Australian Executor Trustees Limited	41A Delambre Drive NICKOL	Community Services - Relief of poverty	\$43,680	\$0
A56637	Australian Executor Trustees Limited	8 McCamey Loop BAYNTON	Community Services - Relief of poverty	\$50,960	\$0
A78723	Australian Executor Trustees Limited	13 Wedgetail Eagle NICKOL	Community Services - Relief of poverty	\$49,400	\$0
A11130	Australian Executor Trustees Limited	11 Baynton Way WICKHAM	Community Services - Relief of poverty	\$26,000	\$0
A79151	Australian Executor Trustees Limited	14 Goshawk Circle NICKOL	Community Services - Relief of poverty	\$54,600	\$0
A79194	Australian Executor Trustees Limited	63 Goshawk Circle NICKOL	Community Services - Relief of poverty	\$52,000	\$0
A78140	Australian Executor Trustees Limited	32 Macmahon Way BAYNTON	Community Services - Relief of poverty	\$52,520	\$0
A76656	Australian Executor Trustees Limited	6/26 Pelusey Way NICKOL	Community Services - Relief of poverty	\$31,720	\$0
A7599	Australian Executor Trustees Limited	57 Oleander Road, Wickham	Community Services	\$44,720	\$0
A408	Australian Executor Trustees Limited	1867 Pt Samson-Roebourne Road, Point Samson	Community Services	\$30,420	\$0
A5117	Cheeditha Group Aboriginal Corporation	L48 North West Coastal Highway, Roebourne	Community Services	\$0	\$154,000

A69052	Department of Fire & Emergency Service	11 High Street, Dampier	Emergency Services	\$0	\$0
A55545	Empowering People In Communities (EPIC) Inc	6-10 Morse Court, Karratha	Community Services	\$42,500	\$0
A91497	Empowering People In Communities (EPIC) Inc	22 Balmoral Road, Karratha	Community Services	\$209,238	\$0
A78268	Empowering People In Communities (EPIC) Inc	35 Koolinda Parade, BAYNTON	Community Services - Health	\$54,080	\$0
A70344	Empowering People In Communities (EPIC) Inc	21 Bruce Way, POINT SAMSON	Community Services - Health	\$42,640	\$0
A55398	Empowering People In Communities (EPIC) Inc	17A Legendre Road, NICKOL	Community Services	\$41,600	\$0
A77786	Empowering People In Communities (EPIC) Inc	5 Koolinda Parade, BAYNTON	Community Services - Health	\$53,040	\$0
A42112	Gumala Investments Pty Ltd	9B Badock Place, MILLARS WELL	Community Services - Relief of poverty	\$38,480	\$0
A37190	Gumala Investments Pty Ltd	13 Mosher Way PEGS CREEK	Community Services - Relief of poverty	\$62,400	\$0
A48204	Gumala Investments Pty Ltd	4 BAILEY COURT NICKOL	Community Services - Relief of poverty	\$41,080	\$0
A77813	Gumala Investments Pty Ltd	55 Koolinda Parade BAYNTON	Community Services - Relief of poverty	\$55,120	\$0
A78825	Gumala Investments Pty Ltd	6 Kookaburra Parkway NICKOL	Community Services - Relief of poverty	\$48,880	\$0
A88219	Gumala Investments Pty Ltd	3 Matebore Street NICKOL	Community Services - Relief of poverty	\$45,240	\$0
A88533	Gumala Investments Pty Ltd	1 Wagari Drive BAYNTON	Community Services - Relief of poverty	\$50,960	\$0
A88603	Gumala Investments Pty Ltd	9 Thistle Loop NICKOL	Community Services - Relief of poverty	\$49,400	\$0
A88651	Gumala Investments Pty Ltd	3A Badock Place MILLARS WELL	Community Services - Relief of poverty	\$47,320	\$0
A88869	Gumala Investments Pty Ltd	20 Rothschild Loop BAYNTON	Community Services - Relief of poverty	\$55,640	\$0
A90146	Gumala Investments Pty Ltd	18 Mantaray Loop NICKOL	Community Services - Relief of poverty	\$45,240	\$0
A90149	Gumala Investments Pty Ltd	62 Mantaray Loop NICKOL	Community Services - Relief of poverty	\$45,240	\$0
A90155	Gumala Investments Pty Ltd	74 Mantaray Loop NICKOL	Community Services - Relief of poverty	\$45,240	\$0
A90171	Gumala Investments Pty Ltd	3 Bowerbird Drive NICKOL	Community Services - Relief of poverty	\$50,440	\$0
A90178	Gumala Investments Pty Ltd	8 Bluebone Street NICKOL	Community Services - Relief of poverty	\$0	\$0
A91557	Karratha Community House	51 Gardugarli Drive, Baynton	Community Services	\$24,000	\$0
A1098	Mawarnkarra Health Service Aboriginal Corporation	Address Withheld	Community Services	\$27,560	\$0
A1462	Mawarnkarra Health Service Aboriginal Corporation	38 Sholl Street, Roebourne	Community Services	\$19,760	\$0

A1983	Mawarnkarra Health Service Aboriginal Corporation	8 Sherlock Street, Roebourne	Community Services	\$20,280	\$0
A4622	Mawarnkarra Health Service Aboriginal Corporation	20 Sholl Street, Roebourne	Community Services	\$220,000	\$0
A65210	Mawarnkarra Health Service Aboriginal Corporation	16 Weerianna Street, Roebourne	Vacant Land	\$1,270	\$0
A69874	Mingullatharndo Association Ltd	Lot 555 North West Coastal Highway, Roebourne	Community Services	\$0	\$11,000
A91274	Murujuga Aboriginal Corporation	Lot 3007 Burrup Road, Burrup	Public Purpose	\$0	\$0
A91275	Murujuga Aboriginal Corporation	Lot 3000 Burrup Road, Burrup	Public Purpose	\$0	\$2,119,000
A91882	Murujuga Aboriginal Corporation	Lot 589 Burrup Road, Burrup	Public Purpose	\$0	\$0
A89260	Ngarluma Aboriginal Corporation RNTBC	2 Todd Street, Roebourne	Community Services	\$186,940	\$0
A1030	Ngarluma & Yindjibarndi Foundation Ltd	44 Roe Street, Roebourne	Community Services	\$34,400	\$0
A1048	Ngarluma & Yindjibarndi Foundation Ltd	42 Roe Street, Roebourne	Community Services	\$16,380	\$0
A1991	Ngarluma & Yindjibarndi Foundation Ltd	10 Sherlock Street, Roebourne	Community Services	\$20,280	\$0
A89004	Ngarluma & Yindjibarndi Foundation Ltd	31 Roe Street, Roebourne	Community Services	\$118,300	\$0
A34299	Nickol Bay Bush Fire Brigade	39 Hillview Road, Karratha	Emergency Services	\$0	\$0
A89344	One Tree Community Services Inc.	Lot 3002 Bayview Road, Bulgarra	Community Services	\$84,000	\$0
A55649	One Tree Community Services Inc.	Lot 3002 Teesdale Place, Millars Well	Community Services	\$43,000	\$0
A89917	One Tree Community Services Inc.	47 Lockyer Way, Roebourne	Community Services	\$0	\$0
A92072	One Tree Community Services Inc.	Lot 780 Carse Street, Wickham	Community Services	\$55,200	\$0
A89101	Pilbara Community Legal Service Inc	5-15 Sharpe Ave KARRATHA	Charitable Purpose	\$26,864	\$0
A89102	Pilbara Community Legal Service Inc	5-15 Sharpe Ave KARRATHA	Charitable Purpose	\$28,963	\$0
A89103	Pilbara Community Legal Service Inc	5-15 Sharpe Ave KARRATHA	Charitable Purpose	\$28,963	\$0
A89106	Pilbara Community Legal Service Inc	5-15 Sharpe Ave KARRATHA	Charitable Purpose	\$34,197	\$0
A54546	Returned Services League of Australia Karratha & Districts	7 Dwyer Place, Millars Well	Community Services	\$38,000	\$0
A90625	Roebourne District SES	Lot 501 Wickham Drive, Wickham	Emergency Services	\$0	\$0
A36851	Salvation Army (WA) Property Trust	Address Withheld	Community Services	\$31,200	\$0
A36843	Salvation Army (WA) Property Trust	Address Withheld	Community Services	\$30,680	\$0
A43521	Salvation Army Housing (WA)	7 Goodwyn Close, Millars Well	Community Services	\$87,360	\$0

A91323	St John Ambulance - Karratha	L42 Norman Road, Gap Ridge	Emergency Services	\$0	\$0
A4884	St John Ambulance - Roebourne	1-7 Sholl Street, Roebourne	Emergency Services	\$29,152	\$0
A11740	St John Ambulance - Wickham	Lot 110 Mulga Way, Wickham	Emergency Services	\$28,860	\$0
A90624	St John Ambulance - Wickham	Lot 500 Wickham Drive, Wickham	Emergency Services	\$15,469	\$0
A91293	St John Ambulance - Karratha	6 De Grey Place, Karratha	Emergency Services	\$200,000	\$0
A31152	State Emergency Service - Karratha	14 Balmoral Road, Karratha	Emergency Services	\$0	\$0
A91608	WA PCYC	2-6 Sholl Street, Roebourne	Community Services	\$105,300	\$0
A65456	Welcome Lotteries House Inc.	7 Morse Court, Karratha	Community Services	\$165,548	\$0
A1357	Yaandina Community Services Ltd	58 Hampton Street, Roebourne	Aged Care	\$0	\$0
A4973	Yaandina Community Services Ltd	2-6 Sholl Street, Roebourne	Community Services	\$60,700	\$0
A78636	Yaandina Community Services Ltd	60 Hampton Street, Roebourne	Community Services	\$990	\$0
A65341	Yaandina Family Centre Inc	56 Hampton Street, Roebourne	Aged Care	\$0	\$0

Not Rateable in Accordance with Section 6.26(2)(j) of the Local Govt Act - Exemptions Under Any Other Written Law

Assess No.	Property Owner/ Lessee	Property Address	Legislation	GRV	UV
A90381	Australian Broadcasting Corp.	183/26 Sharpe Ave, Pegs Creek	<i>Australian Broadcasting Corporation Act 1983</i> Section 71	\$54,669	\$0
A90382	Australian Broadcasting Corp.	184/26 Sharpe Ave, Pegs Creek	<i>Australian Broadcasting Corporation Act 1983</i> Section 71	\$65,809	\$0
A39388	Public Transport Authority of Western Australia	L1957 Pyramid Road, Karratha Industrial Estate	<i>Public Transport Authority Act 2003</i> Section 50	\$0	\$0
A34516	The University of Western Australia	4 Wilson Court, Pegs Creek	<i>University of WA Act 1911</i> Section 36	\$0	\$0
A88426	The University of Western Australia	15 Mujira Ramble, Baynton	<i>University of WA Act 1911</i> Section 36	\$57,720	\$0
A88008	The University of Western Australia	34 Winyama Road, Baynton	<i>University of WA Act 1911</i> Section 36	\$0	\$0
A89587	The University of Western Australia	U76, 23 Sharpe Avenue, Pegs Creek	<i>University of WA Act 1911</i> Section 36	\$0	\$0
A89625	The University of Western Australia	U114, 23 Sharpe Avenue, Pegs Creek	<i>University of WA Act 1911</i> Section 36	\$0	\$0
A88939	Indigenous Business Australia	129 Bajamalu Drive, Baynton	<i>Aboriginal and Torres Strait Islander Act 2005</i>	\$52,520	\$0

6. **ADOPT the following rates payment incentives including a contribution of \$1,500 from municipal funds towards this scheme.**

1st Prize:	\$2,000 sponsored by Westpac
2nd Prize:	\$1,000 sponsored by the City of Karratha
3rd Prize:	\$500 sponsored by the City of Karratha

OFFICER'S RECOMMENDATION 2

ELECTED MEMBERS' FEES AND ALLOWANCES FOR 2025/26

That Council **ADOPT** the following annual fees and allowances for payment of elected members:

Statutory Fees and Allowances

Annual Attendance Fee - Mayor	\$53,215
Annual Attendance Fee - Deputy Mayor and Councillors	\$35,480
Annual Allowance for the Mayor.....	\$100,514
Deputy Mayor Annual Allowance (25% of Annual Allowance for the Mayor)	\$25,128
ICT Annual Allowance – Mayor, Deputy Mayor and Councillors	\$3,500
Maximum Travelling Expenses per Councillor (calculated on actual costs plus expenses as per Local Government Administration Regulation 34AD)	\$6,000
Meeting Fee - Independent Committee Member (per meeting)	\$450

Other Expenses

Professional Development Allowance per Councillor	\$5,000
Mayor's discretionary fund – Council related expenses	\$2,000

OFFICER'S RECOMMENDATION 3

MATERIAL VARIANCE REPORTING FOR 2025/26

That Council **ADOPT** the level to be used in the statements of financial activity in 2025/26 for reporting material variances being 10% or \$100,000, whichever is the greater amount.

OFFICER'S RECOMMENDATION 4

ANNUAL BUDGET FOR 2025/26

That Council **ADOPT** the Annual Budget as contained in Attachment 1 for the 2025/26 financial year which includes the following:

1. **Statement of Comprehensive Income by Nature and Type on page 2 showing a net result for that year of \$28,355,176;**
2. **Statement of Cash Flows on page 3;**
3. **Statement of Financial Activity on page 4 showing the amount required to be raised from rates of \$66,472,046;**
4. **Notes to and forming part of the Budget on pages 6 onwards; and**

BACKGROUND

The 2025/26 Annual Budget and related documentation has been compiled by officers with input from all departments across the organisation and reviewed by Executive and Councillors through a series of budget workshops and Councillor briefing sessions.

A key part of the budget process is identifying the 'budget deficiency' to be made up from the levying of council rates. At its Ordinary Council Meeting held 26 May 2025, Council endorsed an estimated budget deficiency and approved the advertisement of the proposed rates in the dollar for the 2025/26 year. The City then gave local public notice of its intention to levy differential rates.

DISCUSSION**Strategic Focus Areas for 2025/26**

The budget reflects the priorities of Council and the City of Karratha Community, while also delivering quality community and regulatory services, business improvements and the management of organisational risk.

In collaboration with Councillors, the following Strategic Focus Areas have been identified and resourced in the 2025/26 Budget:

1. Progress, and advocate for, the delivery of Karratha 2050
2. Advocate on issues important to our Community, through our Advocacy Plan
3. Deliver key infrastructure projects;
 - a. Roebourne streetscape Phase 1 & 2
 - b. Wickham undercover courts
 - c. Wickham Oval Redevelopment & car park
 - d. KRMO outdoor courts and lighting
4. Implement the Housing Action Plan and remain agile in responding to new external funding opportunities
5. Apply to the Federal Government for International flight status
6. Progress Place Plans for each Town
7. Progress Dampier Land Transfer
8. Progress our plans for Future Land Use & Development
9. Implement Economic Development and Tourism Strategy initiatives
10. Develop a Reconciliation Action Plan
11. Progress a Strategic Planning Framework that captures the City's strategies and plans and ensure action plans are prepared and tracked
12. Create a Project Management Framework and prioritisation process
13. Continue to deliver a Business Transformation Plan to improve organisational culture, workplace safety, processes and systems, for the benefit of our customers and our employees

Cost of Living Measures

In the 2025 City of Karratha Annual Community Survey, Karratha residents and ratepayers stated that cost of living was their greatest concern.

The City has responded to that feedback by maintaining downward pressure on fees and charges and delivering free and family-friendly community events.

Due to a revaluation year on properties, the rate in the dollar was reduced to provide ratepayers in the GRV residential category with a 0% rate yield movement. The only impact born is from the value of properties increasing or decreasing due to Landgate's valuations.

City investments continue to deliver value to ratepayers. In particular, The Quarter property is expected to generate a net operating result of \$2,496,298 for 2024/25.

Revenue

The City's revenue includes a 3% increase in fees and charges, mainly attributable to Airport and Waste Commercial activities.

A minimal increase of \$272,000 is budgeted in interest earned reflecting the current environment where interest rates are anticipated to decrease.

The City has applied a 2.1% increase to rate yields, which is consistent with CPI (2.4% annualised as of March 2025 **Source: WATC). Increased rates revenue of \$1.6m from baseline also includes \$254,401 of interim rates derived by completed projects.

Transfers from City reserves will fund \$52.9m in capital projects inclusive of capital carryovers from 2024/25 projects.

Differential Rates

In 2025/26 the City will require \$66.6m from general rates revenue, being approximately 33.5% of total revenue. 66.5% of operating revenue will come from other external sources including grants and fees and charges.

At its Ordinary Council Meeting on 26 May 2025 Council considered a differential rates model for 2025/26 and resolved to advertise the rates for public consultation (Resolution no. OCM250526-06). The advertised model incorporated a 2.1% increase to overall rate yields with a subsequent reduction to the rate in the dollar for GRV categories due to the revaluations.

The impact on the advertised differential rates and final differential rates proposed, inclusive of the Transient Workforce Accommodation/Workforce Accommodation rate in the dollar requiring approval from the Minister to be tabled at the meeting, is detailed below:

GRV/ UV	Differential Rates Categories 2025/26	2025/26 Advertised Rate in \$	Multiplier Lowest Rate in \$	2025/26 Proposed Rate in \$
GRV	Residential	0.055795	Lowest GRV	\$1,750
GRV	Commercial / Industrial	0.091110	1.63	\$1,750
GRV	Airport / Strategic Industry	0.111589	2.00	\$1,750

GRV/ UV	Differential Rates Categories 2025/26	2025/26 Advertised Rate in \$	Multiplier Lowest Rate in \$	2025/26 Proposed Rate in \$
GRV	Transient Workforce Accommodation / Workforce Accommodation	0.223179	4.00	\$1,750
UV	Pastoral	0.130035	Lowest GRV	\$367
UV	Mining / Other	0.145248	1.12	\$367
UV	Strategic Industry	0.219248	1.69	\$367

Rates waivers

Applications for rates waivers from not-for-profit community groups have been assessed in accordance with CF-11 Rating Exemption Policy and pursuant to section 6.47 of the *Local Government Act*.

Rates Payment Options

Ratepayers are provided various payment options, enabling payment in full, payment by two instalments and payment by four instalments. These involve an instalment administration charge of \$10 per instalment after the first instalment, and instalment interest of 4.5% per annum. The City also offer direct debit payment plans to those who apply over the course of the rates period.

Financial Hardship (Rates)

Under CF-05 Financial Hardship (Rate Relief) Policy, there is the opportunity for ratepayers to request flexible payment arrangements with a suspension of debt recovery while the payment plan is in place. Residential property owners experiencing financial hardship can apply for an interest waiver up to \$500.

Rates Incentive Scheme

The rate payment incentive scheme is undertaken by the City each year, the terms and conditions of which are available on the City's website and are reviewed and updated annually.

Penalty interest on rates

Penalty interest on rates and service charges remains at 7% pursuant to Regulation 70 of the *Local Government (Financial Management) Regulations 1996* (where the maximum allowable penalty interest rate is 11%).

Expenditure

The City's total operating expenditure of \$169.8m includes non-recurring project expenditure. Business as usual expenditure is budgeted at \$137m which reflects an increase of 4.3% from the previous year. Expenditure increases includes:

Project expenditure (not recurring):

- Mulataga land development expense contribution \$22.11m (offset totally by federal grant funding).
- \$8.21 m for Rio Tinto owned facilities (offset totally by funding contributions)

Business as Usual (recurring):

- 4.8% increase in materials and contracts, amounting to \$1.76m, largely due to increases in service and maintenance of existing facilities.
- \$1.1m increase in depreciation to reflect updated asset valuations and increase in replacement costs.
- 9% increase in insurance, based on advice from the insurer on insurance premiums.

Employment Costs

Employment costs have increased by \$6.5m, being 33.8% of operating expenditure. This compares favourably to other large regional local governments where employment costs range between 33% and 38% of operating expenditure.

Employment increases are required to resource strategies to deliver community expectations, to address areas of risk, and ensure wages remain market competitive. This includes:

- Enterprise Agreement increase of 4.0%.
- Additional \$152K in training, representing a 33% increase reflective of staff numbers.
- Additional \$271K for employment contract oncosts.
- Increased resources to support Waste, Governance, People and Culture, Work Health and Safety, Community infrastructure planning and delivery.
- Permanent increases to staffing levels aligned to local government staffing benchmarks in similar sized organisations.
- Temporary increases to staffing levels during a period of business transformation to support the implementation of IT systems.

Capital Works

The Capital Works Program for 2025/26 is \$59.7m, however when adding carryovers from the 2024/25 year this brings the total up to \$70.9 million and includes the following major projects:

Project	\$
7 Mile Waste Cell Development - Construction	\$5.8m
Ten Year Footpath Program and renewals	\$5.7m
Hancock Way – Construction of 6 houses	\$5.6m
Road Reseal Program	\$4.9m
Kevin Richards Oval Multi Use Hardcourts and Lighting	\$3.8m
Airside Upgrade (Airport)	\$2.6m
Roebourne Streetscape Master Plan	\$2.5m
Kerb Renewals	\$2.5m
Equipment Upgrades (Airport)	\$2.4m
Karratha Airport Water Mains Pipe Replacement	\$2.0m
Karratha Leisureplex – Capital Works	\$1.7m
Hampton Oval Lighting Installation	\$1.5m
Karratha Golf Course	\$1.5m
Park Enhancement	\$1.4m
Waste Water Treatment Plant (WWTP)	\$1.3m
Playground Upgrade	\$1.2m
Roebourne Recreation Precinct	\$1.0m

The Capital Works Program has been funded through a combination of external and reserve funds and the remaining from municipal funds. This program includes carryovers from the 2024/25 capital projects that were incomplete.

Program	Amount \$	Funded by Municipal Funds	External Funding	Funded by Reserve Funds
Infrastructure	\$17,863,286	\$2,259,141	-	\$15,604,145
Building	\$13,522,482	\$3,357,232	-	\$10,165,250
Parks	\$12,874,140	\$2,559,170	-	\$10,314,970
Roads	\$7,743,609	\$4,469,609	\$774,000	\$2,500,000
Aerodromes	\$5,868,808	\$928,808	-	\$4,940,000
Footpaths	\$5,748,658	\$1,451,300	-	\$4,297,358
Plant	\$3,853,563	\$486,563	-	\$3,367,000
Equipment	\$2,549,528	\$800,411	-	\$1,749,117
Furniture	\$899,290	\$899,290	-	-
TOTAL	\$70,923,364	\$17,211,524	\$774,000	\$52,937,840

Reserve Funds

The following is a summary of budgeted reserve movements for 2025/26:

Budgeted Opening Balance 2025/26	Transfers to Reserve	Transfers from Reserve	Budgeted Closing Balance 2025/26
\$127,231,352	\$51,908,756	(\$52,937,840)	\$126,202,268

Councillor and Independent Committee Member Allowances

It is proposed that Councillor Fees and Allowances increase, based on the 5 April 2025 determination by the Salaries and Allowances Tribunal for 2025/26, which saw a 4.0% increase applied. The allowance ranges are from \$27,560 to \$35,480 for Councillors and \$27,560 to \$53,215 for the Mayor, with the decision up to Council to determine the percentage of this band. Council has traditionally determined that they will receive 100% of the SAT range as it reflects the complexity and demands of being a Councillor/Mayor in a Band 1 Local Government. Should this be the case for 2025/26, the impact will result in sitting fees of \$35,480 per Councillor and \$53,215 for the Mayor.

An annual professional development allowance, per Councillor, of \$5,000 is included in the budget.

An allocation for travel expenses, per Councillor, for City business requirements and attending meetings and professional development, of actual expenses of up to \$6,000, is included in the budget.

An Independent Committee Member meeting fee of \$450 per meeting has been included, to remunerate independent members appointed by Council to the Audit and Organisational Risk Committee.

Variance Reporting

The City has previously applied a materiality variance threshold of '10% or \$50,000

whichever is the greater' for 2024/25.

In 2025/26 Administration propose that the material variance threshold is increased to 10% or \$100,000 to better align with other Class 1 and Regional City Council Benchmarks:

Council	Material Variance Threshold (current values)
City of Albany	Greater than \$100,000
City of Greater Geraldton	Greater of 10% or \$50,000
City of Mandurah	Greater of 10% or \$100,000
City of Kalgoorlie-Boulder	10% and minimum of \$100,000
City of Joondalup	\$50,000 or 5%
City of Stirling	10% and \$100,000
Town of Port Hedland	Greater of 10% or \$50,000

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

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt (by Absolute Majority), in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The draft budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

Section 6.12 of the *Local Government Act 1995* refers to the power to defer, grant discounts, waive or write off debts.

COUNCILLOR/OFFICER CONSULTATION

Extensive consultation has occurred with all departments and through briefings and workshops with elected members on a regular basis since March 2024.

COMMUNITY CONSULTATION

Fees and charges were advertised to the Community prior to the adoption of these at the Ordinary Council Meeting on the 30th June 2025.

The proposed differential rates model was advertised, and submissions were invited from ratepayers. 16 submissions were received by the close of submissions and these were considered by Council at its June 2025 Ordinary Council Meeting.

POLICY IMPLICATIONS

CF-10 Rating Equity Policy

CF-11 Rating Exemption Policy

CG-06 Councillor Fees, Allowances & Reimbursements

The Draft Budget 2025/26 applies the principles of the Department of Local Government, Sport and Cultural Industries rating equity in the setting of Council's differential rates and the provision of rating exemptions.

FINANCIAL IMPLICATIONS

The Draft 2025/26 Budget provides for the following income and expenditure:

Operating Revenue	\$197.8m
Operating Expenditure	(\$169.9m)
Capital Expenditure	(\$122.8m) includes transfers to reserves
Capital Revenue	\$53.9m includes transfers from reserves
Surplus	\$7k

The draft budget document details these items in Attachment 1.

STRATEGIC IMPLICATIONS

The Council's Long Term Financial Plan (2024–2034) projects a CPI of 3.2% for 2025/26. For comparison, the YoY annualised Perth CPI for the March 2025 quarter was 2.4%. The WA Local Government Cost Index, published by WALGA, is forecast to drop to 3.3% in 2025/26, then decrease further to 3.0% in 2026/27 and 2.9% in 2027/28.

The cost pressures currently being experienced and expected to continue in 2025/26 and beyond, sound financial management means that it is possible to adopt a balanced budget with a 2.1% increase in the rate yield across all categories.

The budget will provide the necessary resources to implement the 2025/26 Operational Plan which operationalises the Council Plan 2025-2035.

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	Delays in the adoption of the Budget may impact on the timing of cashflows from rates and other funding sources.
Service Interruption	Low	Delays in the adoption of the Budget may impact on the commencement of new projects and services.
Environment	N/A	Nil
Reputation	Low	The draft budget is expected to maintain the City's strong reputation for sound financial management.
Compliance	Moderate	The Budget has been developed in accordance state government legislation and associated regulations.

IMPACT ON CAPACITY

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

RELEVANT PRECEDENTS

The 2024/25 Budget was adopted by Council on 28 June 2024.

VOTING REQUIREMENTS

Absolute Majority.

CONCLUSION

The 2025/26 Budget continues a balanced approach to meeting community expectations, while providing relief in the cost of living by keeping the rate yield to a minimal increase of 2.1%. With the benefit of 66% of operating income coming from external sources other than rates, the 2025/26 Budget will ensure both the immediate needs of current residents are met while at the same time providing enhanced services and infrastructure developments to meet future requirements.

COUNCILLOR QUESTION:

Have we conducted any community engagement to support the remuneration level proposed for mayor and councillors?

CITY RESPONSE:

No. The allowances are set by the State Administrative Tribunal (SAT), which is then put to Councillors for decision.

COUNCILLOR QUESTION:

Do we claim Councillor allowances at the 100% mark set by the SAT?

CITY RESPONSE:

Yes. The SAT provides a range and Council can determine where in that range the council sit. This is reviewed each year as part of adopting the budget.

9.8 KEY PERFORMANCE MEASURES 2025/26

File No:	CM.89
Responsible Executive Officer:	Director Corporate and Commercial
Reporting Author:	Manager Governance & Organisational Strategy
Date of Report:	9 July 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	Key Performance Measures 2025-26

PURPOSE

For Council to consider key performance measures that are appropriate to measure the efficiency and effectiveness of services identified within the new Council Plan 2025- 2035.

OFFICER'S RECOMMENDATION

That Council ADOPT the Key Performance Measures for 2025/26.

BACKGROUND

On 30 June 2025 Council adopted a new Council Plan, an amalgamation of the Strategic Community Plan and the Corporate Business Plan. The Council Plan identifies the community aspirations in meeting our vision to be *"Australia's most liveable regional city. The Place we are proud to call home."*

A set of seven aspirational Goals are identified within the Council Plan, each having its own Objectives and Priority Focus Areas.

1 We respect Aboriginal peoples' Cultural Authority and connection to Ngurra (Country)	<ul style="list-style-type: none"> • Recognition of Aboriginal leadership • Genuine and meaningful engagement with the Aboriginal community • Reconciliation and truth telling 	<ul style="list-style-type: none"> • Support for on Ngurra (Country) activities • Support for Aboriginal peoples' self-determination, prosperity and wellbeing • Culture, art and heritage recognition and celebration, led by Traditional Owners and Ngarda-ngarli (Aboriginal people)
2 Our community is welcoming, connected, vibrant, healthy, and safe <ul style="list-style-type: none"> • Community infrastructure • Water play and indoor leisure and recreation • Opportunities to make new connections, especially for newcomers • Access to health services • Family and domestic violence 	3 Everyone is included <ul style="list-style-type: none"> • Lifestyle Village and aged care facilities • Improve Disability Access and Inclusion throughout the City • Celebration of our diverse community, and addressing discrimination 	4 Our places and spaces are functional, attractive and reflect our unique identity <ul style="list-style-type: none"> • Planting, public art, shade, seating, water stations, signage, public toilets • Public transport solutions within and between towns • Land use planning
5 We respect and care for the natural environment <ul style="list-style-type: none"> • Waste management and resource recovery • Foreshore protection and enhancement • Environmental sustainability, including decarbonisation 	6 The local economy is diverse and thriving, with opportunities for all <ul style="list-style-type: none"> • Affordable and diverse housing • Higher education, training and innovation • Tourism development • Small to medium business support and diversification • Aboriginal economic participation • Interstate and inter-national connections 	7 Our civic leaders are innovative, listening and balanced in meeting community needs <ul style="list-style-type: none"> • Proactive community engagement with all segments of the community • Industry and government advocacy and partnerships • Equalise townscape standards across the towns

The Plan identifies the services necessary to facilitate these goals, its success measures and a list of key projects and actions over the next four years.

In order to monitor and track Council's performance in achieving community outcomes, a set of key performance measures have been determined for each service area for the 2025/26 period. These measures will be reported across the year based on established frequencies.

1 We respect Aboriginal peoples' Cultural Authority and connection to Ngurra (Country) <ul style="list-style-type: none"> Aboriginal Engagement and Partnerships 					
2	3	4	5	6	7
Our community is welcoming, connected, vibrant, healthy, and safe <ul style="list-style-type: none"> Arts & Culture Events & Activation Sport & Recreation Community Planning Community Facilities Libraries Local History Community Safety Environmental Health Ranger Services Emergency Management 	Everyone is included <ul style="list-style-type: none"> Diversity, Equity & Inclusion Early Years Families & Children Youth Older Adults Sponsorship and Grants 	Our places and spaces are functional, attractive and reflect our unique identity <ul style="list-style-type: none"> Foreshore Management Streetscapes Parks Maintenance Roads, Drainage & Footpaths Building maintenance Strategic Town Planning Statutory Town Planning Building Services Engineering Services Sanitation 	We respect and care for the natural environment <ul style="list-style-type: none"> Environment & Sustainability Waste Management Litter Control Open Space Management 	The local economy is diverse and thriving, with opportunities for all <ul style="list-style-type: none"> Housing Economic Development Tourism Development Visitor Servicing Airport Management 	Our civic leaders are innovative, listening and balanced in meeting community needs <ul style="list-style-type: none"> Community Engagement Advocacy & Government Relations Industry Partnerships Council Support Customer Service Cemetery Management Property Management
Enabling services Strategic Communications and Media City Promotions Project Management Depot & Stores Plant & Fleet Business Performance Finance People & Culture Governance & Policy Procurement & Contracts Knowledge and Records Management Information Technology Strategic Asset Management					

DISCUSSION

Over the past five years, between 90-102 Key Performance Measures or Indicators (KPIs) have been reported annually by Council and provide trends in data and service performance.

These KPIs however did not track all services.

The City Administration, following the creation of the Council Plan, have identified 137 key performance indicators for 2025/26 that measure progress and the effectiveness of the services delivered in meeting the goals, objectives and priority focus areas of the Council Plan.

The proposed measures will ensure that there will be full coverage of all service areas.

It is expected that over the next years these KPIs will evolve to improve reporting on the services and Council's delivery against the aspirational goals contained within the Council Plan.

The KPIs therefore are a combination of mature KPIs that have been developed over time, and a number of newer KPIs that are in early development.

15 measures are in early stages of development and will evolve following further advancements in service definition, data collection and analysis. Following the adoption of the Council Plan, a number of new strategies and action plans will be developed that provide greater direction and opportunities for service improvement and measurement.

The table below reflects this mixture of KPIs.

Key Performance Measures Summary:

Goal	2025/26			
	Services	Key Projects Actions	KPIs	
			Mature	Emerging
1. We respect Aboriginal people's cultural authority and connection to Ngurra (Country)	1	3	2	-
2. Our community is welcoming, connected, vibrant, healthy and safe	11	31	27	8
3. Everyone is included	6	5	3	5
4. Our places and spaces are functional, attractive and reflect our unique identity	10	19	29	-
5. We respect and care for the natural environment	4	4	9	-
6. The local economy is diverse and thriving, with opportunities for all	5	7	9	2
7. Our civic leaders are innovative, listening and balanced in meeting community needs	7	5	11	-
Enabling Services	13	7	32	-
Total	57	81	122	15

LEVEL OF SIGNIFICANCE

In accordance with Council Policy *CG-8 Significant Decision Making Policy*, this matter is of high strategic significance in terms of social, economic, environmental, cultural & wellbeing issues and Council's ability to perform its role.

STATUTORY IMPLICATIONS

Section 5.56(1) of the *Local Government Act 1995* requires local government authorities in Western Australia to plan for the future for their district.

COUNCILLOR/OFFICER CONSULTATION

Managers have collaborated with the Executive Leadership Team to determine appropriate performance measures for their services. A small number of measures will be more accurately defined following adoption of proposed strategies and action plans.

COMMUNITY CONSULTATION

No community consultation is required.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

The services in the Council Plan 2025-2035 are reflected in the draft 2025-2026 Budget.

STRATEGIC IMPLICATIONS

This item is relevant to the Council's approved Council Plan 2025-2035 and the City's ability to efficiently and effectively deliver the required services in the 2025-2026 financial year.

RISK MANAGEMENT CONSIDERATIONS

The level of risk to the City is as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Moderate	Financial risks are addressed through an annual review of budgetary expenditure associated with the services detailed within the Council Plan and the delivery of key projects/actions.
Service Interruption	N/A	Nil
Environment	N/A	Nil
Reputation	Low	The results of the Annual Community Survey will be a clear indicator of the community's perceptions and level of satisfaction regarding the City's performance in delivering the Council Plan.
Compliance	Low	There is a statutory requirement to review the plan for the future document.

IMPACT ON CAPACITY

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

RELEVANT PRECEDENTS

Key Performance Measuring of service delivery has been undertaken annually since 2012 as part of the integrated planning and reporting framework.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

This will be the first year where all service areas are being measured and will be reported according to agreed frequencies. These measures will provide greater insight into the efficiency and effectiveness of Council's service delivery. A total of 122 mature KPIs have been identified whilst a further 15 measures are in early stages of development. A total of 137 measures will be monitored and tracked for 2025/26.

COUNCILLOR QUESTION:

How was the percentage (%) of dollar (\$) paid to local businesses determined?

CITY RESPONSE:

The target is based on an existing procurement measure. It is a measure of the proportion of our spend with local suppliers. For the past 3 years we are averaging around 53.9% on expenditure per quarter with local suppliers.

Results from the past reporting periods are:

Mar 2025 53.4%
 Dec 2024 48%
 Sep 2024 49%
 Jun 2024 49.6%
 Mar 2024 70%
 Dec 2023 74%
 Sep 2023 50%
 Jun 2023 45%
 Mar 2023 51%
 Dec 2022 45.7%
 Sep 2022 36%

10 COMMUNITY EXPERIENCE REPORTS

There are no Community Experience reports.

11 DEVELOPMENT SERVICES REPORTS

11.1 VISITOR INFORMATION SERVICING REVIEW

File No:	ED.5
Responsible Executive Officer:	Director Development Services
Reporting Author:	Tourism Services Supervisor
Date of Report:	23 June 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. Karratha Visitor Servicing Findings and Discussion Paper2. Karratha Visitor Servicing Review and Recommendations Report3. Public Briefing Presentation

PURPOSE

For Council to consider the final Karratha Visitor Information Services (VIS) Review and Recommendations Report, prepared by Tilma Group Inc, and endorse the proposed best-practice visitor servicing model.

OFFICER'S RECOMMENDATION

That Council:

1. **NOTE** the findings outlined in the Karratha Visitor Servicing Findings and Discussion Paper found at ATTACHMENT 1;
2. **ENDORSE** the Karratha Visitor Servicing Review and Recommendations Report, including the proposed Best Practice Model and Implementation Plan found at ATTACHMENT 2; and
3. **AGREE** to the continuation of visitor servicing operations from the current location on De Witt Road, as recommended in the final report.

BACKGROUND

The Karratha Tourist Centre Inc. was supported by the City to deliver visitor information services to the region until 2018.

At the June 2018 Ordinary Council Meeting (OCM), Council resolved to bring the service in-house due to the Karratha Tourist Centre's ongoing reliance on City funding, unmet KPIs, concerns around declining visitation and revenue, rising costs, and financial sustainability.

Since 2019, the service has been delivered by the City through the Karratha Tourism & Visitor Centre (KTVC).

Most recently, Council considered the ongoing management of KTVC at the October 2024 OCM. At that time, Council resolved to continue delivering visitor servicing at KTVC, pending a review of the service and presentation of any findings and recommendations, including the potential relocation of the KTVC, back to Council.

In response, the City engaged Tilma Group in late 2024 to undertake a comprehensive review and recommend a best-practice visitor servicing model. The review aimed to:

1. Identify current and future visitor needs
2. Audit the City's current services
3. Benchmark performance against industry standards
4. Establish a new vision for visitor services, and
5. Identify necessary changes to better align with customer expectations.

DISCUSSION

The research findings of the review are detailed in the Karratha Visitor Servicing Findings and Discussion Paper (Attachment 1). Key findings:

- KTVC delivers a \$2.59M return on a \$618,000 investment (\$1:4.19 ROI). Note: Annual costs were elevated due to unanticipated staffing expenses above normal levels.
- Visitors to regional WA visitor centres spend on average, an additional \$150 per day
- 62% of WA travellers are likely to use a visitor centre
- Notable gaps exist in online servicing, signage, and social media
- Traditional visitor centres alone are no longer sufficient
- A flexible, omni-channel approach is recommended

The best practice model and recommendations are outlined in the Karratha Visitor Servicing Review and Recommendations Report (Attachment 2). The recommendations report confirms the important role of visitor information services in achieving broader economic and tourism development outcomes. These include increasing visitor length of stay, dispersal across the region, and support for local businesses.

The proposed visitor servicing model outlined in the recommendations report includes:

- Refreshing the KTVC as a "Welcome Centre"
- Developing and providing an effective online/digital presence
- Improved tourism directional, wayfinding and interpretive signage
- Providing mobile/pop-up visitor services at visitor hotspots (e.g.: Cossack, Roebourne)
- Providing visitor information at key hotspots within, and outside, of the City
- Upskilling operators to improve the service they provide to visitors

The Recommendations report proposes that KTVC continue operating from its current location on De Witt Road, highlighting its functionality, visibility, and accessibility. Key advantages include:

- Proximity to a major entry point to the City
- Ample parking for larger vehicles and visitors towing caravans
- Direct access to attractions including the Yaburara Trail and Tank Hill Lookout

The best-practice model is designed to remain adaptable and align with the City's broader economic and tourism goals. Should Council endorse the proposed model, implementation of actions in the report are proposed be staged depending on funding, resourcing, and partnership development.

LEVEL OF SIGNIFICANCE

In accordance with Council Policy CG-8 Significant Decision Making policy, this matter is considered to be of moderate significance in terms of economic impacts and capacity to deliver.

Adopting the recommendations of the review will, over time, require additional resources and impact the operating budget; however, implementation is expected to deliver positive ROI for the City from increased visitation and longer duration of stay.

STATUTORY IMPLICATIONS

There are no statutory implications.

COUNCILLOR/OFFICER CONSULTATION

Consultation has been undertaken with the Administration and Council as part of the development of both the VIS Review and the on-going Economic Development & Tourism Strategy (EDTS).

COMMUNITY CONSULTATION

Community engagement activities were conducted between November - December 2024, and February - May 2025 which included:

- Six (6) focus group sessions; Pilbara Visitor Centres, accommodation providers, hospitality providers, local retail providers, tourism operators and KTVC staff
- One-on-one stakeholder meetings (44)

Who	How	When	What	Outcome
Community and tourism operators	1:1 meetings and workshops	Nov 2023 – May 2024	Feedback on visitor needs, expectations and service gaps	Identified key service improvements and community expectations
What We Heard	<p>Cultural tourism is underdeveloped</p> <ul style="list-style-type: none"> There is strong support for partnering with Indigenous groups to create immersive cultural experiences, especially in Murujuga and Roebourne. Stakeholders view cultural tourism as a unique opportunity to distinguish Karratha. <p>Signage and wayfinding needs improving</p> <ul style="list-style-type: none"> Feedback highlighted the need for improved tourism directional signage and wayfinding to key visitor sites, particularly from highways and entry points, along with more accurate digital maps. <p>Tourism branding and promotion improvements</p> <ul style="list-style-type: none"> Stakeholders expressed a strong desire to move beyond Karratha's image as 'just a mining town' and called for consistent, place-based branding that highlights the region's natural and cultural assets. <p>Leverage natural tourism strengths</p> <ul style="list-style-type: none"> The region's landscapes and proximity to national parks are viewed as significant advantages. Stakeholders want improved promotion and management of these assets to attract nature-based travellers. <p>Tourism Accommodation remains a barrier</p> <ul style="list-style-type: none"> Shortage of quality, affordable visitor accommodation limits growth and experience. 			

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

The KTVC is operating within its approved operational budget, with \$618,000 expenditure for visitor services in 2024/25. Note: Annual costs were elevated due to unanticipated staffing expenses above normal levels. The draft 2025/26 budget is aligned with the original 2024/2025 budget.

Should Council endorse the findings in the Review and Recommendations Report, implementation will be staged based on available funding and resourcing.

Some improvements, such as a refresh of existing signage were anticipated in the draft 2025/26 budget. Others can proceed immediately as business as usual, such as upskilling existing staff to assist with social media.

Other actions such as upgrades to the existing building, provision of a mobile service, installation of a new public dump point etc will need to be scoped, costed and prioritised for additional capital and operational funding requests through the normal budget processes.

Wherever appropriate, support through grant funding will also be sought from relevant bodies such as Tourism WA, Tourism Council WA, and AusTrade grants.

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 provides for this activity:

Programs/Services:	2.a.2.2	Tourism Engagement and Promotion
Projects/Actions:	2.a.2.2.19.2	Deliver Tourism Information Services

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	Continuing visitor servicing from the current location poses low financial risk, with operations already funded in the City's 2025/26 budget. Implementation of the new servicing model, may require increased expenditure, however, these costs will be subject to Council consideration and approval through the normal budget process.
Service Interruption	Low	Continuing to operate visitor servicing from the current location will result in no service interruptions.
Environment	N/A	Nil
Reputation	Low	Continuing to operate visitor servicing from the current location will result in no change to reputation.
Compliance	N/A	Nil

IMPACT ON CAPACITY

The proposed model will require additional staffing and resources to fully implement the recommended service improvements, as current resources are insufficient to achieve all the recommended changes. The requirement for additional staffing will be established in alignment with the City's EDTS, which is currently under development, as there are expected to be some synergies between the requirements for visitor servicing and tourism development.

RELEVANT PRECEDENTS

Council regularly reviews the value and viability of its services. Visitor Information Servicing was considered in June 2018, leading to the service being brought in-house due to concerns around sustainability and service quality. In October 2024, Council initiated a further review to assess the current model and location to ensure continued value and alignment with tourism goals.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

The Karratha Visitor Servicing Review presents a forward-looking model that aligns with the expectations of today's travellers. It proposes to rebrand KTVc as a "Welcome Centre" and deliver a more flexible and digitally integrated approach, while retaining a strong face-to-face presence through the KTVc.

The model recognises the value of continuing operations at the current De Witt Road location and provides a roadmap for enhancing visitor servicing over time. It provides a sustainable model to improve visitor engagement and deliver greater economic returns for the region. It is therefore recommended that Council endorse the findings and support implementation of the actions identified in the Review and Recommendation report.

COUNCILLOR QUESTION:

Is it possible to deliver all these initiatives in 2025?

CITY RESPONSE:

The targets presented by the consultant are aspirational. Delivery of the recommendation is intended to be a multi-year, with progress dependent on resourcing availability and budget allocation. The initial priorities will be actions that we can deliver within existing staffing.

COUNCILLOR QUESTION:

Following the news around Murujuga World Heritage listing, will any of this servicing review change?

CITY RESPONSE:

The upcoming Destination Management Plan (Tourism Strategy) will be the more appropriate mechanism to address any impacts relating to the world heritage listing. This report relates to Visitor Information Services.

COUNCILLOR QUESTION:

Does the wording of this recommendation sufficiently close out the existing resolution/s to relocate the KTVc?

CITY RESPONSE:

Yes. None of the previous resolutions indicated that the KTVc would relocate, rather they indicated that further review was required to determine whether the KTVc should relocate.

This recommendation is intended to close out this issue, and confirms Councils approves continued operations from the current location moving forward.

11.2 HOUSING DEVELOPMENT EXPRESSION OF INTEREST – BULGARRA APARTMENTS – CONSIDERATION OF PUBLIC SUBMISSIONS AND FINAL INVESTMENT DECISION

File No:	CM.599
Responsible Executive Officer:	Director Development Services
Reporting Author:	Housing Financial Analyst
Date of Report:	5 June 2025
Applicant/Proponent:	Developed Projects Pty Ltd
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. Advertised Business Plan2. Public Submissions3. Business Plan Review4. Risk Review Report5. CONFIDENTIAL Corporate Credit Reporting6. CONFIDENTIAL Contractor References7. CONFIDENTIAL Building Inspection Reports8. Public Briefing Presentation

PURPOSE

For Council to consider public submissions received regarding the draft Business Plan to invest in the proposed development at Lot 636 Nairn Street, Lot 751 Gregory Way and Lot 1926 Ridley Street, Bulgarra for the purpose of housing and determine whether to proceed with the development.

OFFICER'S RECOMMENDATION

That Council by Absolute Majority:

1. **RECEIVE the 55 public submissions and the Administration's response regarding the draft Business Plan to invest in the proposed development at Lot 636 Nairn Street, Lot 751 Gregory Way and Lot 1926 Ridley Street, Bulgarra for the purpose of housing;**
2. **ACKNOWLEDGE that no submissions were received regarding the Intention to Borrow Monies to invest in the proposed development at Lot 636 Nairn Street, Lot 751 Gregory Way and Lot 1926 Ridley Street, Bulgarra for the purpose of housing;**
3. **RECEIVE the due diligence that has been undertaken to minimise risk, including:**
 - Business Plan Review
 - Risk Review Report
 - Corporate Credit Reporting
 - Contractor References
 - Building Inspection reports
4. **AGREE to undertake a Major Land Transaction to invest in the proposed development at Lot 636 Nairn Street, Lot 751 Gregory Way and Lot 1926 Ridley Street, Bulgarra for the purpose of housing;**

5. **APPROVE a budget allocation of \$505,761 for the transaction in the 2025/26 Annual Budget, being the forecast 2025/26 funding gap, to be funded by transfer from the Infrastructure Reserve;**
6. **AUTHORISE the Chief Executive Officer to execute a Loan Contract with Westpac Banking Corporation to borrow \$56,000,000 to fund the Major Land Transaction; and**
7. **AUTHORISE the Chief Executive Officer to execute a Development Agreement, Loan Agreement and 3 x Lease Agreements with the Proponent to facilitate the Major Land Transaction.**

BACKGROUND

At its March 2024 Ordinary Meeting, Council resolved to conduct an Expression of Interest (EOI) for Housing Development. The aspirational deliverables of the Housing Development EOI included:

- Provide the market with details pertaining to undeveloped, development-ready lands within the Karratha town centre.
- Support the development of a mix of affordable housing (e.g., service/essential worker accommodation), government housing (local, state), and private rentals/sales.
- Aggregate demand: The aggregation of city-owned, undeveloped, development-ready lands may support scale economies and improve investment yields.
- Invite proposals, ideas, interest in the development of additional housing on the sites featured in the City's inventory.
- Propose and consider a range of incentives that may boost the feasibility of housing projects in the City of Karratha

Expressions of Interest were advertised on 3 April 2024 and closed 15 May 2024. During this period the City also facilitated a series of briefing sessions to disseminate important information and convey instructions for potential proponents, including two virtual sessions held 10 April and 1 May, in Karratha on 11 April and in Perth on 17 April 2024.

Upon closing, 15 EOIs were received and were then evaluated by a five person panel. The EOIs were assessed initially for compliance with the EOI documents. They were then assessed against qualitative criteria.

At the June 2024 Ordinary Meeting, Council endorsed a shortlist of eight proposals that met the selection criteria and in the Evaluation Panel's opinion warranted further investigation and consideration.

Following Council's endorsement in June 2024, Officers met with each shortlisted proponent to assess the financial models, legal structures, compliance requirements and refine each proposal into a set of go-forward options. These deliberations presented an opportunity to consider which proposals offer the best social and economic outcomes to the City on the land proposed.

The Evaluation Panel worked with proponents to clarify and refine each proposal against the evaluation criteria. At the October 2024 Ordinary Meeting, the evaluation panel recommended that the five shortlisted proposals be prioritised and that the selected options warrant the development of individual business plans.

Council accepted these recommendations and resolved in accordance with Section 3.59 of the *Local Government Act 1995* to prepare Local Government Act Business Plans for each proposal and report back to Council prior to advertising.

At the March 2025 Ordinary meeting, Council resolved to adopt the business plan for one of the five shortlisted proposals, the Bulgarra Apartments by Developed Projects, and advertise the business plan for public feedback prior to making an investment decision.

DISCUSSION

The Business Plan was made available on Council's 'What We Make It' website from 1 April 2025, with Statewide public notice provided on 9 April 2025. The Business Plan was also promoted through the City's social media channels. Public submissions were open until 5:00pm on 21 May 2025, being 6 weeks after Statewide public notice in accordance with s3.59 of the *Local Government Act 1995*. 55 submissions were received with 11 broadly in favour of the proposal and 44 opposed.

The submissions in favour primarily emphasised the need for additional housing, reinforcing availability and affordability concerns, especially among service workers.

The submissions opposed were primarily from residents in the vicinity of the proposed developments and shared a number of common themes including the developments not fitting with the quiet character or aesthetic of the suburb, loss of views, and concerns around increased traffic, loss of privacy and increased crime.

A copy of all submissions and proposed responses is attached for reference (Attachment 2) while a summary of the key comments and issues raised is contained within the Community Consultation section below.

Due Diligence

In order to provide assurance around the financial modelling, transaction structure, risks to Council and the developer's experience, reliability and capability to deliver the project, Officers have undertaken a number of due diligence activities.

Business Plan Review

The City engaged APP Group to conduct a review of the Business Plan, including the financial modelling and risk analysis. This review confirms that the Bulgarra Apartments proposal is commercially viable and socially beneficial, with key financial and operational risks able to be addressed through robust planning and governance frameworks.

The review highlights the project's potential to alleviate critical housing shortages in Karratha and acknowledges the City's conservative rental assumptions. The proposed 20-year peppercorn lease arrangement, with asset reversion to the City, is recognised as a strategic long-term benefit. Importantly, all structural and contractual recommendations made by APP Group are consistent with those outlined in the McLeods review and, if the development proceeds, will be fully implemented in the contractual agreements.

While the review noted considerations such as the developer's low equity contribution, high development management fee, and the importance of clear asset renewal planning, these have been addressed through recommendations that have informed the project's proposed structure and agreements. With these elements in place, the City is well-positioned to proceed with the investment decision, noting the project will deliver both financial returns and essential community infrastructure.

A copy of the APP Business Plan Review is attached for reference (Attachment 3).

Risk Review

McLeods Lawyers were engaged to draft and provide advice on all documentation associated with the proposed Bulgarra Apartments development, including the Development Agreement, Loan Agreement, and Lease Agreements. As part of this engagement, McLeods also prepared a comprehensive Risk Review report, providing a detailed assessment of the structural and contractual risks inherent in the project, along with specific mitigation strategies.

The report delivers a focused analysis of the proposal, with particular attention to the City of Karratha's exposure under the \$56 million loan facility and associated contractual arrangements. It identifies several high and moderate risks, including the potential for developer default and the enforceability of the City's step-in rights.

While the contractual framework appropriately allocates responsibilities, the report acknowledges that the City remains materially exposed to high risks - such as if the developer fails to deliver, costs escalate significantly, or the project encounters serious delays or legal issues.

Key recommendations to mitigate these risks include strengthening the Development and Loan Agreements with enforceable step-in rights, linking loan drawdowns to independently verified construction milestones, and ensuring leases for the land are only granted upon satisfactory project completion. The report also highlights the importance of comprehensive insurance coverage and active governance throughout the project lifecycle.

Moderate risks such as insufficient rental revenue, inadequate maintenance and refurbishment, residual value uncertainty, and limited operational oversight are addressed through recommended risk mitigations. These include gaining pre-lease commitments, embedded refurbishment obligations and capital works schedules, and the inclusion of performance standards and reporting requirements.

All recommended risk mitigation strategies identified in the Risk Review will be incorporated into the drafting of the contractual agreements, should Council resolve to proceed with this development. This ensures that the City's interests are protected and that the project is governed by a clear, enforceable, and risk-aware legal framework.

A copy of the McLeods Risk Review Report is also attached for reference (Confidential Attachment).

Corporate Credit Reporting

Officers have engaged Illion Risk Services to conduct comprehensive credit reporting on both the proponent company, Developed Projects Pty Ltd, and the related trading entity, Developed Pty Ltd, as well as individual credit checks on all Directors. While Developed Projects Pty Ltd is the entity formally proposing this development, Developed Pty Ltd shares the same Directors and ownership structure. The proponent uses these entities interchangeably based on their internal tax and accounting arrangements.

While there was no evidence of court actions or collection or commercial default notices for the entity the report rated Developed Projects Pty Ltd (registered in 2022) as moderate risk of default and above average risk of late payment to suppliers in the next 12 months. Factors influencing this rating included the age of the entity and a lack of payment information in the Illion database.

The report rated Developed Pty Ltd (registered in 2010) as low risk of default and average risk of late payment to suppliers in the next 12 months. Again, there was no evidence of court actions or collection or commercial default notices for the entity.

The report also confirmed there were no previous bankruptcies, administrations/ liquidations or disqualifications from company Directorships for any of the Directors of the company.

A copy of the relevant corporate credit and background reporting is attached for reference (Attachment 5).

Contractor References

Officers have obtained contractor references from previous project partners for each member of the Developed Consortium who serves as a Director of Karratha Development Pty Ltd. These individuals will be directly involved in the day-to-day project and development management of the proposed development.

Referees consistently reported positive experiences and successful outcomes when working with these individuals across a broad range of functions, including project planning, approvals and execution, commissioning, asset management, operational and financial reporting, individual asset performance, and strategic oversight.

All referees endorsed the engagement of these individuals and expressed a willingness to work with them again in the future.

A copy of all contractor references obtained are attached to this report (Attachment 6).

Building Inspection Report

To provide assurance regarding both the quality of the product being delivered and the development management capabilities of the proponent, the Administration have obtained independent building inspection reports for a selection of the proponent's previous projects, spanning various ages and locations. A summary of these inspections is presented in the table below.

Development	Development Type	Completion Date	Inspection Date	Building Inspector
Carmore Hotel, Christchurch NZ	Five-storey hotel development utilising modular construction from TLC Modular, of a similar spec to the proposed development	2020	June 2021	Philip Overend (CBRE Building, Depreciation & Cost Consultancy, NZ)
Bellfield Townhouses, Auckland NZ	Two-storey townhouse development utilising modular construction from TLC Modular, of a similar spec to the proposed development	2024	5 June 2025	Kieran Hindley (Bayleys Building Consultancy, Auckland NZ)
Velocity Motel, Karratha WA	Two-storey motel utilising modular construction from TLC Modular, subject to similar climatic conditions as the proposed development	2019	11 June 2025	Steve Ashworth (Volute Building, Karratha WA)

The inspection of the Carnmore Hotel in Christchurch, New Zealand, was conducted in 2021 as part of the property's sale, with a copy provided to the City upon request. The inspections for the Bellfield Townhouses in Auckland, New Zealand and the Velocity Motel in Karratha were commissioned directly by the City.

The inspection reports revealed varying outcomes regarding construction quality and building standards. Both the Carnmore Hotel and Velocity Motel were assessed to be in good to excellent condition, with only minor defects or maintenance issues identified. However, the Bellfield Townhouses exhibited several defects, prompting a recommendation for a review of the developer's and contractor's quality assurance procedures.

Notably, the defects observed across the properties were generally limited to fixings, flashings, and finishing elements, rather than structural components. This insight provides the City with a clear focus for managing quality during the construction phase of the project. The Velocity Motel report, in particular, highlighted a high standard of workmanship and minimal signs of ageing or material degradation, indicating the availability of highly skilled local tradespeople capable of delivering quality outcomes.

Copies of the building inspection reports are attached for reference. (Attachment 7)

Final Costing

There have been no changes to the projected development cost since release of the Business Plan, with the proponent still seeking debt funding of \$56.0 million from the City over a 20-year term to facilitate the development.

Funding

The Administration have continued progressing discussions with Westpac Banking Corporation ("Westpac") - the City's current banking services provider - to secure a \$56.0 million debt facility to fund the City's proposed loan to the Proponent. Westpac has provided 'in-principle' support and is currently working through its internal approval processes to issue a formal offer.

The Business Plan was initially advertised based on funding cost assumptions derived from preliminary discussions with Westpac. Following a detailed pricing assessment, Westpac has now provided updated funding costs, which reflect a reduction due to recent interest rate cuts by the Reserve Bank of Australia (RBA). These revised costs are outlined in the table below:

Component	Business Plan Assumption	Updated Pricing Assessment
BBSY (base rate)	4.14%	3.75%
Risk Margin	0.50%	0.30%
Line/Facility Fee	1.00%	1.00%
Total Funding Cost	4.64% + 1.00%	4.05% + 1.00%

These updated funding costs have been incorporated into the overall project costs, as detailed in the Financial Implications section below.

Governance and Oversight

All legal recommendations outlined in the Risk Review and Business Plan Review reports will be fully incorporated into the relevant Development Agreement, Loan Agreement, and Lease documentation should Council choose to proceed with this proposal. These recommendations include enforceable step-in rights, comprehensive insurance provisions,

and structured financial safeguards designed to protect the City's interests throughout the life of the project.

Should the development proceed, a governance structure will need to be in place for the duration of the project. To ensure risks continue to be managed and protections actively upheld, it is proposed that the City establish a Project Steering Committee, led by the Director Corporate Services, responsible for overseeing compliance with the developer's obligations and safeguarding the City's rights under the contractual framework. The committee would include representatives from City Projects, Building Maintenance, Governance, Leasing, and Finance, with membership adjusted as needed to reflect the project phase.

It is proposed that the Steering Committee would meet at least monthly during construction, and monthly or quarterly during operations, depending on the level of activity and risk, with key focus areas for each stage of the project outlined below.

Construction Phase – Key Focus Areas:

- Monitoring construction progress and milestone achievement
- Verifying eligibility for loan drawdowns against independent assessments
- Ensuring continuous and adequate insurance coverage
- Overseeing quality assurance, inspection, and testing regimes
- Tracking adherence to the approved project budget
- Reviewing and approving contingency fund drawdowns
- Identifying and escalating any emerging risks or delays

Operational Phase – Key Focus Areas:

- Monitoring leasing performance, including vacancy rates and rental yields
- Reviewing lease terms and market alignment
- Conducting regular performance audits and tenant satisfaction reviews
- Overseeing scheduled inspections to ensure operational standards
- Enforcing refurbishment obligations at designated years, supported by a capital works schedule
- Ensuring ongoing insurance coverage and effective maintenance practices
- Evaluating asset condition and planning for long-term renewal

Additionally, an annual reporting process to the Audit, Risk and Improvement Committee of Council will be established to ensure Council retains oversight of the project. This will add an additional layer of accountability and protect against process failure in the event of staff turnover.

This proactive governance approach ensures that risk mitigation strategies are not only embedded in the legal documentation but are also actively monitored and enforced throughout both the construction and operational phases. It provides a structured mechanism for protecting the City and maintaining the long-term integrity, value, and community benefit of the asset.

Utilisation

While the development will be constructed on City-owned land, under the terms of the lease agreement the completed development will be managed by the proponent with dwellings to be available for lease on the private market.

It is anticipated that the tenant mix will include both corporate and individual lessees. There is no intention for this development to include social or affordable housing.

Summary

While overall public sentiment toward the proposed development has been predominantly negative – particularly among residents in close proximity to the development sites – the project is a suitable development for the land in question. Some concerns raised do not align with the applicable planning frameworks or prescribed development standards, while others can be addressed through design refinements during the Development Application process.

Various third parties have been engaged to provide assurance around the developer and the proposal, with several identified risks able to be mitigated. While all investment carries risk, this proposal has the potential to also provide significant benefit to the City.

In addressing the current critical housing shortage across the City, this proposal provides a strong dwelling yield on the sites and a positive return to ratepayers.

LEVEL OF SIGNIFICANCE

In accordance with Council Policy CG-08 Significant Decision Making Policy, this matter is considered to be of high significance in terms of economic issues as the cost of a proposal is estimated at more than 5% of the total rates of the Council as shown in the annual corporate plan or Strategic Plan for the financial year.

STATUTORY IMPLICATIONS

This project is considered a Major Land Transaction under the *Local Government Act 1995*. Section 3.59 (3)(b) & (c) of the Act states:

Before it —

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

The Act also states in 3.59 (4) that the local government is to

- (a) give Statewide public notice stating that —*
 - (i) the local government proposes to commence the major trading undertaking or enter into the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction; and*
 - (ii) a copy of the business plan may be inspected or obtained at any place specified in the notice; and*
 - (iii) submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given; and*
 - (b) make a copy of the business plan available for public inspection in accordance with the notice.*
- (5) After the last day for submissions, the local government is to consider any submissions made and may decide* to proceed with the undertaking or transaction as proposed or so that it is not significantly different from what was proposed.*

** Absolute majority required.*

COUNCILLOR/OFFICER CONSULTATION

Council has made resolutions at four separate meetings regarding the progress of the broader Housing Development EOI and in particular the proposed Bulgarra Apartments development (March 2024, June 2024, October 2024 and March 2025).

Councillors have additionally been briefed regarding the ongoing development of the EOI proposals at regular briefings.

COMMUNITY CONSULTATION

Significant community consultation has occurred regarding the Business Plan and proposed Major Land Transaction. This has included:

- Statutory Advertising: Public Notice of the Business Plan was advertised State-wide in *The West Australian* newspaper and locally in the *Pilbara News* newspaper on Wednesday 9 April 2025.
- Public notice was provided on Council's 'What We Make It' website with an attached copy of the Business Plan and a Frequently Asked Questions document providing further information
- A copy of the public notice, along with a copy of the Business Plan, were available for public viewing at the Council Administration Office and at all libraries within the City.
- Social media posts regarding the public notice and business plan were also made on 3 April and 21 May 2025 with commenters encouraged to make an official submission via the appropriate channel.

A total of 55 submissions were received regarding the Business Plan and proposed transaction. 11 submissions (20%) were broadly in favour of the proposed transaction while 44 submissions (80%) were broadly against. It is noted that two submissions received were from City of Karratha staff commenting in their personal capacity.

A summary of relevant comments and key issues raised in the submissions is provided below. A full copy of submissions and proposed responses can be found at **Attachment 2**.

Comment/Key Issues	Officer's Comments
1. Traffic and Congestion Many residents expressed concerns about increased traffic, particularly on Ridley Street, Gregory Way, and Nairn Street, citing safety risks for children, congestion, and inadequate infrastructure to support higher density.	<p>These matters are assessed as part of the Development Application process.</p> <p>While it is not anticipated that the proposed development will result in unacceptable impacts on traffic or congestion, the City retains the ability to require the developer to modify their plans to mitigate any identified impacts, should they arise during the assessment process.</p> <p>The Karratha CBD has other high density developments, such as the Pelago apartments, where traffic and congestion are appropriately managed.</p>
2. Loss of Privacy A recurring concern was the loss of privacy due to multi-storey buildings overlooking existing homes and backyards, especially in quiet residential streets like Cowrie Court and Gregory Way.	<p>The proposed developments comply with the visual privacy provisions of the R-Codes applicable to the zoning of each lot.</p> <p>While multi-storey developments are not yet common in this particular suburb, they are present in other areas with comparable residential densities, where privacy concerns have not materialized. This suggests that, when designed in</p>

Comment/Key Issues	Officer's Comments
	accordance with planning standards, such developments can integrate successfully into the local context without significant amenity impacts.
3. Incompatibility with Suburban Character Residents emphasized that high-density apartments are inconsistent with Bulgarra's low-density, family-oriented character, and that the development would erode the suburb's appeal and lifestyle.	Due to high construction costs that exceed market valuations for completed properties, Karratha is currently not an attractive market for private property developers. To improve the financial viability of residential projects, it is essential to maximise lot yield, thereby reducing the cost per dwelling. This approach also aligns with one of the key objectives of the City's Housing Development Expression of Interest (EOI) process—maximising housing yield on available development-ready land. It is further noted that the developments will be required to appropriately consider the R-Code provisions relevant to the density code for the lots.
4. Property Value and Liveability Property owners identified concerns that the development would decrease property values and reduce liveability, particularly due to noise, overcrowding, and visual impact.	<p>There is currently a significant unmet demand for quality housing in the area. These developments are intended to help address that shortfall, supporting broader community and economic needs.</p> <p>The product being proposed is distinct from the majority of existing housing stock. As such, it is not expected to compete directly with current rental properties or negatively affect existing investment returns.</p> <p>The proposed dwellings will be high-specification builds, designed to a standard that enhances the overall quality of the housing stock and complements the surrounding area.</p> <p>The expected tenant profile includes a mix of private and corporate tenants, with no social housing component. This is anticipated to support a stable and well-managed residential environment.</p> <p>Overall, the development is designed to enhance liveability and housing diversity, while supporting the City's long-term growth and sustainability goals.</p>
5. Social and Safety Concerns Several submissions raised concerns about potential increases in crime,	The completed development will be managed by the proponent, with dwellings made available for lease on the private

Comment/Key Issues	Officer's Comments
antisocial behaviour, and the impact of public housing, referencing existing issues in nearby complexes.	market. It is anticipated that the tenant mix will include both corporate and individual lessees.
6. Infrastructure Strain Residents noted that existing infrastructure (e.g., drainage, parking, waste management) is already under pressure and would be further strained by the proposed developments.	These issues are addressed as part of the Development Application process. While it is not anticipated that the proposed development will result in unacceptable impacts on drainage, parking or waste management, the City retains the ability to require the developer to modify their plans to mitigate any identified impacts, should they arise during the assessment process.
7. Alternative Locations Suggested Many suggested that Mulataga, Madigan Estate, or near the Red Earth Arts Precinct would be more suitable for such developments, as they are less populated and better suited for growth.	A key objective of the Council's Housing Development Expression of Interest (EOI) was to enable the rapid delivery of housing stock on undeveloped, development-ready land—particularly land owned by the City. Currently, neither the Mulataga site nor the Walgu city centre site meet this criterion, as both remain unserviced and are not yet development-ready. There are no grouped dwelling lots presently available within the Madigan subdivision, and the City does not hold ownership of any land parcels at either Mulataga or WALGU. To address the region's critical housing shortage, the City is pursuing a broader strategy that includes advocating for and facilitating the release of additional residential land—such as in the Madigan and Mulataga estates—and advancing the development of the Walgu city centre site. These initiatives complement the housing projects proposed under the City's Housing Development EOI.
8. Opposition to Use of Public Funds There was strong opposition to the City of Karratha using ratepayer funds for what some see as a private or commercial venture, arguing that housing should be left to the private sector.	Due to high construction costs that exceed the market value of completed properties, Karratha currently presents a challenging environment for private property developers. As part of its Housing Development Expression of Interest (EOI), the City explored a range of incentives to enhance project feasibility. These included access to low-cost or no-cost land and discounted financing options.

Comment/Key Issues	Officer's Comments
	<p>Under the proposed development model, the City anticipates a net cash outflow of \$9.1 million over a 20-year period, funded through its Infrastructure Reserve. This reserve is supported by revenue generated from City-owned enterprises such as Karratha Airport and a portion of rates from Transient Workforce Accommodation facilities. Notably, it does not include rates from residential, commercial, or industrial properties.</p> <p>In return for this investment, the City expects to acquire a strategic asset with a projected book value of \$46.6 million at the end of the 20-year term.</p>
<p>9. Concerns About Long-Term Sustainability and Economic Timing Several residents questioned the timing of the development, citing Karratha's boom-bust economic cycle. They warned that by the time construction is complete, demand may have dropped, leading to vacant units and wasted investment. This was especially noted in relation to past overbuilding during resource booms.</p>	<p>The City's Cumulative Impact Model (CIM) forecasts increased demand in both temporary and permanent residential populations by accounting for approved and proposed major industrial developments.</p> <p>Current modelling indicates a shortfall of approximately 900 residential dwellings, which could increase to around 2,000 over the next five years.</p> <p>This projected gap reflects the anticipated housing demand driven by operational workforces, supporting industries, their families, and additional service workers associated with major developments such as Woodside's Pluto Train 2, Perdaman's Urea Plant, BCI Minerals' Mardie Salt Project, and the Pilbara Hydrogen Hub.</p>
<p>10. Design and Aesthetic Compatibility There was frequent feedback about the visual impact of the proposed developments. Residents expressed that multi-storey buildings would be unsightly, block scenic views, and clash with the existing architectural style of Bulgarra. Many preferred single-storey, low-density housing that blends with the suburb's established look and feel.</p>	<p>The proposed development will consist of high-quality, architecturally designed apartments built to a high specification. While scenic views are often valued by residents, consideration of this issue will be addressed through the Development Application process as required.</p> <p>Low-density, single-storey housing on these sites would not generate sufficient yield to ensure financial viability, nor would it deliver the scale of additional housing supply needed to meaningfully address the region's critical housing shortage. In contrast, the proposed apartment development is designed to contribute positively to the visual character of the</p>

Comment/Key Issues	Officer's Comments
	area, enhancing the overall streetscape and urban aesthetic.

POLICY IMPLICATIONS

Council Policy *CF-03 Investment Policy* provides guidance on if and when Council will invest in Property. The adopted policy includes the following statements that are relevant to this matter:

When making decisions to invest in property related investments one or more of the following criteria must be satisfied:

(f) Invest in property to achieve key strategic goals of the Council that will deliver a broad based benefit to the community without financial return being the key driver.

The proposed investment is consistent with the policy provision as it provides broad-based social and economic benefits to the community by addressing the City's current critical housing shortage. Improving housing supply and affordability is a key strategic outcome required to achieve Council's vision to become Australia's most liveable regional city.

In addition to addressing the current critical housing shortage, the proposed investment also provides a positive financial return to the City.

FINANCIAL IMPLICATIONS

Capital Investment

The proposed transaction is not included in the City's Long Term Financial Plan or the Draft 2025/26 Annual Budget. The City's financial contribution to the project would be a \$56.0 million loan to the proponent, to be funded by the City obtaining \$56.0 million of debt funding from external sources, resulting in no net capital outlay to facilitate construction of the development.

In order to achieve financial feasibility, the Proponent has requested the City loan the project funds to them at a cost of 4.00% p.a. The City is unable to obtain external funding from either a banking services provider or the WA Treasury Corporation at the same rate in the current market, meaning that to provide the requested interest rate to the developer, the City would incur a funding gap which would constitute an operating cost to the City to facilitate the development.

Operational Cash Flows

Among the funding options outlined in the Business Plan, the recommended approach remains the 'Hybrid' funding model. This strategy involves securing initial commercial borrowings at a variable interest rate, allowing the City to benefit from forecast reductions in market rates, followed by a transition to fixed-rate borrowings from the WA Treasury Corporation at a later stage. For modelling purposes, this transition is assumed to occur three years into the 20-year loan term.

The current financial modelling is based on the following assumptions:

- Years 1–3: Variable interest rate of 4.05% from Westpac, plus a 1.00% facility fee
- Years 4–20: Fixed interest rate of 4.31% from WA Treasury Corporation, plus a 0.70% Government Guarantee Fee

While actual net funding costs will vary depending on future interest rate movements and projected revenue performance, the forecast net funding cost to the City, based on these assumptions, is as follows:

	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Total
Funding Cost to City	(11,082,880)	(9,879,550)	(7,016,271)	(2,964,408)	(30,943,109)
Recovered from Proponent	9,056,772	7,633,962	4,668,874	1,343,019	22,702,627
Net Funding Cost	(2,026,108)	(2,245,588)	(2,347,398)	(1,621,389)	(8,240,482)

The forecast net funding cost of \$8.2 million will be offset by the City's acquisition of the completed asset at the conclusion of the 20-year lease term. Based on the budgeted construction cost and planned refurbishment and renewal expenditure, the asset is expected to have a book value of \$46.6 million. This results in a projected net gain of \$38.4 million for ratepayers over the life of the development.

Operational Cash Flows – Developer Default

As outlined in the Risk Management Considerations section below, there is an elevated risk of default by the proponent during the operating period, primarily due to its extended duration. In the event of such a default, the City would assume control of the asset and its associated revenue streams (e.g., leases), while remaining responsible for ongoing repayments of the external loan facility. The table below summarises the City's projected annual cash flows under this scenario, based on a range of average rental rate assumptions.

Average Rent per Apartment	Total Net Rental Yield	Loan Repayments	Net Cash Surplus/ (Deficit)
\$600pw	2,836,548	(4,574,793)	(1,738,245)
\$700pw	3,309,306	(4,574,793)	(1,265,487)
\$800pw	3,782,064	(4,574,793)	(792,729)
\$900pw	4,254,822	(4,574,793)	(319,971)
\$1,000pw	4,727,580	(4,574,793)	152,787

The above projections are based on key assumptions, including a 5% rental vacancy rate and ongoing operating and maintenance costs set at 17.5% of revenue. Under this scenario – assuming no refurbishment or renewal expenditure is undertaken – the asset is anticipated to have a book value of \$27.9 million at the conclusion of the 20-year lease term.

This indicates that the City could sustain an average annual cash outflow of up to \$1.4 million (equivalent to an average rent of \$672 per apartment per week) over the lease period and still achieve a breakeven outcome on the development.

STRATEGIC IMPLICATIONS

This item is relevant to the Council's approved Council Plan 2025-2035:

Goal:	The local economy is diverse and thriving, with opportunities for all
Objectives:	Advocate for, facilitate and support the provision of affordable housing choices
Priority Focus Area:	Advocacy, partnership, and facilitation to increase land development and options for diverse, affordable housing

RISK MANAGEMENT CONSIDERATIONS

A comprehensive risk analysis for the Bulgarra Apartments proposal was undertaken and detailed in the Business Plan. The assessment applied a risk matrix methodology to evaluate potential risks associated with the project.

A total of nine (9) risks were identified by the Administration, comprising:

- Five (5) high-rated risks
- Four (4) moderate-rated risks
- No extreme risks

Mitigation strategies have been developed for all identified risks. Following the implementation of these strategies, no risks remain rated as high; all have been reduced to either moderate or low levels.

In addition, the Business Plan Review conducted by APP Group identified a further five (5) risks. While these were not formally rated, mitigation strategies have also been proposed to address each of them.

The following summary outlines the risks identified by both the Administration and APP Group, along with their corresponding mitigation approaches:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Moderate	<ol style="list-style-type: none"> 1. Development costs exceed budget – mitigated by \$9.8m contingency built into project budget (17.5% of construction costs) and structuring Development Agreement so that Proponent bears responsibility for any cost overruns. 2. Development does not generate forecast returns – to be mitigated by the proponent seeking pre-commitment to enter into long terms leases 3. Developer defaults during construction – the risk of the developer defaulting during the construction phase is mitigated through several proactive measures. Comprehensive corporate background and reference checks were conducted on the proponent prior to executing the Development Agreement, ensuring a high level of due diligence. Additionally, the Development Management Fee has been structured to include a significant milestone payment upon practical completion, incentivising project delivery. <p>Should this risk eventuate, the City is positioned to manage the consequences effectively. As the project involves off-site prefabrication of modules, the City would retain the ability to take possession of these modules and engage local contractors to complete the on-site works and installation, thereby ensuring project continuity.</p> <ol style="list-style-type: none"> 4. City borrowing capacity limited – the risk of the City's borrowing capacity being constrained by this project is considered low, primarily due to the City's strong financial position—most notably, its current status of being effectively debt-free.

Category	Risk level	Comments
		<p>Furthermore, there are no borrowings currently planned to fund the capital works outlined in the Long-Term Financial Plan (LTFP). As such, the City retains significant borrowing capacity even after funding this project, which provides a prudent financial buffer should future capital works require additional funding.</p> <p>5. Investment in this project means that other community projects cannot proceed – can be managed by maintaining sufficient reserve balances and/or utilising debt capacity during the LTFP term to deliver all planned community facilities and services</p> <p>6. Failure to meet delivery timeline – mitigated by pre-engaged production and trade capacity to deliver the project. The consequence of this risk is also considered to be low as the fixed price contract means the developer is liable for any cost overruns where the City does not cause the delay</p> <p>7. Developer defaults during operating period – can be mitigated by structural safeguards such as security charges over both the development assets and income streams. Consequences can also be managed by the City operating the development for the remainder of the lease term in the event of default occurring.</p> <p>8. No apparent allowance for strata titling of the units, limiting future divestment flexibility – Ensure the development is designed to be strata-ready (e.g. fire separations, metering, access etc.) and commission early legal and planning advice to assess the practical feasibility of individually strata titling the units during the operational period of the project.</p> <p>9. End-of-term asset value falls short of forecast – Apply prudent, scenario-based valuation forecasts (including expert advice where appropriate) during the planning and negotiation phase and undertake regular, ongoing asset value reviews over the operational period and project governance during the life of the project.</p> <p>10. Quality of product from offshore modular construction partner may result in lower end-of-term asset value – Conduct detailed technical, financial and legal due diligence on the manufacturer, including reference checks, establish third party quality assurance/ compliance protocols during construction and identify alternate suppliers or contingency plans in case of failure or delays.</p> <p>11. Developer fails to reinvest into refurbishment of the dwellings as proposed, resulting in lower value end-of-term asset value – Incorporate a binding refurbishment schedule into the Loan Agreement including minimum standards, scope and timeframes, apply an end-of-term condition requirement into the Loan Agreement, stipulating that the asset must meet a minimum condition at</p>

Category	Risk level	Comments
		handover, and any surplus funds following loan repayment should be directed into a sinking fund (trust account) to cover forecast asset renewal costs.
Service Interruption	N/A	Nil
Environment	N/A	Nil
Reputation	Moderate	<p>12. Council is perceived to be misusing ratepayers funds – The net cash outflows for the project are proposed to be funded from the City's Infrastructure Reserve, which is not comprised of residential, commercial or industrial rates. The asset to be reverted to the City at the conclusion of the lease term is forecast to have a significantly higher value than the total cash outflow, resulting in an overall positive return to Ratepayers.</p> <p>13. Council should not be involved in housing – mitigated by various information published by the City outlining the depth of the housing crisis, lack of action by other parties (i.e. State Government, private developers) and the benefits of the City facilitating additional housing supply</p> <p>14. Poor property management or maintenance by Developer – Include performance standards in the Loan Agreement (e.g. maintenance response times, tenant satisfaction benchmarks etc.), conduct scheduled audits and inspections with rights to intervene or trigger corrective action and include step-in rights in the Loan Agreement if performance material fails, strengthen project governance.</p>
Compliance	N/A	Nil

The most significant risk management concern for the City is the potential default by the developer during the operating period. This risk arises primarily from the extended duration of the operating relationship and the relatively limited financial returns available to the developer following construction completion and prior to full repayment of the City's loan facility.

To mitigate this risk, structural safeguards have been proposed, including security charges over both the development assets and associated income streams. These measures would enable the City to assume control of the completed development in the event of a default. Furthermore, a developer default could expose company directors to the risk of disqualification if it is demonstrated that they failed to take reasonable steps to prevent losses associated with secured loan defaults.

City officers have held preliminary discussions with the developer regarding potential strategies to manage periods of reduced returns and mitigate the risk of default. Options explored include extending the loan and corresponding lease term, thereby reducing debt servicing obligations during periods of lower rental income and supporting the developer's cash flow. Additionally, adjustments to the capital refurbishment and renewal program – such as deferring or removing certain items – can be considered to provide further financial flexibility until rental market conditions improved.

As outlined in the Financial Implications section, even in the event of a developer default, the City retains the potential to operate the development for the remainder of the lease term while still achieving a net gain for ratepayers.

IMPACT ON CAPACITY

The City currently has two positions, funded through a Federal Government grant, dedicated to delivering the Housing Action Plan. These roles will be responsible for managing the funding, contract execution, and implementation of this proposal.

Construction project management and ongoing operational functions will be absorbed by the City's existing operational teams. While the completed development will be managed by the proponent, the City plans to establish a project steering committee. This committee, led by the Director Corporate Services and reporting to the Audit, Risk and Improvement Committee, will include representatives from City Projects, Asset Maintenance, Governance, Leasing, and Finance, and will meet regularly with the developer throughout construction and operations. The committee will monitor construction progress, asset performance and condition, cashflows, planned asset renewal, and any emerging issues, ensuring the developer meets their obligations and the City's rights under the agreements are upheld.

Given the expected frequency and scope of these meetings, no additional resourcing is anticipated. As such, the proposal is not expected to impact the City's capacity to deliver its ongoing and planned community facilities and services.

RELEVANT PRECEDENTS

There are several relevant precedents related to this matter. Council has accepted and considered public feedback on several previous Business Plans in relation to proposed Major Land Transactions and Major Trading Undertakings. These are detailed in the table below.

OCM	Proposal	Outcome
April 2013	To acquire sites allocated to the City under the Residential Infill Program (Bulgarra Lazy Lands)	Proposal proceeded and transaction was completed in July 2013
January 2017	To acquire the site at 8 Coringer Ave, Gap Ridge for the purpose of developing the Karratha Homemaker Centre	Proposal proceeded to feasibility study but was discontinued thereafter
March 2017	To purchase The Quarter HQ	Proposal proceeded and the transaction was completed in June 2017
May 2018	To acquire the land for The Quarter Hotel, lease the land to the developer and make a fitout contribution to the construction of the hotel	Council resolved to proceed with the proposal however the developer was unable to achieve financial close and the development did not proceed
March 2021	To acquire the land at Lots 7020 and 7018 Sharpe Ave and develop the Walgu Apartments project	Architectural design and revised feasibility study have been completed however development has not proceeded due to significant cost increases

In addition, the City has recently progressed a series of initiatives aimed at increasing accommodation, housing and land supply, including:

- Construction of nine houses on Lazy Lands in Nickol;
- Design and construction of two houses in Jingarri Estate;

- Shakespeare Precinct Scheme Amendment to rezone land for residential development; and
- Construction of twenty lot subdivision in Hancock Way, Bulgarra and subsequent construction of six dwellings.

VOTING REQUIREMENTS

Absolute Majority.

CONCLUSION

The Bulgarra Apartments proposal presents a targeted and strategic response to the City's critical housing shortage, delivering both social and economic benefits. While public consultation indicated a majority of submissions opposed to the development—primarily from residents in close proximity—many concerns raised fall outside the scope of statutory planning frameworks or can be appropriately addressed through the Development Application process.

Extensive due diligence has been undertaken to assess the viability and integrity of the proposal. This includes financial modelling reviews, external risk assessments, credit evaluations, contractor reference checks, and independent building inspections. These measures provide confidence in the proponent's capability and the quality of the proposed development. Financial modelling demonstrates that, even under conservative assumptions, the City is positioned to achieve breakeven or better outcomes over the 20-year lease term, with a projected net benefit of \$38.4 million to ratepayers.

Key risk mitigation strategies have been identified and embedded into the contractual framework, with a particular focus on managing the most significant risk—developer default during the operational phase. Structural safeguards, contingency planning, and enforceable legal protections have been incorporated to ensure the City's interests are preserved.

The proposal aligns with Council's strategic objectives and investment policy, and the funding structure has been designed to minimise any impact on the City's long-term financial capacity.

Given the thorough due diligence, the financial and strategic merits of the proposal, and its potential to address a pressing community need, it is recommended that Council proceed with the investment.

COUNCILLOR QUESTION:

Residents and ratepayers have expressed concern around traffic and congestion caused by these developments. How will the traffic and congestion be managed?

CITY RESPONSE:

Consideration of traffic and road capacity will be addressed through the development approval process.

Resident concern is noted. It is expected that all of the affected local roads have capacity to take on this level of additional traffic without raises any safety concerns.

COUNCILLOR QUESTION:

Residents have expressed concern that there are already issues with accessing major roads from the loops within Bulgarra. Do we have any further comments on this concern?

CITY RESPONSE:

One of the road safety audits for this financial year is Millstream Road. The Mulataga development will incorporate traffic modelling for road safety assessments as well, this will drive any modifications required for any of those intersections.

COUNCILLOR QUESTION:

Am I correct in thinking that the counters around the local road networks are capturing current data?

CITY RESPONSE:

Yes, that is capturing preliminary data.

COUNCILLOR QUESTION:

Acknowledging the concern by residents living in this suburb around privacy. Is there any commentary on the impact of existing residents on privacy? What do the R-codes say?

CITY RESPONSE:

The R-Codes provide standards for residential development in WA and include provisions relating to visual privacy. All of the proposed developments can meet the visual privacy standards set by the R-codes.

COUNCILLOR QUESTION:

How will additional parking be managed?

CITY RESPONSE:

The developers can meet the minimum standards provided in the R-codes. It is also noted that the developer has provided an increase in the number of parking bays provided from the original designs that were discussed with Council.

COUNCILLOR QUESTION:

Was it considered to have dual entry from Millstream Road onto the Gregory way site?

CITY RESPONSE:

No. Typically access will be provided from the road frontage that has lower (rather than higher) traffic volumes as otherwise you increase the potential for vehicle conflicts.

11.3 DA NO. 25-046 & P2480-AMD9 – WORKFORCE ACCOMMODATION – LOT 555 and LOT 556 (42) MIDGAN ROAD, GAP RIDGE

File No: DA25-046 & P2480-AMD9
Responsible Executive Officer: Director Development Services
Reporting Author: Senior Statutory Planner
Date of Report: 23 June 2025
Applicant/Proponent: Civeo Property Group Pty Ltd
Disclosure of Interest: Nil
Attachment(s): Nil

This Council agenda item has been pulled at the request of the applicant.

11.4 ROAD DEDICATIONS - MADIGAN ESTATE INTERSECTION ROAD WIDENINGS & HEARSON COVE REALIGNMENT

File No:	LM25047
Responsible Executive Officer:	Director Development Services
Reporting Author:	Strategic Planning Coordinator
Date of Report:	25 June 2025
Applicant/Proponent:	Main Roads WA
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. Madigan Estate Road Dedications2. Hearson Cove Road Dedication3. Main Roads Land Dealings Plan 2560-043 <i>Dampier Road and Prancing Avenue roundabout</i>4. Main Roads Land Dealings Plan 2560-044 – <i>Wagari Drive/Madigan Road Intersection.</i>

PURPOSE

For Council to consider:

1. A request from Main Roads WA (Main Roads) to dedicate road widenings for intersection upgrades at the future Prancing Avenue and Dampier Road roundabout and the Wagari Drive and Madigan Road intersection for the Madigan Estate; and
2. A request from DevelopmentWA to dedicate Lot 538 on Deposited Plan 221346 at the intersection of Hearson Cove Road and Burrup Road as road reserve.

OFFICER'S RECOMMENDATION

That Council:

1. **RESOLVE** to request the Minister for Lands to dedicate the following land parcels as public road pursuant to section 56 of the *Land Administration Act 1997*:
 - a. the portions of land shown in red in Attachment 1 and grey on Attachment 3 and Attachment 4 Main Roads Land Dealings Plans 2560-043- *Dampier Road and Prancing Avenue roundabout* and 2560-044 - *Wagari Drive and Madigan Road Intersection*; and
 - b. the portions of land shown in red in Attachment 2, being Lot 538 on Deposited Plan 221346 – *Hearson Cove Road*.
2. **ADVERTISE** the proposal to dedicate the referred parcels as public road.
3. **REQUIRE** that should any objection be received in response to the advertising referred to in (2) above, that the matter be brought back to Council for formal consideration of whether to support the road dedication.
4. **NOTE** that should no objections be received in response to the advertising referred to in (2) above, that these requests will be referred to the Minister for Lands seeking dedication of the referred parcels.

5. **CONSENT to Main Roads and its contractors accessing Drainage Reserves 51898, 49731, 51894 and 51540 associated with the Prancing Avenue and Dampier Road upgrade for construction works prior to completion of the road widenings.**
 6. **NOTE that Main Roads indemnifies the City of Karratha and Minister for Lands against any claims that may arise as a result of the dedications relating to the road widenings at Madigan Estate in accordance with Section 56(4) of the Land Administration Act 1997.**
 7. **INDEMNIFY and keep indemnified the Minister for Lands (indemnified parties) against any costs or claims for compensation that may arise as a result of the dedication of the identified portion within Attachment 1 and Attachment 2, in accordance with section 56 (4) of the Land Administration Act 1997.**
-

BACKGROUND

Prancing Avenue and Dampier Road Roundabout and Wagari Drive and Madigan Road Intersection

DevelopmentWA is subdividing Lot 500 Madigan Road, Baynton (Madigan Estate) for residential and mixed development purposes.

There is an endorsed Structure Plan that guides subdivision and development of the Madigan Estate. The current endorsed Structure Plan shows a future intersection onto Madigan Road at Wagari Drive and a left-in/left-out intersection onto Dampier Road at Prancing Avenue. The latter intersection design was required by Main Roads, who was responsible for that section of Dampier Road at the time. The left-in/left-out intersection has since been constructed.

Since the Dampier Road and Prancing Avenue intersection has been constructed, management responsibility for that section of Dampier Road has transferred from Main Roads to the City of Karratha (the City). The City has been requesting the left-in/left-out intersection be replaced by a roundabout to give Madigan Estate residents more convenient access to the west.

Approval to Stage 2C of the Madigan Estate subdivision plan includes a condition requiring an agreement to be entered for the construction, maintenance and management of the Dampier Road and Prancing Avenue roundabout. A draft Memorandum of Understanding (MOU) between Main Roads, DevelopmentWA and the City has been prepared to satisfy this condition. The draft MOU applies to both intersections and sets out agreed responsibilities and obligations. This includes Main Roads constructing both intersections and maintaining them during the defect liability period. The MOU must be fully executed before the related condition of subdivision approval is cleared.

DevelopmentWA is currently delivering the latest stages of subdivision at Madigan Estate. Stage 2D includes lots leading up to the Wagari Drive and Madigan Road intersection. Constructing this intersection will provide greater accessibility into and across the estate.

As part of preparing intersection designs, it has been identified that additional portions of road reserve are required. Attachment 1 illustrates the additional portions of road reserve being requested. The additional portions of requested road reserve are currently drainage reserves under Management Order to the City.

Main Roads has advised that construction works are proposed to commence on these intersections in October 2025.

Hearson Cove Road Realignment

In 2023, Hearson Cove Road was realigned to accommodate Perdaman's Project Ceres. In December 2023, the City was advised that the new alignment of Hearson Cove Road had been completed, and the road was opened.

During that period, the City was advised that the road alignment had changed slightly due to the presence of an Aboriginal Cultural Heritage site. This resulted in two separate portions of the road not sitting within the dedicated road reserve. The first portion identified in Attachment 2 encroaches into Lot 701 on Deposited Plan 411760 (freehold land). The second portion identified in Attachment 2 is at the intersection with Burrup Road comprising Lot 538 on DP221364 [Unallocated Crown Land (UCL)]. The encroachment over Lot 701 is being dealt with under the *Planning and Development Act 2005* as part of a separate subdivision application as a 'road widening', given the freehold tenure. Lot 538 (the second portion) is UCL and requires dedication under Section 56 of the *Land Administration Act 1997*, and is subject of this report.

In November 2024, the City received formal correspondence from DevelopmentWA requesting the dedication of Lot 538 on DP221364 as a road.

DISCUSSION

Council is required to dedicate these small portions of road reserve under the Land Administration Act 1997. The associated intersection works, including detailed design, traffic management and stakeholder engagement are subject of separate City approval processes and will be considered in detail as part of those processes.

Prancing Avenue and Dampier Road Roundabout and Wagari Drive and Madigan Road Intersection

The requested dedications to the intersection at Prancing Avenue and Dampier Road and Wagari Drive and Madigan Road, would require a total of 2,642m² and 134m² respectively as additional road reserves. These additional portions of road reserve are required to accommodate the relevant engineering standards for the road designs proposed.

Land around the existing intersection at Prancing Avenue and Dampier Road is currently either reserved for Drainage (consisting of Reserves R51540, R49731, R51894 and R51898) or is UCL. The dedication of these small portions of Drainage Reserve (shown on Attachment 1) are expected to have minimal to no impact on existing drainage functions.

Upon completion, the improved traffic flow and access are expected to deliver positive outcomes. Taking all factors into consideration, no concerns are raised regarding the proposed land dedications.

During consultation with Main Roads representatives, City officers have requested that careful consideration be given to appropriate location of construction laydown and traffic management during construction. These are separate matters to the requested road dedications that will be considered in more detail by the City and Main Roads prior to the commencement of works being approved.

The MOU between the City, Main Roads and DevelopmentWA is yet to be executed. City staff have reviewed the document and are awaiting Main Roads' response. The City requires that the MOU is executed prior to construction commencing to ensure that the City can represent community interests during project planning and construction.

Hearson Cove Road Realignment

The requested road dedication for the Hearson Cove Road intersection with Burrup Road will complete the Hearson Cove Road realignment project. The road is constructed and has been open for a number of months, however formal Council resolution is required to complete the legislative process. It is therefore recommended that the relevant portion of land being dedicated as a road reserve.

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 environmental, economic and cultural issues in Council's ability to perform its role.

STATUTORY IMPLICATIONS

Section 56 of the Land Administration Act 1997 requires a Council resolution to dedicate a public road.

Regulation 8 of the *Land Administration Regulations 1998* requires copies of submissions received by the local government and the local government's comments to accompany the request to dedicate a public road. Advertising of the proposed road is therefore required.

COUNCILLOR/OFFICER CONSULTATION

The City's Engineering Services reviewed the designs for Hearson Cove Road prior to its construction and has reviewed the draft designs for the Prancing Avenue and Dampier Road Roundabout and Wagari Drive and Madigan Road intersection, and will continue to have input until final designs are approved and during construction. Main Roads has already approached the City regarding laydown options for the roundabout project and have sought consent for contractors accessing portions of land managed by the City. The City has required that impacts on residents be considered when accessing these areas and the least impactful options be utilised.

COMMUNITY CONSULTATION

If Council resolves to dedicate these road reserves, then the proposal would be advertised prior to seeking the Minister for Lands approval, as per requirement of the Regulations. The proposed road dedication would be published on the City's website for a minimum period of 14 days, advertised in the Pilbara News and referred to all essential service authorities inviting feedback and comment from anyone who may have an interest in the proposal. If any objections to the proposed road dedication are received, then the matter would be reported back to Council. Otherwise, the road dedication request would be forwarded directly to the Minister.

In accordance with the terms of the MOU, Main Roads is responsible for stakeholder management as part of delivering the Prancing Avenue and Dampier Road Roundabout and Wagari Drive and Madigan Road Intersection. A traffic management plan will need to be prepared and approved by the City prior to works commencing.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

Main Roads states in correspondence that they indemnify the City and Minister for Lands against any claims that may arise from the dedications relating to the Prancing Avenue and Dampier Road Roundabout and Wagari Drive and Madigan Road Intersection. They also state that they will be responsible for managing any road maintenance costs for defects identified during the 24 month defects liability period.

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	N/A	Main Roads correspondence states that they will fund, design and manage delivery of the project
Service Interruption	Low	There may be some detours/delays to road users during the construction phase.
Environment	Low	Environmental concerns and constraints will be managed by Main Roads
Reputation	Low	This project will improve safety and access to residential areas. There will be a need to manage any potential negative impacts on surrounding residents and road users. This can be done under the terms of the MOU and traffic management planning. This will be a Main Roads responsibility
Compliance	Low	The proposed intersections will be designed and constructed to acceptable engineering standards.

IMPACT ON CAPACITY

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

RELEVANT PRECEDENTS

Council has previously resolved to dedicate land for road reserves in accordance with the Land Administration Act 1997. The most recent resolution in November 2024, dealt with a request to dedicate a portion of land from Reserve 52716 (Drainage) to a road reserve to ensure that associated Crown Lot 555 on DP400600 has legal road frontage to Melford Road.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

Road dedications are important to ensure that legal rights and responsibilities are established in relation to public roads. It ensures public access, allows for maintenance and designates the land for the intended purpose.

In relation to the requested road dedications for the Dampier Road and Prancing Avenue Roundabout and the Wagari Drive and Madigan Road Intersection, these intersections will provide convenient and improved access for local residents. There are no concerns with the requested portions of road reserve being added.

In relation to the requested road dedication for Hearson Cove Road and Burrup Road Intersection, dedication of this small portion of road reserve is required to include all of Hearson Cove Road in a road reserve.

It is therefore recommended that Council resolve to request each of these road dedications.

COUNCILLOR QUESTION:

What is the timeline?

CITY RESPONSE:

We are anticipating a tender to be released in the coming months.

12 PROJECTS & INFRASTRUCTURE REPORTS

12.1 WICKHAM RECREATION PRECINCT MULTI-PURPOSE COURTS SHADE – REQUEST TO CALL TENDERS

File No:	CP.1831
Responsible Executive Officer:	Director Projects & Infrastructure
Reporting Author:	Project Officer - City Projects
Date of Report:	26 May 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	1. WRP Multi-Purpose Courts Preliminary Detailed Design 2. Public Briefing Presentation

PURPOSE

For Council to consider inviting tenders for the construction of a permanent shade structure and associated improvements at the Wickham Recreation Precinct (WRP) Multi-purpose courts.

OFFICER'S RECOMMENDATION

That Council AGREE to invite tenders for the construction of the permanent shade structure at the Wickham Recreation Precinct Multi-purpose Courts based on the scope of works outlined in this report.

BACKGROUND

The Wickham Recreation Precinct (WRP) is the district sports and recreation hub for the City of Karratha's eastern corridor. The facility services the towns of Wickham, Point Samson and Roebourne.

The WRP co-locates key community infrastructure assets such as:

- Wickham Community Hub;
- Wickham Aquatic Centre;
- Sporting spaces (fields and courts);
- Wickham Amenities Building; and
- Saylor Park.

The WRP plays a critical role in supporting the growth of local sporting groups and promoting healthy communities.

The WRP is owned by Rio Tinto Iron Ore (RTIO) and managed through a long-term management agreement between RTIO (as the Principal) and the City (as the Service Provider).

The agreement provides funding towards the operating costs and minor planned and reactive maintenance. Capital funding for asset replacement, renewal or improvements is budgeted

through RTIO's Capital Replacement Process (CRP). This process requires the City to provide RTIO with a Capital Expenditure Application (CEA).

In 2021, the City and RTIO identified some infrastructure at the WRP was no longer fit-for-purpose by modern standards, triggering the need to renew, replace or upgrade facilities within the precinct.

In February 2022, the City engaged consultant Otium Planning Group to undertake a feasibility study and investigate options for the renewal or replacement of those facilities.

The outputs of the WRP feasibility study included:

- Identification of the key facility upgrades required.
- The development of concept plans for the necessary infrastructure.
- Establishing an Opinion of Probable Cost (OPC) along with asset and maintenance considerations for each facility.
- An implementation plan to guide the City's delivery of the future facilities.

The study proposed the infrastructure improvements be delivered in a staged approach, with the Multi-Purpose Courts Shade to be delivered as a priority.

At the February 2024 Ordinary Council Meeting, Council resolved to progress the WRP Courts Shade Design in the 2024/25 Financial Year.

In August 2024, a preliminary concept, OPC and design brief were submitted to RTIO for approval to fund the detailed design.

In December 2024, the City engaged consultants Plus Architecture to develop the detailed design and documentation required to support the construction tender process.

The courts are a focal point of sport and recreation activities in the Wickham community and are well used by community groups for training and social competitions. Currently, the courts are used exclusively for junior basketball and netball training, as the facility does not meet the necessary standards to host competitive events.

Upgrading the courts as per the scope will enable some fixtured games to be held in Wickham. This also aligns with the use of the facility on an incidental basis for RTIO's Fly-In Fly-Out (FIFO) workers, who reside in nearby accommodation facilities and have access to the courts for recreational needs.

Identified benefits to shading the courts are:

- Increased usability of the facility and enhanced player performance: The project will create a more comfortable environment; reduce heat related fatigue and dehydration and promote sun safety for users.
- Increased community appeal: Shaded sports facility enhances the attractiveness of public spaces, encouraging greater usage and community engagement.
- It is also anticipated that as the shaded court would be the largest outdoor covered space within the town, the project will support additional use such as community events and gathering, markets etc.

DISCUSSION

Subject to funding approval from RTIO, the City is proposing works to be delivered across the 2025/26 and 2026/2027 financial years with works to commence in February 2026.

The works will support redevelopment of the existing Wickham Multi-purpose Courts into a shaded facility and will comprise:

- Construction of a permanent shade structure over the multi-purpose courts.
- Removal of all existing court lighting and associated infrastructure.
- Demolition of the existing storage shed.
- Installation of new integrated court lighting to meet a minimum of 200 lux.
- Construction of new storage sheds.
- Installation of a chilled water fountain and a water supply to one shed.
- Provision of LED lighting and electrical supply to the sheds.
- Purchase and installation of basketball backboards, netball posts and scoreboards.
- Rectification of court surfaces resulting from removal and installation of lighting and sporting equipment; and
- Provision of a maintenance vehicle access point on the western side of the courts, suitable for an elevated work platform.

The City has obtained an in-principle commitment from RTIO to fund the proposed works, however, to finalise the agreement a business case supported by tender submissions is required.

To align with RTIO's approval process timeframe, the Administration recommends that tenders for the works are called in August 2025. Approval to award the contract will be subject to confirmation of funding by RTIO and a subsequent report to Council.

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 parties affected, issues and Council's ability to perform its role.

STATUTORY IMPLICATIONS

Should the Officers recommendation be supported, the tender process would comply with Section 3.57 of the *Local Government Act 1995* and associated regulations.

COUNCILLOR/OFFICER CONSULTATION

No consultation is required to carry out Officer's recommendation, however as part of the project engagement process consultation has taken place across these internal departments:

- Community Facilities;
- Community Planning;
- Engagement and Partnerships; and
- Asset Maintenance.

At the April 2025 Councillor Workshop, Schematic Design options and Opinion of Probable Costs were presented to Council.

COMMUNITY CONSULTATION

No consultation is required to carry out Officer's recommendation, however as part of the project engagement process community engagement activities in accordance with the iap² public participation spectrum process to inform, consult, and involve were conducted as follows:

Who	How	When	What	Outcome
User groups: • Wickham Basketball	Website, direct consultations with community	13 & 28 March 2024	Present WRP Feasibility Study findings, outline	Identification of user group requirements.

Who	How	When	What	Outcome
<ul style="list-style-type: none"> • Wickham Netball • Wickham Indoor Cricket • Karratha Basketball • Karratha Netball 	groups and individuals at Information sessions		next steps for project delivery, and gather user group requirements	Development of Design Brief.
Rio Tinto	Design Brief submitted for review and feedback	30 August 2024	Seek review and approval of Design Brief	Design Brief approved.
Councillors	Councillor Workshop	7 April 2025	Present Schematic Design and OPC presentation	Councillors informed on the design rationale and estimated project cost.
Rio Tinto	Meeting	16 April 2025	Present Schematic Design and OPC presentation	Funding partner informed of design rationale and estimated project cost. Option 1 (Skillion Roof) selected as preferred design for detailed design phase. Approval given to present to user groups.
User groups: <ul style="list-style-type: none"> • Wickham Basketball • Wickham Netball • Wickham Indoor Cricket • Karratha Basketball • Karratha Netball 	Direct consultations with community groups and individuals at Information Sessions	12, 13 & 14 May 2025	Present Schematic Design, update on project timeline, and discuss potential service disruptions during construction with mitigation strategies	User groups informed of design basis, timeframe and anticipated disruptions. Feedback received on design functionality and suitability of mitigation strategies.

POLICY IMPLICATIONS

The following policies apply to this decision:

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

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with the Officer's recommendation.

The construction estimate for the Wickham Recreation Precinct Multi-Purpose Courts Shade is currently \$8.03M. This project is expected to be completely funded by RTIO resulting in no financial impact to the City.

Upon receipt of tenders the City will seek RTIO formal approval to fund the works via the submission of a Capital Expenditure Application (CEA) business case.

A further report will be presented to Council to consider the Award of the works conditional to RTIO's approval of funding.

All future maintenance cost will be funded through the existing Management Agreement with RTIO.

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.2.5.24.8	Progress the design and commence construction of the Wickham Recreation Precinct Multi-Purpose Covered Courts.

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	Cost relating to the tender process have been included in the project budget.
Service Interruption	Moderate	There will be service interruptions to the community as the facility will need to be taken offline during construction. These will be managed proactively, in consultation with community groups and the Community Facilities team.
Environment	Low	Tender assessment criteria include sustainability.
Reputation	Moderate	The Project is a long-awaited improvement by the Wickham community. Delaying the tender process is expected to impact the project delivery timeline, which may lead to community dissatisfaction.
Compliance	Low	If supported by Council, tenders are proposed to be called in accordance with relevant legislation and Council policies.

IMPACT ON CAPACITY

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

The project management and oversight of the construction stage is afforded within existing resources.

RELEVANT PRECEDENTS

The City regularly conduct open Tender processes to invite competitive bids and appoint qualified contractors for community related capital works projects.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

The Officer's recommendation to invite tenders for the construction of Wickham Recreation Precinct Multi-purpose Court Shade and associated infrastructure, will allow the project to progress.

Based on the outcomes achieved during stakeholder consultation, the design responds to the requirements of the community and user groups as identified in the design brief, the asset owner and funding partner Rio Tinto and internal departmental stakeholders.

The project will deliver quality infrastructure to support optimal functionality of the Multipurpose courts, increased usage, growth of local sporting groups and promote healthy communities.

12.2 KARRATHA CLEANING SERVICES – TENDER OUTCOME

File No: RFT0000037

Responsible Executive Officer: Director Projects & Infrastructure

Reporting Author: Sanitation Coordinator

Date of Report: 12 June 2025

Applicant/Proponent: Nil

Disclosure of Interest: Nil

Attachment(s): Confidential – Tender Evaluation Report

PURPOSE

For Council to consider the tender for Karratha Cleaning Services offered under RFT0000037.

OFFICER'S RECOMMENDATION

That Council:

1. **ACCEPT** the tender submitted by Biparn Pty Ltd ABN 71 667 100 263 as the most advantageous tender to form a contract, based on the assessment of the compliance criteria, qualitative criteria and pricing structures offered for all Separable Portions under RFT0000037 - Karratha Cleaning Services; and
2. **AUTHORISE** the Chief Executive Officer to execute a contract with Biparn Pty Ltd Group, **SUBJECT** to any variations of a minor nature.

BACKGROUND

At the March 2025 Ordinary Council Meeting, Council resolved (Resolution No. OCM250331-17, Item 12.4 – *Karratha and Dampier Cleaning Services – Request to Call Tenders*) not to exercise the final one-year extension of RFT32-20/21 and to invite tenders under a revised structure comprising five separable portions as follows:

1. Separable Portion 1 Red Earth Arts Precinct
2. Separable Portion 2 Karratha Leisureplex
3. Separable Portion 3 Karratha Airport
4. Separable Portion 4 The Quarter
5. Separable Portion 5 Administration Facilities

The tender was advertised on 28 May 2025 and closed 18 June 2025.

Eleven (11) tenders were received by the closing date from:

- Biparn Enterprises Pty Ltd
- Damel Cleaning Services
- Maano Traders Pty Ltd
- HT Cleaning Services Pty Ltd
- JMD FM Pty Ltd
- Karratha Cleaning Pty Ltd

- NOZAS Pty Ltd
- Olive Branch Property and Care
- Pilbara Cleaning Services Pty Ltd
- Red Rock Engineering WA Pty Ltd
- Stadicorp Pty Ltd

The tenders were evaluated by a 3-person panel comprising of:

- Manager Waste Fleet & Depot
- Sanitation Coordinator
- Sanitation Supervisor

The Governance Officer – Procurement & Contracts attended the evaluation.

The tenders were first assessed for compliance with the tender documents. The tenders were then assessed against the qualitative criteria that were weighted.

The criteria and associated weightings were:

Criteria	Weighting
Relevant Experience	20%
Methodology	15%
Capacity to Deliver	15%
Sustainability	5%
Price	45%

The Regional Price Preference Policy was applied to five (5) local tenderers.

DISCUSSION

The updated structure and scope of works for the Karratha Dampier Cleaning Tender, approved by Council at the March 2025 OCM, were designed to enable more targeted service delivery tailored to the specific needs of each facility. Additionally, the revised framework was intended to broaden the pool of potential suppliers, encouraging greater competition, more competitive pricing and enhanced service standards.

This strategy proved effective, resulting in a notable increase in tender submissions from capable and qualified providers. Moreover, the improved structure allowed for clearer, more meaningful comparisons between bids, particularly in key assessment areas such as operational readiness, demonstrated service capability, and cost-effectiveness.

The evaluation panel undertook a thorough assessment of all submissions received under RFT0000037, considering each tenderer's demonstrated experience, methodology, delivery capacity, sustainability practices, and pricing.

Biparn Enterprises Pty Ltd has been identified as offering the best overall value for the City of Karratha (City), achieving the highest average score for all Separable Portions. As a majority Indigenous-owned, Karratha-based Joint Venture (JV) with Iconic Property Services—a well-established cleaning provider with over 200 employees and an annual turnover of \$40 million—Biparn brings access to a highly experienced workforce, modern cleaning equipment, and established operational infrastructure.

Their submission was the most comprehensive received, providing detailed responses across all evaluation criteria. Key strengths included robust staffing plans, advanced digital tools for workforce management and reporting, and a clearly articulated service methodology tailored to each site.

The submission demonstrated strong experience in commercial and government cleaning contracts across various locations in Western Australia and a commitment to innovation, including the provision of a \$70K robotic floor scrubber at no additional cost—enhancing efficiency while reducing water and chemical usage.

The panel considered the risks of awarding all Separable Portions to a single contractor, including the challenges of simultaneous mobilisation, resource availability, and engaging a local workforce. Biparn's submission addressed these concerns by providing detailed roster plans for each facility, demonstrating a thorough understanding of staffing needs, including contingency planning. Their proposal also reflected a strong grasp of mobilisation requirements, with clear attention to site-specific considerations such as access control procedures, equipment readiness, and ASIC security compliance for the airport.

To further mitigate potential risks, the City has an established and robust oversight framework for this contract to ensure service delivery standards are consistently met. This includes regular contract management meetings, performance audits, and real-time monitoring of attendance and service levels through digital systems. The City's oversight processes provide clear mechanisms for addressing any non-compliance, underperformance, or service disruptions promptly. These controls will support a smooth mobilisation and provide assurance that Biparn's performance is closely monitored and aligned with contractual obligations throughout the term of the agreement.

Based on the outcomes of the evaluation, Administration recommends awarding all five separable portions of the contract to Biparn Pty Ltd.

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 issues, environmental issues and Council's ability to perform its role.

STATUTORY IMPLICATIONS

Tenders were called in accordance with Section 3.57 of the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996*.

COUNCILLOR/OFFICER CONSULTATION

No Councillor or Officer consultation is required.

COMMUNITY CONSULTATION

No community consultation is required.

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

The total estimated cost of the service over the five (5) years proposed under this tender including extension options is \$9.72M (excluding GST) with CPI to be applied annually.

Council has allocated \$2.09M (excluding GST) in the 2025/2026 budget. It is forecast that similar annual budgets will be required in future years. The tendered price represents a saving on the current budget allocation.

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.1.0 Waste and Sanitation Services

RISK MANAGEMENT CONSIDERATIONS

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

Category	Risk level	Comments
Health	Low	High levels of sanitation specified in service standards and performance monitored for compliance
Financial	Low	Financial impact is considered low as costs are within budget forecasts.
Service Interruption	Low	The recommended tender submission provided detailed mobilisation and resourcing information which included contingency measures
Environment	Low	Non-hazardous cleaning products specified in contract cleaning services
Reputation	Low	Maintaining consistent cleaning standards across premium facilities supports the City's public image and community confidence in service delivery.
Compliance	Low	Cleaning contractors to comply with all relevant WHS legislation and standards.

IMPACT ON CAPACITY

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

RELEVANT PRECEDENTS

Council has previously awarded contracts for these cleaning services under RFT32-20/21 Karratha and Dampier Cleaning Services.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

The tender attracted a strong field of competitive submissions from both local and regional cleaning providers. Following a thorough evaluation process, Biparn Pty Ltd emerged as the highest-ranked tenderer, achieving the top weighted score across all evaluation criteria. Their proposal demonstrates strong alignment with the City's service delivery standards, operational requirements, and sustainability objectives, and is considered to offer the best overall value for money over the life of the contract.

12.3 WICKHAM OVAL CARPARK AND PLAYING SURFACE EARTHWORKS – TENDER OUTCOME

File No:	CP.1918
Responsible Executive Officer:	Director Projects and Infrastructure
Reporting Author:	Project Officer
Date of Report:	19 June 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	1. Confidential – Tender Evaluation Report 2. Public Briefing Presentation

PURPOSE

For Council to consider the tender for the Wickham Oval Carpark and Playing Surface Earthworks Tender, Number RFT0000029.

OFFICER'S RECOMMENDATION

That Council:

1. **ACCEPT** the tender submitted by Norwest Sand & Gravel Pty Ltd ABN 11 090 664 378 as the most advantageous tender to form a contract, based on the assessment of the compliance criteria, qualitative criteria and pricing structures offered under RFT0000029 Wickham Oval Carpark and Playing Surface Earthworks;
2. **AUTHORISE** the Chief Executive Officer to enter into negotiations with Norwest Sand & Gravel Pty Ltd ABN 11 090 664 378 to consider value management options and any other variations of a minor nature, and **SUBJECT** to Rio Tinto Iron Ore (RTIO) confirming funding, execute a contract; and
3. **APPROVE** by Absolute Majority an increase to the City's project budget up to \$10.121M to be fully reimbursed by Rio Tinto (RTIO), to cover the cost of the project scope.

BACKGROUND

The Wickham Oval Upgrade project was initiated to address ongoing drainage and surface condition issues within the precinct, which have affected the usability and safety of the playing fields and surrounding facilities. The project is being delivered by the City of Karratha (City) on behalf of Rio Tinto Iron Ore (RTIO) and is subject to RTIO funding approvals.

The scope of works includes the formalisation and sealing of the car park located between Carse Street and the Wickham rugby field, designed to improve accessibility, traffic flow, and stormwater management. The project also involves extensive regrading and relaying of turf on the AFL/cricket and rugby/soccer playing fields to improve surface quality, drainage, and overall player safety. Replacement of the aging irrigation infrastructure is included to ensure effective water management and turf health. In addition, new goal posts for AFL and combination rugby/soccer will be installed.

Site-wide drainage improvements are a critical component of the project and include the installation of new culverts, reconstruction of existing pavements, and the addition of scour protection measures along embankments to prevent erosion and improve long-term resilience of the precinct infrastructure.

Wickham Oval serves as the primary district-level sporting facility for the eastern corridor of the City, catering to the communities of Wickham, Point Samson, and Roebourne. The oval is in constant use throughout the year for a range of sports including football, cricket, rugby, soccer, and athletics. The current parking area is unsealed and suffers from inadequate drainage, which negatively impacts both user convenience and site functionality.

Wickham Oval is comparable to other sporting sites in the City, including the Bulgarra Sporting Precinct, Kevin Richards Memorial Oval Precinct, and the Karratha Leisureplex football and cricket oval. The proposed upgrades—improved playing surfaces, a formalised and safer carpark, sports lighting, and drainage enhancements—reflect a consistent level of service across these facilities and reinforce Wickham Oval’s role as a key regional venue.

Lighting upgrades for the car park and playing fields will be undertaken by the City through its preferred electrical suppliers and are therefore excluded from this contract, however included in the overall project scope to be funded by RTIO.

At its meeting of 24 February 2025, Council resolved to call tenders for Wickham Oval upgrades.

The tender was advertised on 14 May 2025 and closed 11 June 2025.

Three (3) tenders were received by the closing date from:

- CORPS Pty Ltd
- Gajawari KW Pty Ltd
- Norwest Sand & Gravel Pty Ltd

The tenders were evaluated by a three (3) person panel comprising of:

- Manager City Projects
- Project Officer City Projects
- Project Officer City Projects

The tenders were first assessed for compliance with the tender documents. The tenders were then assessed against the qualitative criteria that were weighted.

The criteria and associated weightings were:

Criteria	Weighting
Relevant Experience	10%
Methodology	15%
Capacity to Deliver	20%
Sustainability	5%
Price	50%

The Regional Price Preference Policy was applied to all three (3) local tenderers.

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

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

DISCUSSION

The contract includes three separable portions covering the formalisation of the unsealed car park, remedial earthworks and turfing to both the AFL/cricket and rugby/soccer ovals, and site-wide drainage upgrades, including pavement reconstruction, culvert installation, and irrigation replacement.

Initial estimates provided during the concept planning stage did not fully account for site-specific drainage conditions, turf establishment requirements, or escalating market costs. A revised scope was confirmed during design development and included feedback from specialist turf consultants, which informed the need for topsoil improvements. Administration made the recommendation to use roll-on turf in high-traffic areas to ensure successful establishment and usability and to ensure the best chance of having the oval available on-time.

Three conforming tenders were received; however, only one submission – Norwest Sand & Gravel Pty Ltd – priced all three separable portions. Their proposal was assessed as the preferred option as they offered the best overall proposal based on their competitive pricing, staging methodology, and relevant experience delivering similar civil and landscaping works in the region.

Although the recommended submission exceeds the original order of probable cost (OPC) and pre-tender budget of \$4.8 million (Excl. GST), the increase reflects more detailed scoping, additional drainage treatments, and turf establishment measures. The full contract value of \$6,111,022 (Excl. GST) is proposed to be funded entirely by RTIO, with a formal contractual agreement to be endorsed post confirmation of funding by RTIO.

Prior to contract award, Administration will seek clarification from the preferred respondent on potential cost savings through bundling of separable portions and removal of any non-essential scope items. Administration are satisfied that the procurement process has been robust and that the recommended contract represents the most advantageous outcome for the City and RTIO.

LEVEL OF SIGNIFICANCE

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

STATUTORY IMPLICATIONS

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

COUNCILLOR/OFFICER CONSULTATION

Council was engaged in February 2025 and resolved to proceed to tender.

Administration undertook consultation across all Departments in preparing the draft tender package.

A Project Control Group (PCG) has been established to support ongoing internal consultation and coordination throughout the project lifecycle.

COMMUNITY CONSULTATION

Community engagement activities in accordance with the iap² public participation spectrum process to inform and involve are proposed as follows:

Who	How	When	What	Outcome
User Groups, Sporting Groups	Email and follow-up phone call	Prior to site closure and at practical completion.	Notification of site closures, impact on access and benefits to the community	To inform – ensure transparency, and reduce complaints, and adjust schedules accordingly.
General Public	Social media post and Council website update	Project announcement, prior to site closure, prior to traffic disruptions and at practical completion.	Benefits to the community, key dates, project overview and, traffic instructions	To inform – raise awareness, ensure transparency, minimise confusion and reduce complaints.
Department of Education and School	Direct Communication	During planning, prior to site closure, prior to traffic disruptions, prior to construction, prior to re-opening and at practical completion.	Traffic Management Plan (TMP), safety considerations for students, potential disruptions, contact information, and key dates	To inform & Involve (where practical and required) – ensure transparency, minimise confusion, reduce complaints, foster relationship, and gain key involvement where required.
Surrounding Businesses	Direct Communication	Prior to site closure, prior to traffic disruptions, prior to construction, prior to re-opening and at practical completion.	TMP, potential disruptions, contact information, and key dates	To inform – raise awareness, ensure transparency, minimise confusion and, reduce complaints.
Nearby Residents	Letter drops	Prior to site closure, and at practical completion	Benefits to the community, key dates, project overview	To inform – raise awareness, ensure transparency, minimise confusion and reduce complaints.

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

Council initially allocated \$4.8M (Excl. GST) in the 2025/26 Budget to deliver the Wickham Oval Upgrade Project, with agreement that funding will be provided by RTIO, to the full project amount, as the asset owner.

The project scope and budget costs are shown in the table below. Some scope items are awarded as separate packages to other contractors.

SCOPE ITEMS	BUDGET
Drainage and Playing Surface Earthworks	\$1,700,000
Carpark formalisation	\$1,200,000
Sports lighting footings	\$850,000
Supply and Install AFL/Rugby Oval Lights	\$1,600,000
Irrigation Upgrades	\$800,000
Topsoil Earthworks	\$700,000
Turf and Stolon installation	\$2,300,000
Contingency	\$971,000
TOTAL	\$10,121,000

Should Council support Administration's recommendation to award the proposed contract value for all three separable portions, excluding separable portion 1C, totalling \$6,111,022 (Excl. GST). The evaluation panel have determined that awarding the light tower footings, separable portion 1C, to the City's preferred contractor to deliver the entire light package to limit construction risk and to achieve a better financial outcome.

This project will be funded by RTIO through their capital investment program, the City's contribution to the project will take the form of overhead and Project Management expenses associated with delivery of the project.

The recommended contract value incorporates a construction contingency and accounts for whole-of-life considerations, including the use of roll-on turf to enhance durability and reduce maintenance demands during the establishment phase. Ongoing irrigation and turf maintenance costs will be managed under the City's existing parks and gardens operational budget as per the maintenance agreement with RTIO.

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.3.1	Management of Government and Industry Partnerships
Projects/Actions:	1.a.3.1.19.1	Negotiate partnership agreements that support and enhance the management and activation of community facilities.

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	Low	Implementation of the Wickham Oval upgrades is subject to funding by RTIO and as such the financial commitment required from Council is low. Should RTIO not approve funding for this project, then the works will not proceed.
Service Interruption	Moderate	Should the works proceed, there will be an impact on sporting group users during the construction period, as the site will be fully closed to ensure safety. However, the timing of the works has been scheduled outside of the peak sporting season to minimise disruption, and the completed upgrades will significantly enhance the user experience upon reopening.
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 existing sporting fields, drainage and carpark 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 Administration's recommendation.

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

RELEVANT PRECEDENTS

At the March 2024 OCM, Council resolved to award a tender (RFT 04-23/24) for the Kevin Richards Memorial Oval Redevelopment, Playing Surface Lighting and Pole Upgrade. Which included upgrades to a district level facility and is consistent with the scope of works proposed in this report.

VOTING REQUIREMENTS

Absolute Majority.

CONCLUSION

The Evaluation Panel believes that the recommended tenderer has the capacity to deliver the works to the standard expected by the City, represent the best value for money and supports the City's objective to deliver upgraded, district-level sporting infrastructure.

Should Council support Administration's recommendation, the contract is expected to commence following confirmation of RTIO funding and execution of the agreement. All works under the contract are anticipated to be completed within the proposed timeframes, with works to occur concurrently to minimise disruption to community sporting use. Construction is scheduled to align with seasonal access requirements and ensure timely delivery of the overall project.

Successful delivery of the project will provide a much-needed upgrade for Wickham and demonstrate the good partnership between the City and RTIO.

COUNCILLOR QUESTION:

Does full reimbursement of the \$10 million mean the City pays upfront and then gets reimbursed?

CITY RESPONSE:

Yes. Rio Tinto will reimburse the City at agreed milestones based on the City's projected cashflow.

12.4 KARRATHA GOLF COURSE MAINTENANCE COMPOUND AND SHED UPGRADE - REQUEST TO CALL TENDERS

File No:	CP.1901
Responsible Executive Officer:	Director Projects and Infrastructure
Reporting Author:	Project Manager – City Projects
Date of Report:	28 July 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	Nil

PURPOSE

For Council to consider inviting tenders for the construction and upgrade of the City of Karratha maintenance compound and shed at the Karratha Golf Course.

OFFICER'S RECOMMENDATION

That Council AGREE to invite Tenders for the construction and upgrade of the Karratha Golf Course maintenance compound and shed based on the scope of works outlined in this report.

BACKGROUND

The Karratha Golf Course is jointly managed by the City of Karratha (City) and the Karratha Country Club (KCC) under a Memorandum of Understanding (MOU) agreement. The agreement stipulates that the City is responsible for the general maintenance of the golf course and, to fulfill this obligation, engages a Golf Course Superintendent to deliver the service on its behalf. Under this contract, the Superintendent is required to provide all plant, equipment and materials necessary to fulfill the contract, with the City providing the Superintendent a dedicated compound facility to store those goods and maintain equipment.

At the Ordinary Council Meeting in June 2014, Council resolved to endorse the *Karratha Golf Course Master Plan and Implementation Report*. Endorsement of this report commenced the staged approach of improving the overall Karratha Golf Course facility, which included the grassing of greens and other key amenity upgrades. One suggested improvement was constructing a new fit-for-purpose maintenance compound and shed. The development of the facilities at the Karratha Golf Course and the extent of the plant and equipment now required to perform these tasks warrants consideration to developing the maintenance compound further, which is the subject of this report.

DISCUSSION

The quality of the Karratha Golf Course has increased significantly over the last ten years with the course winning Regional Golf Facility of the Year at the 2024 WA Golf Industry Awards. This improvement is largely in part to the first stage of development completed in 2022 that included grassing the greens, new tee boxes and increased trees for shading and more. The next stage of development is providing better back-end facilities to ensure continued service delivery of a high-level amenity by the City's Golf Course Superintendent.

These overall improvements to the Golf Course require additional plant and equipment to operate the facility effectively, including a greater reliance on chemicals and other materials

to ensure the facility meets the required level of service. The current maintenance area is not equipped to manage the additional plant and machinery required, as well as meet current Work Health and Safety standards for chemical and material storage, there is also insufficient amenities at this location to support the contracted staff maintaining the facility.

In January 2025, the City engaged a local builder to assist facilitate the design of the proposed maintenance compound which has been developed in close consultation with the current course Superintendent. Completion of an Issued for Construction (IFC) package is expected by the end of July and as such, City Officers will be seeking to progress to construction phase once received.

There are two (2) key elements to the current scope of the Karratha Golf Course maintenance compound, these consist of a new maintenance shed and a broader compound upgrade. A detailed scope of works is provided below:

36m x 12m maintenance shed includes:

- 290m² of floor space for plant/equipment storage and maintenance.
- Dedicated office space with separate superintendent office.
- Staff room and associated facilities.
- Accessible toilet amenity and locker/storage area.
- Two (2) fertiliser stores with pallet racking, in accordance with safe storage of chemicals.
- Mezzanine over office areas for storage.

The wider compound upgrades include:

- Four (4) parking spaces, inclusive of one (1) accessible space.
- New gates at existing entry locations.
- Extension of the compound area to the east, (allowing for increased activity and better plant and machinery circulation).
- New concrete sand storage bunker.
- Cyclone rated tie-downs for equipment.
- New washdown pad with relocation of the existing dome shade structure overhead.
- New chemical storage facility, compliant to current health and safety requirements.
- New bunded fuel area with bulk fuel storage, in accordance with safe practices for storing fuel.

Council has allocated \$1.5M in its draft 2025/26 budget for the construction of the Golf Course Maintenance compound, this budget figure was derived from an Order of Probably Cost provided by the design team.

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 parties affected, issues and Council's ability to perform its role.

STATUTORY IMPLICATIONS

Should the Officers recommendation be supported, the tender process would comply with Section 3.57 of the *Local Government Act 1995* and associated regulations.

COUNCILLOR/OFFICER CONSULTATION

No Councillor or Officer consultation is required.

COMMUNITY CONSULTATION

No community consultation is required.

POLICY IMPLICATIONS

The following policies apply to this decision:

- Public Art Policy CS-12 could apply in this instance; however, Administration suggests the nature of this development does not align with the policy's goals of transforming public spaces and stimulating active places due to its isolated nature and location of what is considered a non-public space.
- Purchasing Policy CG-12 is applicable in this instance.
- Regional Price Preference Policy CG-11 is applicable to regional suppliers in the procurement of services via tender.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with the Officer's recommendation.

The estimated construction cost of the compound and shed facility upgrade is \$1.5M. Council has allocated this project in its Long-Term Financial Plan and delivery is proposed for the 2025/26 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.1.7	Community Facility Management
Projects/Actions:	1.a.1.7.23.1	Manage the Karratha Golf Course under agreement with the Karratha Country Club.

RISK MANAGEMENT CONSIDERATIONS

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

Category	Risk level	Comments
Health	Moderate	Facility upgrades are needed to ensure safe and adequate storage of chemicals. Upgrades also ensure staff employed to maintain the golf course have suitable amenities available within their work environment.
Financial	Low	Budget submission included for 2025/26 financial year for construction delivery.
Service Interruption	N/A	Nil
Environment	Moderate	Minor extension to compound footprint will receive all approvals before proceeding. Improvements to fuel and chemical storage facilities limit the risk to the City of an unsafe spill impacting the environment.
Reputation	N/A	Nil
Compliance	Low	If supported by Council, tenders are proposed to be called in accordance with relevant legislation and Council policies.

IMPACT ON CAPACITY

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

RELEVANT PRECEDENTS

The City regularly conduct open Tender processes to invite competitive bids and appoint qualified contractors for capital works projects.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

Support of the Officer's recommendation to invite tenders for the construction of a fit-for-purpose maintenance compound and shed will allow the project to progress.

Based on the brief derived from consultation with the current Superintendent, the proposed design and facility will allow continued high level, safe and environmentally appropriate service delivery of the Karratha Golf Course.

The project outcomes will deliver quality infrastructure to support the community, facilitate increased usage, and support a competition level course.

12.5 KEVIN RICHARDS MEMORIAL OVAL MASTERPLAN REVISION

File No:	CP.1731
Responsible Executive Officer:	Director Projects and Infrastructure
Reporting Author:	Project Officer
Date of Report:	20 June 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	1. Kevin Richards Memorial Oval – Masterplan Study 2. Public Briefing Presentation

PURPOSE

For Council to consider the revised Masterplan for Kevin Richards Memorial Oval, updated by Hunt Architects to reflect completed stages, incorporate planning direction, explore next steps, and ensure alignment with the City's Strategic Community Plan.

OFFICER'S RECOMMENDATION

That Council:

- ENDORSE** the revised Masterplan for Kevin Richards Memorial Oval scope changes;
- APPROVE** by Absolute Majority a budget amendment to reduce the 2025/26 Budget by \$2.425M to be retained in the Infrastructure Reserve, and allocate the remaining Budget to align to the revised Masterplan implementation as follows;

	Account Details	Current 2025/26 Budget	Proposed 2025/26 Budget	Variation
KRMO Carpark formalisation	4000-91136-6392-8501	\$300,000	\$300,000	\$0
KRMO Multi-use Hardcourts and Lighting	4000-17513-6392-000	\$3,250,000	\$350,000	(\$2,900,000)
KRMO New Pavillion Design	4000-91133-6392-8502	\$0	\$475,000	\$475,000
	TOTAL	\$3,550,000	\$1,125,000	(\$2,425,000)

- AGREE** to update the Long-Term Financial Plan to reflect the changes to the Kevin Richards Memorial Oval scope future stages and budget allocation.

BACKGROUND

The Kevin Richards Memorial Oval (KRMO) Masterplan was originally endorsed by Council in October 2020, with the intent to guide the staged redevelopment of the precinct. Hunt Architects were engaged as the lead consultant to progress design development and prepare detailed documentation for the implementation of the Masterplan.

To date, significant progress has been made across multiple stages of the Masterplan. Completed works include the construction of a new playground, northern car park, sports lighting for the main playing field, the new change room and clubroom facilities, and the relocation of the cricket nets. These components reflect key milestones outlined in the original plan.

DISCUSSION

Over the past year, Administration has progressed the investigations and planning for the final three stages of the KRMO Masterplan. This includes;

Stage 3 - Pavilion refurbishment

Stage 4 - Multipurpose hard courts and lighting infrastructure

Stage 5 - Expansion of the existing southern carpark, realignment of Tilbrook Road, and associated landscaping.

During this time the City has undertaken significant community consultation to inform the development of the City's new Strategic Community Plan and Community Infrastructure Plan. As part of this work, standards for infrastructure provision were also adopted by Council.

A consistent theme throughout the feedback was the expectation for higher service levels in community infrastructure, particularly the inclusion of shade as a standard feature in all new and upgraded assets. This was reinforced by recent Council direction to incorporate shade at equivalent district level facilities, such as the Wickham Recreation Precinct hardcourts, and to ensure other new assets are consistent with adopted standards for community infrastructure.

Further investigations of the Pavilion raised issues around the cost benefit of upgrading the existing pavilion versus constructing new. As a result of these issues, it was identified that elements of the original Masterplan required further consideration to ensure it still captured community expectations. The Administration engaged Hunt Architects to revise and update the Masterplan to reflect completed stages and propose future stages with updated planning direction.

Stage 3 Update - Pavillion Upgrade

Stage three of the Masterplan was the refurbishment of the old Millars Well Pavillion, which included an upgrade to the existing general community space as well as one portion of the changerooms to provide improved community amenity. Hunt Architects was requested to conduct a study comparing refurbishment versus a new build of the Millars Well Pavilion. The assessment found that the existing facility had reached the end of its useful life and no longer met current structural and engineering requirements.

The report focussed on several key elements

- The functionality and the potential for improved community use,
- The current condition of the building and structural work required to reach the intended community use,
- The proposed budget and cost benefit of each option vs the construction risk associated with refurbishment.

The refurbishment Opinion of Probable Cost (OPC) was valued at \$3M, where the OPC for a new build is \$8.2M, once future years inflation is considered. Administration is recommending the Master Plan scope be updated from a refurbishment option to a new build having considered the following risks associated with the refurbishment option.

- The refurbishment option doesn't change the exterior look of the existing building, the refurb scope focussed on alterations to 60% of the existing building only, this includes the community area, kitchen and the away changerooms. The remainder of the building would not be touched.
- The structural engineer has assessed the building as at the end of its useful life, 40 years. As such there is a high risk that certain structural elements of the building that are unable to be assessed/viewed may need to be re-built during refurbishment. This would be required as certain changes to the overall layout of the building will trigger structural re-certification and the need to meet current day standards.
- The entire roof structure will need to be replaced due to existing levels of corrosion.
- A new purpose-built facility will allow Administration to include additional key elements from the Community Infrastructure Plan into the scope to ensure maximum community benefit is realised. The scope and detail pertaining to this element of the scope will be presented to Council for endorsement as part of the implementation of the Community Infrastructure Plan.
- A new purpose-built facility linked to the needs of the Community Infrastructure Plan sit well at this location as the land is readily available to the City, and the appropriate utility and service infrastructure is already available at this location.

The substantial investment into a new building will provide an asset with up to a 40-year life expectancy, compared to the refurbishment option which may only provide an additional 10–15-year life expectancy on the existing building.

Stage 4 Update – Outdoor Courts and Lighting Update

The original masterplan includes three multiuse courts with lighting for training purposes to be constructed adjacent to the new Clubroom facility. With the adoption of the Community infrastructure standards and feedback on the need for shade, Administration investigated a series of options to consider shade in this development.

Including a provision for shade at the KRMO Hardcourts creates increased capacity for key community sporting activities to train and play games and provides greater capacity and flexibility if future upgrade works are required at the Karratha Leisureplex facilities, which would require existing spaces to be taken offline.

Administration has considered options to stage the provision of shade however due to the size and locations of footings and the potential for redundant lighting it is a more cost-effective option to proceed with the complete package at once.

Overall Masterplan Next Steps

In order for Administration to progress and finalise the detailed design for these future stages of the KRMO Masterplan, Council is requested to consider the revised scope of these stages and cost implications.

To assist, an updated Masterplan incorporating the updated planning direction, and to respond to evolving community expectations, was developed by Hunt Architects to now include:

- A new-build Pavilion aligned to key deliverables from within the Community Infrastructure Plan,
- Multipurpose hardcourts inclusive of a shade structure, lighting and general amenities aligned with similar facilities,
- Expansion of the southern car park, (no change to the original scope)
- Realignment of Tilbrook Close, connection to proposed and existing carparking and associated landscaping (no change to the original scope).

This updated plan responds to community expectations, revised planning priorities, and Council's commitment to providing infrastructure that meets district-level service standards. It ensures the KRMO precinct continues to evolve in a way that supports local sporting, recreational, and community needs.

The revised Masterplan proposal now includes the following stages.

STAGE	PROJECT	STATUS
1a	New play space, northern car park and design of a change room and club room facility	Complete
1b	Construction of the Change and Club room	Complete
2	Playing field sport lighting upgrade	Complete
3	New-build Pavilion refurbishment	Design
4	Multipurpose hard courts and shade structure	Design
5	Expansion of the existing southern carpark, realignment of Tilbrook, and associated landscaping,	Design
	Relocation of cricket net and a second play space	Complete

LEVEL OF SIGNIFICANCE

In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of moderate significance in terms of social issues, environmental issues, cultural and wellbeing issues in terms of Council's ability to perform its role.

STATUTORY IMPLICATIONS

There are no statutory implications.

COUNCILLOR/OFFICER CONSULTATION

In October 2020, Council endorsed the KRMO Master Plan and the proposed staging strategy. Subsequent reports and presentations have been made to Council detailing progress and confirming decision points throughout the Master Plans lifecycle.

Consultation between Administration prompted a revision of the Masterplan in May 2025.

COMMUNITY CONSULTATION

Community engagement activities in accordance with the iap² public participation spectrum process to inform and consult are proposed as follows:

Who	How	When	What	Outcome
City of Karratha Community	City of Karratha Website Community Letter	24 March 2025	City of Karratha Website, & letter to the community regarding the recent opening of the playing surface following the conclusion of Stage 2 of the masterplan.	Community engagement undertaken to date has been at the Inform level, with information made available on the City's website. The purpose has been to provide the public with balanced and objective information to support understanding of the issue, potential alternatives, opportunities, and proposed solutions.
Netball WA	Direct Email Communication	14 April 2025	Requested clarification regarding the	Following discussion, the E/W orientation was deemed acceptable, with

Who	How	When	What	Outcome
			orientation of netball playing surface.	shade infrastructure addressing sun exposure concerns. This option avoids the need to relocate a major services corridor, making it the preferred configuration at this stage.

The Community Infrastructure Plan facilitated extensive community engagement and feedback sessions throughout November and December 2024. Notably, shaded infrastructure was identified as a key gap with strong community support for increased shaded facilities to support court sports and other recreational activities.

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

Should Council endorse Administration's recommendation and approve the proposed budget reallocation for the current financial year, it will allow the revised project scope to progress to detailed design. This approach represents a more strategic, integrated outcome for the KRMO precinct and aligns with the objectives of the City's Strategic Plan and Community Infrastructure plan.

The current budget allocation for the KRMO Master Plan redevelopment totals \$3.55 million. Following scope adjustments, the proposed revised budget is \$1.125 million representing a net variation of (\$2.425 million) for this financial year. This reduction stems primarily from delaying construction of the hardcourts to the following year.

If the revised scope is endorsed by Council, the Long-Term Financial Plan will be updated to reflect the revised KRMO Master Plan scope in accordance with the budget table below. This will be subject to change when considered amongst key priorities as the Community Infrastructure Plan is finalised over the coming 6 months. Administration will continue to investigate alternative funding opportunities for this project and the Community Infrastructure Plan over the coming 12 months to offset the increased costs. The construction elements of the master plan proceeding will be subject to council endorsement to call tenders on future stages.

KRMO Master Plan Revised Scope	2025/26	2026/27	2027/28	2028/29	TOTAL
Hardcourts, lighting and shade – Design	\$350,000				\$350,000
Hardcourts, lighting and shade – Construct		\$7,500,000	\$7,500,000		\$15,000,000
New Pavillion – Design	\$475,000				\$475,000
New Pavillion – Construct			\$5,500,000	\$2,794,400	\$8,294,400
Southern Carpark, Realignment of Tilbrook, Landscaping – Design	\$300,000				\$300,000
Southern Carpark, Realignment of Tilbrook, Landscaping – Construct		\$1,500,000		\$2,100,000	\$3,600,000
TOTAL	\$1,125,000	\$9,000,000	\$13,000,000	\$4,894,400	\$28,019,400

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.2.5.24.6	Progress the design of the Kevin Richards Memorial Oval Redevelopment.

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 providing appropriate public open spaces to support good health and wellbeing within our communities. Aligns with the City's commitment to provide shaded infrastructure to support the safety and health within our communities.
Financial	Moderate	A budget decrease for this financial year 2025/26 is proposed as part of this report as detailed design will be required, and a reallocation to future years when construction is planned.
Service Interruption	Low	As this is for the design only no service disruptions are expected.
Environment	Moderate	There is consideration for the risk of PFAS at this site which has been an ongoing risk for the entire master plan delivery.
Reputation	Moderate	Community feedback has consistently emphasised the need for shade across all stakeholder engagement sessions. The proposed new pavilion, expanded parking, and improved landscaping are expected to be positively received and will position the City favourably in meeting community expectations and enhancing local amenity.
Compliance	Moderate	Works are expected to comply with relevant standards.

IMPACT ON CAPACITY

There is no impact on capacity or resourcing to carry out Administration's recommendation, as supervision of works and future maintenance programs are included in existing resources.

RELEVANT PRECEDENTS

The planned shade structure for the Wickham hardcourts provides a relevant precedent for the proposed inclusion of shade in the KRMO hardcourt scope. Initiated by the City and funded through external partners, the Wickham project aligns with broader strategic objectives to enhance district-level recreation infrastructure and improve community access to quality sporting facilities. Similar district-level facilities are also provided in Roebourne.

VOTING REQUIREMENTS

Absolute Majority.

CONCLUSION

The revised Masterplan, prepared by Hunt Architects, includes a new-build pavilion and shaded multi-use hardcourts. This is in addition to the original items of the master plan to be delivered which comprise the expansion of the southern car park and the realignment of Tilbrook Close with associated landscaping. The updates respond to strategic priorities and feedback received through recent community consultation.

Should Council endorse the revised Masterplan and updated budget allocation, it will allow the project to progress to detailed design, reduce the risk of future rework, and ensure efficient use of resources. The proposed changes reflect a strategic approach that prioritises functionality, community expectations, and long-term value.

COUNCILLOR QUESTION:

Should the recommendation be updated from KRMO Old Pavillion Refurb, given the consideration revised scope changes?

CITY RESPONSE:

This is the existing budget code. If the decision is made to build new, then the code will be updated to reflect the decision.

COUNCILLOR QUESTION:

Can this be updated for clarity?

CITY RESPONSE:

Item updated as requested

COUNCILLOR QUESTION:

Would the pavilion still be part of the KRMO precinct?

CITY RESPONSE:

Yes. The pavilion itself will be purpose built, hireable and managed by the City.

COUNCILLOR QUESTION:

The shade looks huge, in terms of square meterage what is the cost and size relative to Wickham?

CITY RESPONSE:

The Wickham court shade is to cover two courts and is roughly 1,558sqm with a budget allocation for shade and lighting of \$8M.

The proposed KRMO hardcourts project is for three courts and is roughly 2,394sqm with a proposed budget of \$15M allocated. This project budget allocation will include the construction of the new courts as well as the shade.

COUNCILLOR QUESTION:

Will it be possible to stand on the court side balcony of the pavilion and watch the sport?

CITY RESPONSE:

Yes. The roof of the shade structure will be the same height as the pavilion roof.

COUNCILLOR QUESTION:

What is the expected duration of this project?

CITY RESPONSE:

The key factor determining project duration will be funding. This will form part of further decision making by Council based on the prioritisation of projects identified within the Community Infrastructure Plan.

COUNCILLOR QUESTION:

Is there going to be sheds at this facility?

CITY RESPONSE:

Yes, funding has been allocated to relocate the existing shed. The best place for the sheds is still to be determined based on feedback from community groups.

COUNCILLOR QUESTION:

Will there be flooring suitable for dancing and gymnastics?

CITY RESPONSE:

Whilst similar, gymnastics and dance require different types of flooring (spring versus sprung floor). The scope for the pavilion will consider appropriate flooring based on its intended use, and informed by the Community Infrastructure Plan.

COUNCILLOR QUESTION:

If there is a shade structure, in future would there be an option to close in the space and upgrade the courts to be indoor?

CITY RESPONSE:

Indoor courts have been identified as a priority in the draft Community Infrastructure Plan. We are looking at options available to provide co-located indoor courts to enable a centralised management model. Enclosure of the KRMO courts would be considered a long-term option (10+ years) and has not been included in the current scope for this site.

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 July 2025.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMMENDATION

That Council note the following information items:

13.1.1 Community Experience Update – May 2025

13.1.2 Concession on Fees for City Facilities

13.1.3 Development Services Update

13.1.4 Record of Tender Outcome under Delegation – RFT0000033 Provision of Graffiti Removal Services

13.1.5 July 2025 Public Briefing Notes and Table of Report Changes

13.1.1 INFORMATION REPORT – COMMUNITY EXPERIENCE – MAY 2025

File No: CS.23

Responsible Executive Officer: Director Community Experience

Reporting Author: EA Community Experience

Date of Report: 31 May 2025

Applicant/Proponent: Nil

Disclosure of Interest: Nil

Attachment(s) Nil

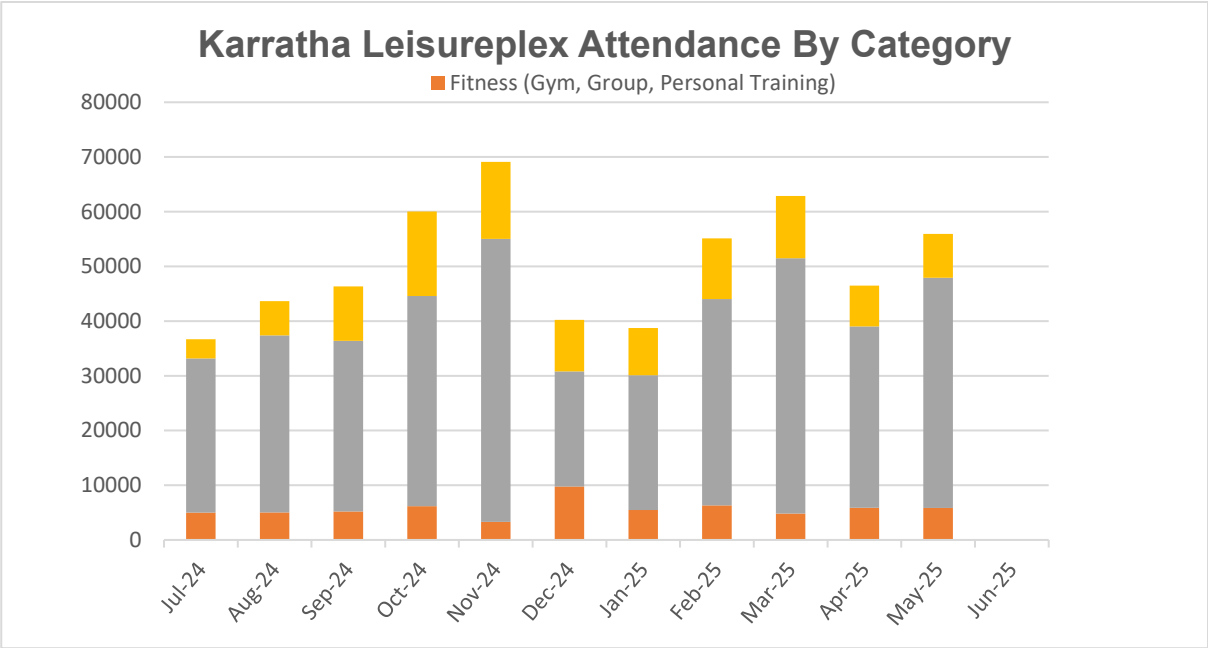
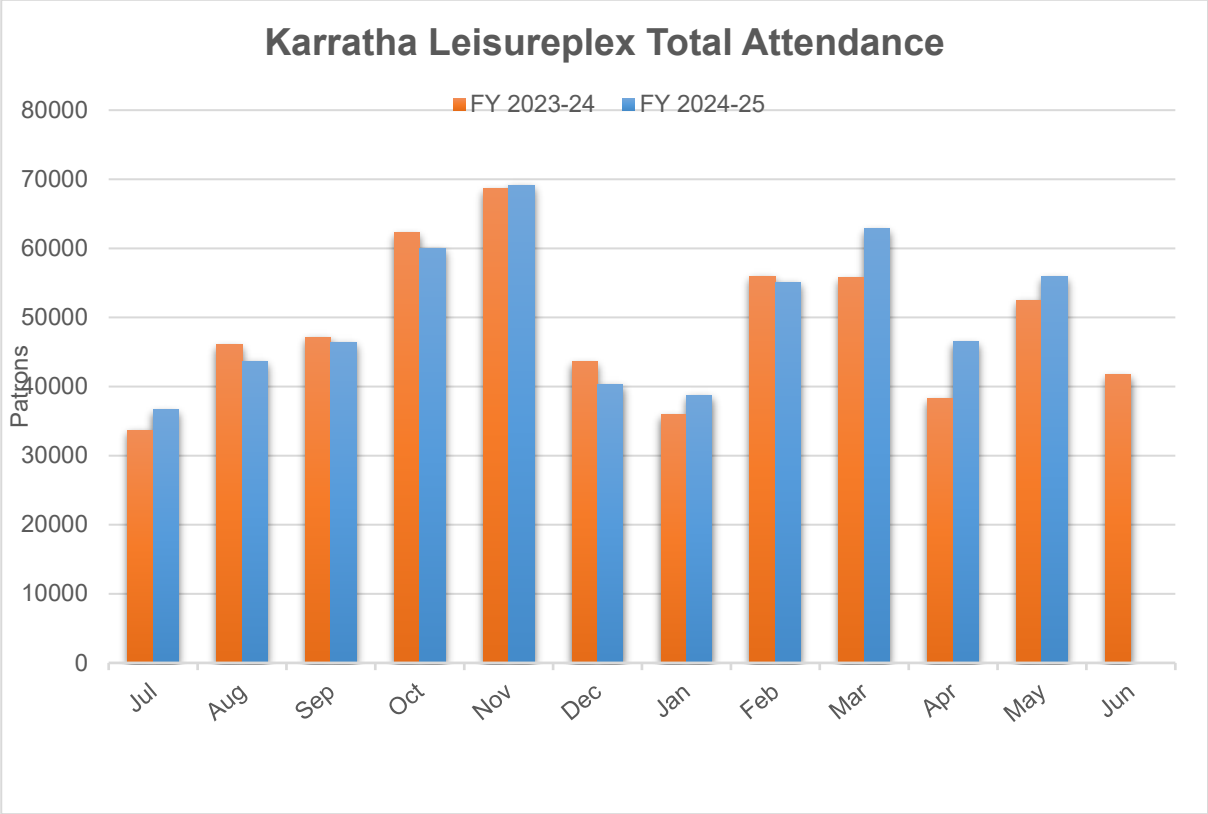
PURPOSE

To provide Council with an update on Community Experience services and programs for May 2025.

Attendance & Utilisation Summary

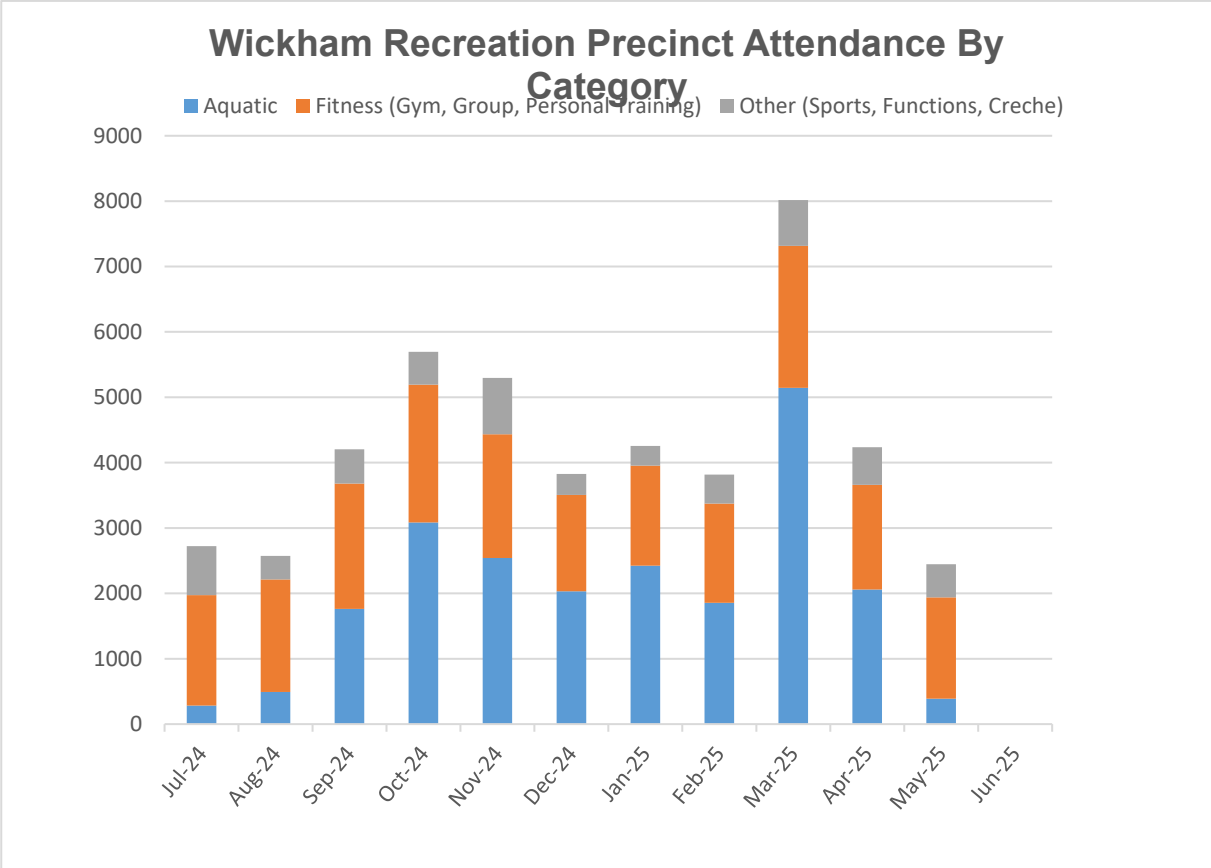
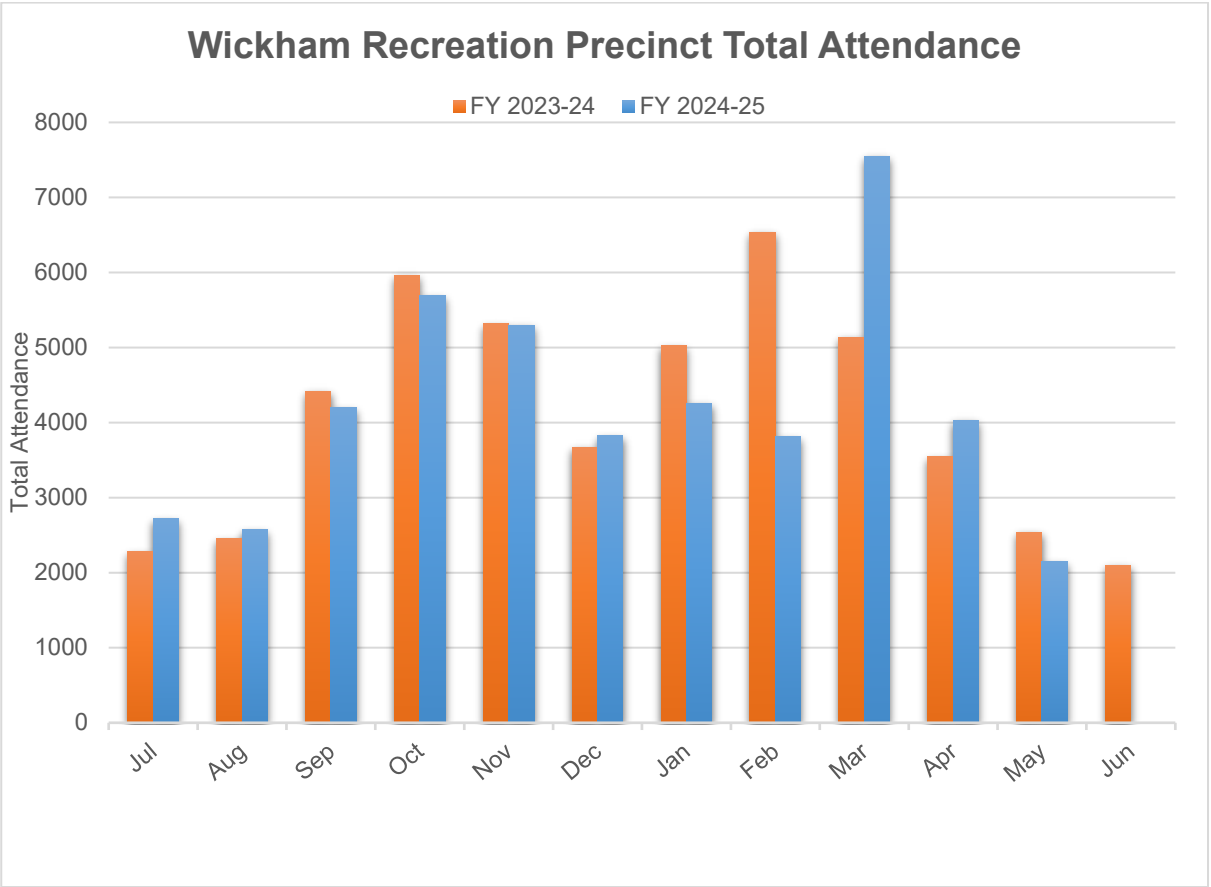
Facility Attendance	May 2024	May 2025	Year on Year %
The Youth Shed	629	834	+ 33%
The Base	958	896	- 6%
Total Library	13,225	10,061	- 24%
Karratha Leisureplex	52,492	55,951	+ 7%
Wickham Recreation Precinct	2,540	2,143	- 16%
Roebourne Aquatic Centre	0	0	0
Red Earth Arts Precinct	6,444	4,645	- 28%
Arts Development & Events	5,207	9,250	+ 78%
Community Programs	Apr 2025	May 2025	Month on Month %
Security Subsidy Scheme properties	8	15	+ 88%
Meet the Street Parties	0	0	0%

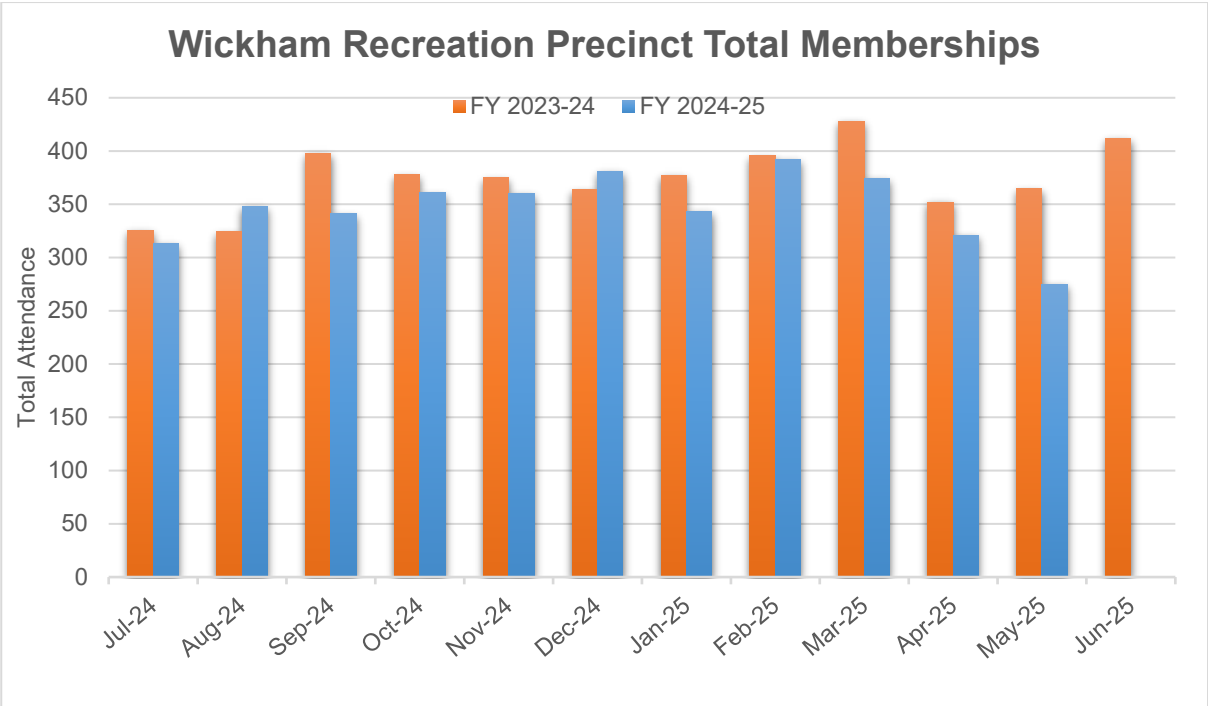
Karratha Leisureplex



Due to an early arrival of cooler temperatures in May there was an expected decline in aquatics entries. Fitness memberships have remained on the rise with a 14.5% increase from the same time in 2024 and this has presented a slight increase of 6.5% for total attendance figures.

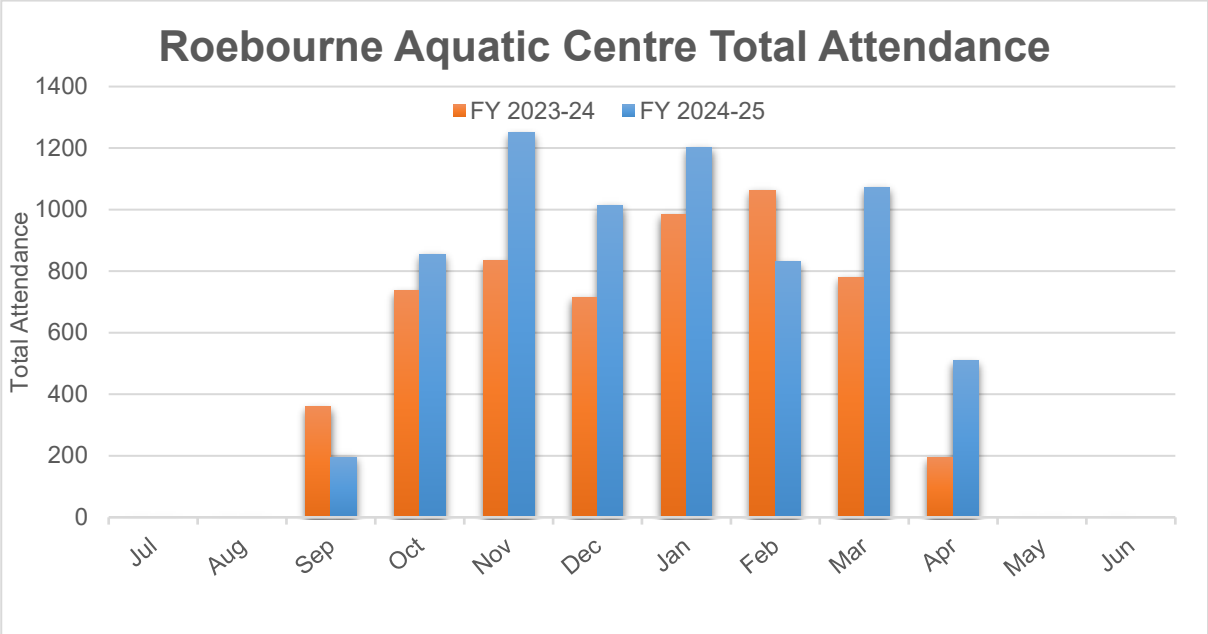
Wickham Recreation Precinct





Attendance was down in all areas except our functions and facility attendances. The Centre's Kids Program has increased since last year with the inclusion of 4-year-olds. Memberships are down by 24%. Timetables will be reviewed following a community survey to gym users, with the aim to increase numbers.

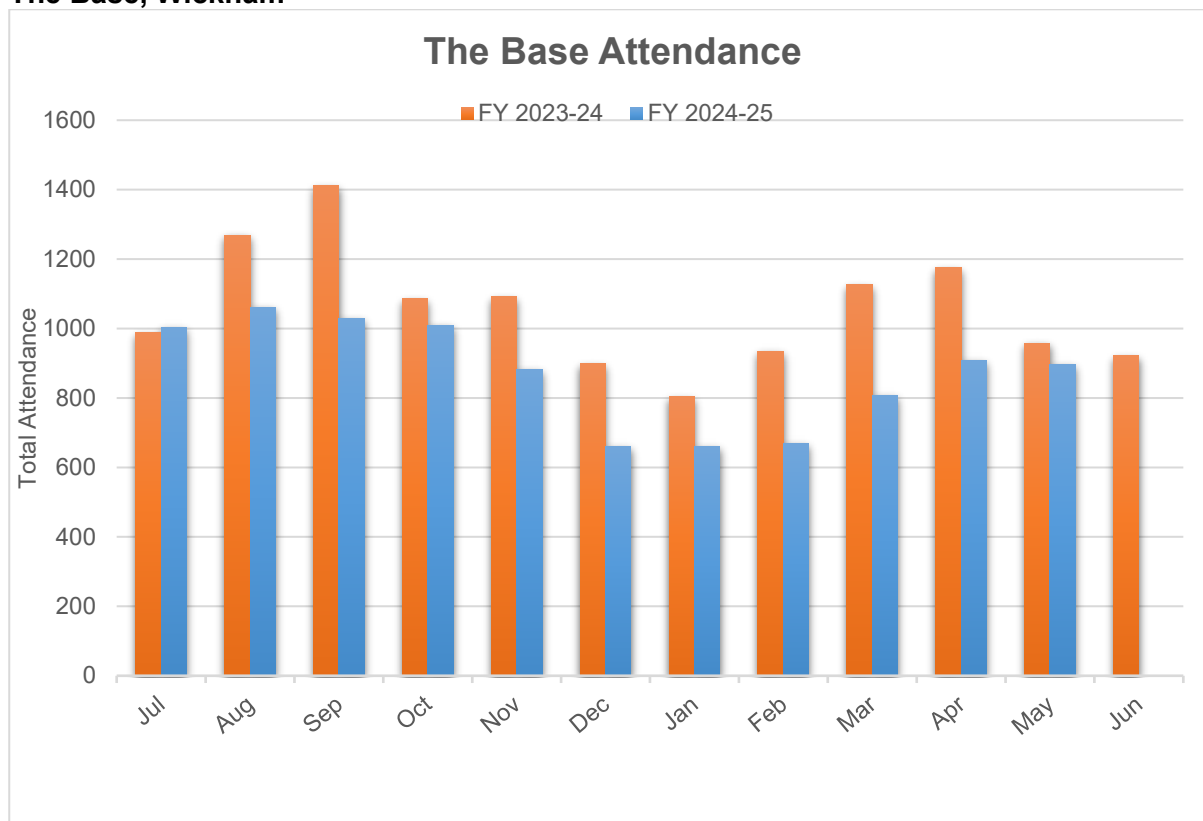
Roebourne Aquatic Centre



No entries due to pool closure.

Youth Services

The Base, Wickham



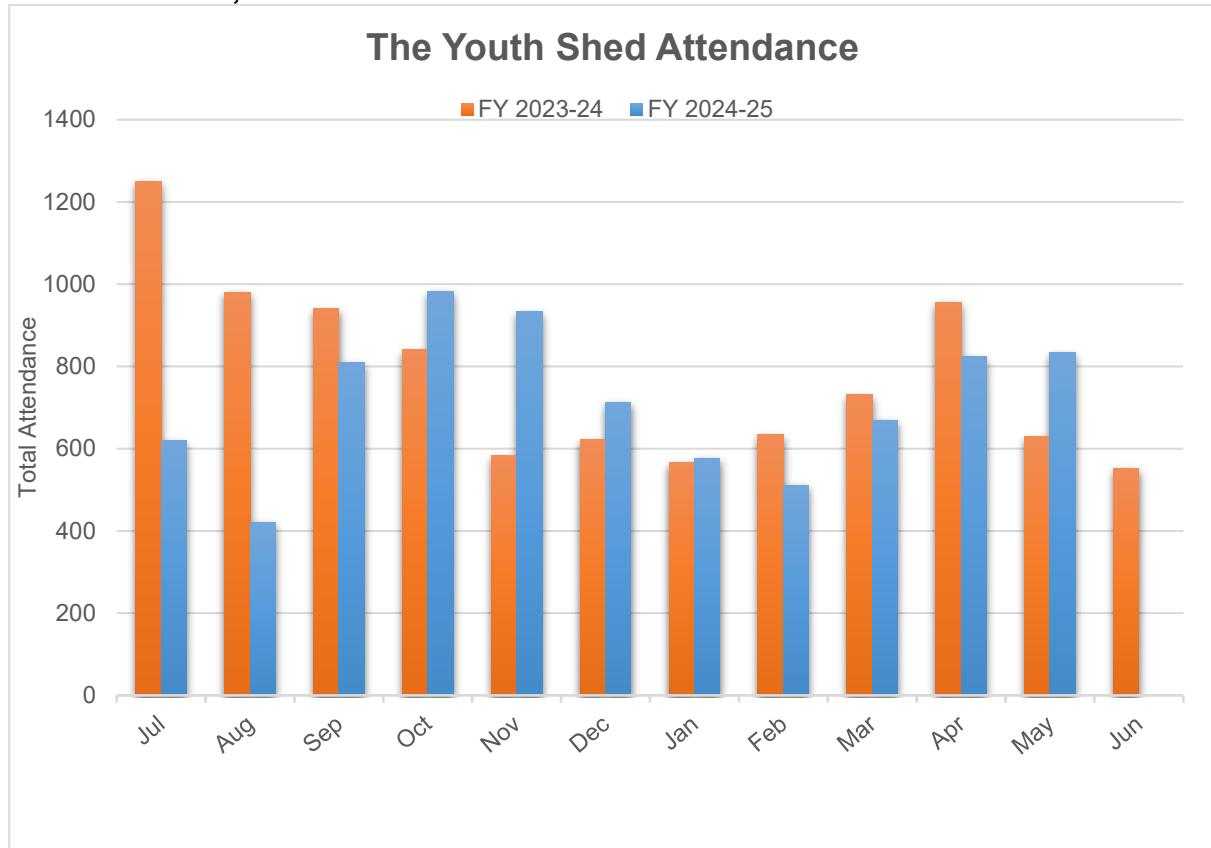
During May, we have had attendance of 896 with 56 pool passes given out; this is a decline in pool passes in the cooler months. The youth turnout reflects the center's continued impact and strong connection and impact with our centre and programs.

Program Highlights:

- Indoor Pin Bowling - This exciting new activity brought a burst of energy to the centre. Youth participants embraced the fun and friendly competition, building teamwork and camaraderie along the way.
- Girls Yarning Session - Held in a safe and supportive space, these sessions focused on personal hygiene, healthy relationships, cultural values, and emotional wellbeing. They offered young women the chance to share, listen, and uplift one another, fostering trust and confidence.
- General Knowledge Quiz - A favourite that sparked laughter, learning, and spirited discussion. Covering a wide range of topics—from current events to sports and geography—it was both educational and entertaining.
- Swans Rugby League Clinic Collaboration - We were honoured to host former professional players who led engaging clinics filled with skills, drills, games, and meaningful conversations. They connected with youth on important topics like discipline and resilience, and the day concluded with a community BBQ.
- Cancer Council's Biggest Afternoon Tea - This event was respectfully cancelled due to sorry business in the community.

All programs and collaborations with Roebourne stakeholders are currently on hold in observance of cultural practices and community mourning.

The Youth Shed, Karratha



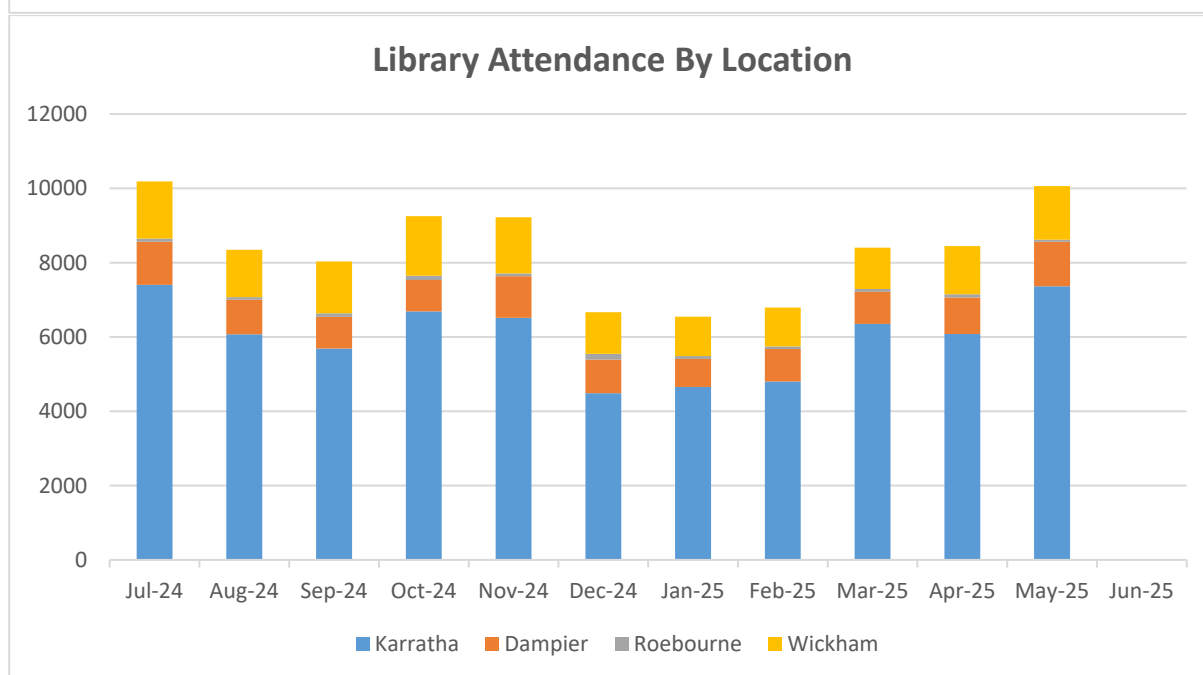
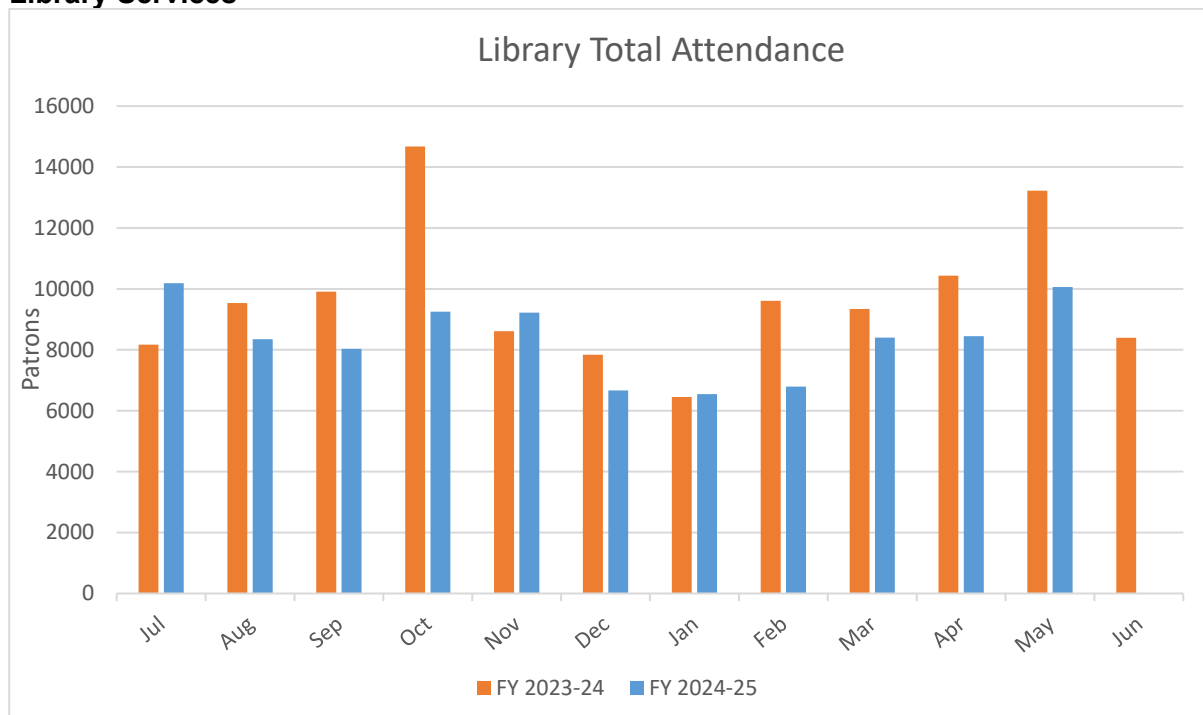
The Youth Shed experienced outstanding attendance and engagement this month, with 834 young people participating—an impressive 32% increase from May 2024. The center delivered a dynamic range of programs, welcoming diverse facilitators to provide educational and recreational activities.

Monthly Highlights:

- Football West continued their regular sessions, fostering skill-building and teamwork.
- Dodgeball remained a crowd favorite, with young people enthusiastically participating.
- Junction Co hosted a ceramics workshop, with creations proudly displayed at REAP.
- Headspace delivered engaging 'Crafternoons' every Wednesday, promoting creativity and connection.
- Cleanaway Perth led an insightful waste management session, deepening young people's understanding of recycling.
- Monsterball's Back-to-School Bucking Bull was a major hit, as many embraced the challenge of the mechanical bull.

Overall, May saw a surge in regular attendance, particularly among young people eager to engage in sports and explore all The Youth Shed has to offer. The month was a success in fostering a safe, positive environment, where young people felt welcomed, engaged, and connected.

Library Services



12,341 Total memberships (79 new members signed up in May).

837 Individual computer log ins by members and guests (excludes Wi-Fi – up 7 from last month).

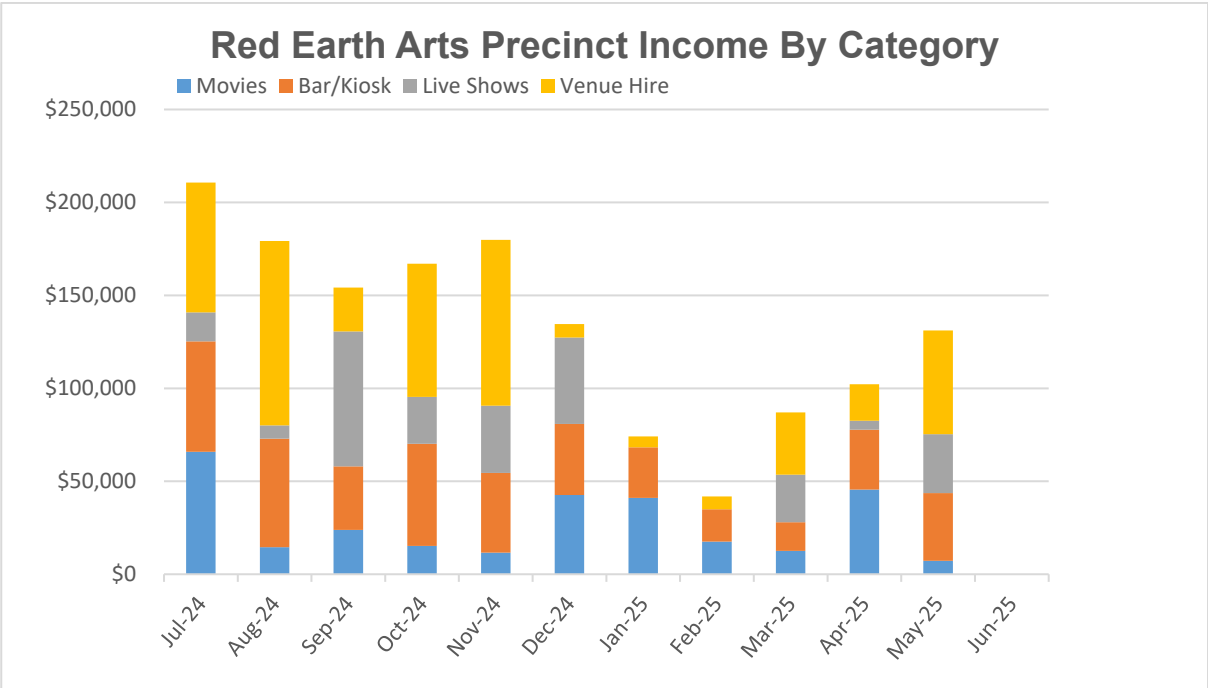
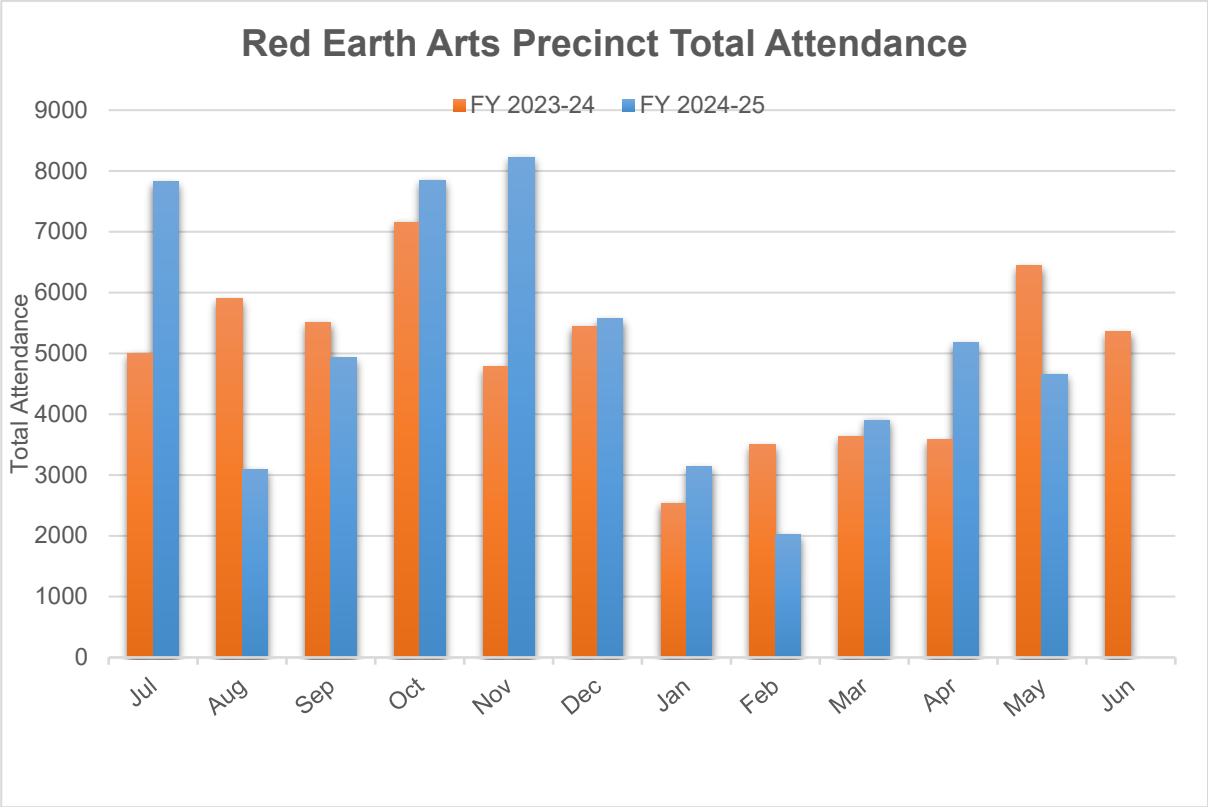
1161 Program participants at **72** programs (including regular term programs and special programs including REAF sessions, Sydney Writers' Festival and NWA Story Time).

3,415 Physical items (down 68 from last month) and **1,481** eResources borrowed (down 65 from last month).

1,448 Technical enquiries (including assistance with Computers, Wi-Fi, Printing and Scanning – up 183 from last month).

170 Better Beginnings Packs were distributed to Population Health, Kindy classes and Library patrons.

Red Earth Arts Precinct



Events and Programming:

The month of May kicked off with the Red Earth Arts Precinct being launched globally as part of our Rio Tinto Leadership Forum. More than 300 Rio Tinto executives travelled from across the globe which saw the Theatre transformed into its own live television station. The event generated \$49,670 in revenue. REAF, movies, KDCCI Business Breakfast Briefing, two local AGM's and our regular hires followed, making May a very busy month.

Movies:

Cinema attendance in May 2025 saw a decline in attendance by 50% compared to May 2024. This was due to the venue being occupied by REAF and several large corporate functions which limited movie screenings. We screened a total of 17 movies with no big movie titles compared to last year screening 19 movies. The Minecraft Movie still holding on to our top movie attendance with 80 attendees coming along to see the popular movie. A Minecraft Movie also happened to be our sensory screening for the month, which saw our highest numbers for a sensory screening so far. Sinners was another popular movie screening which had 67 attendees and generated \$872 in kiosk sales. On 25 May, REAP screened the movie 'Sweet' as part of Reconciliation Week. 47 attendees enjoyed free popcorn and gave great reviews after the screening.

Cinema Statistics:**• Key Performances:**

- The Minecraft Movie – \$1,101 in tickets sales and \$734 kiosk sales.
- Sweet As – 43 attendees and \$223 kiosk sales.
- Sinners – 67 attendees and \$872 kiosk sales.
- Total revenue for movie ticket sales in May - \$7237.

Bar and Kiosk Revenue:

Bar and kiosk sales saw an increase of almost 21% compared to May 2024, largely due to the Rio Tinto Leadership Forum which generated \$17,495 for the bar and kiosk sales. A total of \$36,408 was generated for the month of May.

Live Shows:

May saw increased live show performance as REAF took centre stage at the REAP. We enjoyed rave reviews from the community from all that came to enjoy the REAP lineup. Total tickets sold for live shows and workshops for REAF was 1405 with the Zap Circus being the stand out with a sell out show. In total, the REAF lineup generated a total \$31,651 in REAP hires.

Venue Hires:

May saw 55 venue hires including corporate bookings and REAP performances.

- Community Hires: 31
- Corporate Hires: 3
- REAP: 21

Key Events:

- Rio Tinto Leadership Forum with an average of 298 attendees over 3 days.
- REAF 1306 attendees and 20 hires.
- PKKP AGM 400 attendees over 2 days.
- Karratha Senior High School Ball with 250 attendees
- KDCCI Business Breakfast with 100 attendees
- The total revenue for May hires - \$55,853

Patrons:

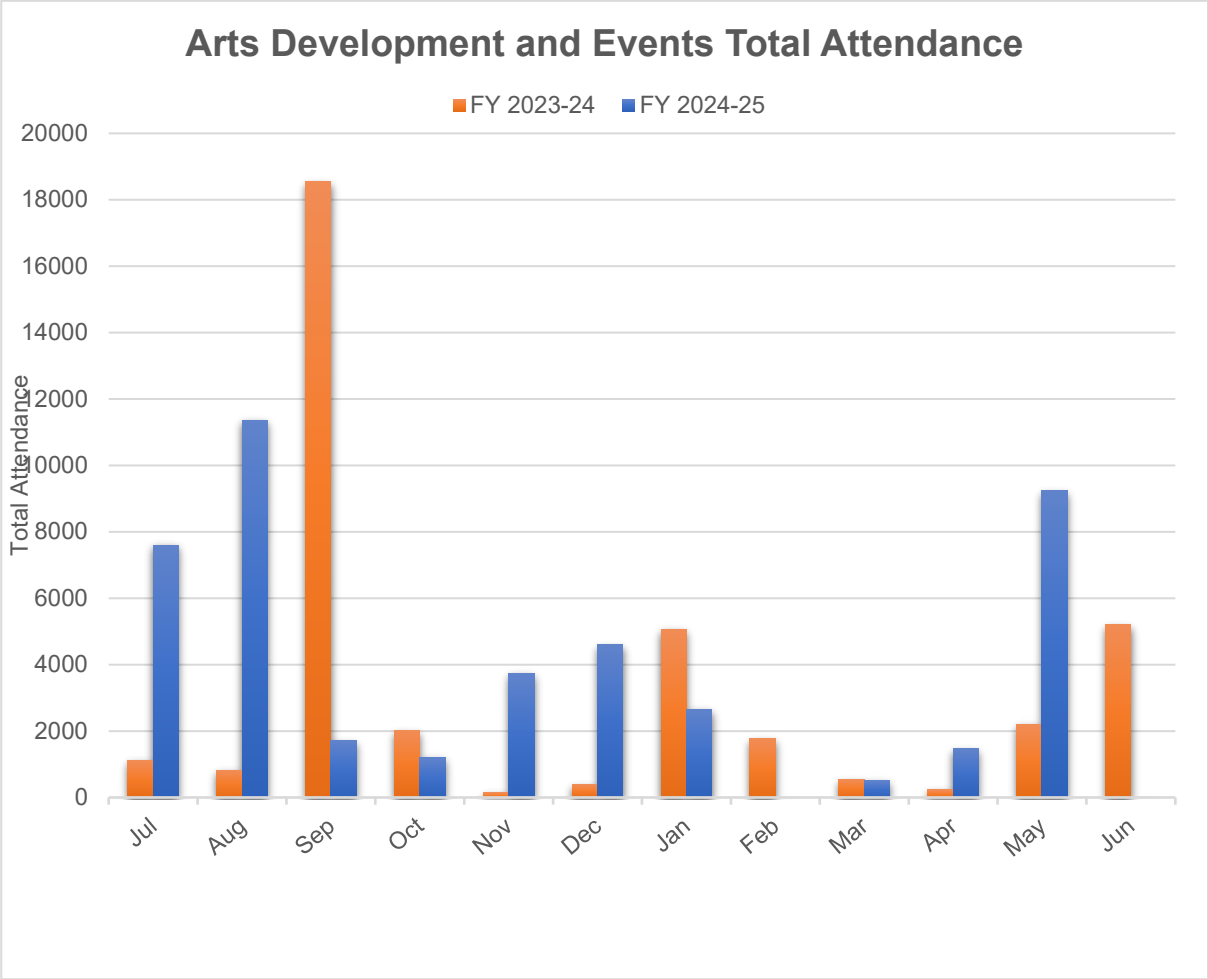
Patronage saw a decrease of almost 28% compared to May 2024, largely driven by the corporate and REAF hires decreasing movie screening space.

- May 2024: 6,444 patrons
- May 2025: 4,645 patrons

Total Revenue:

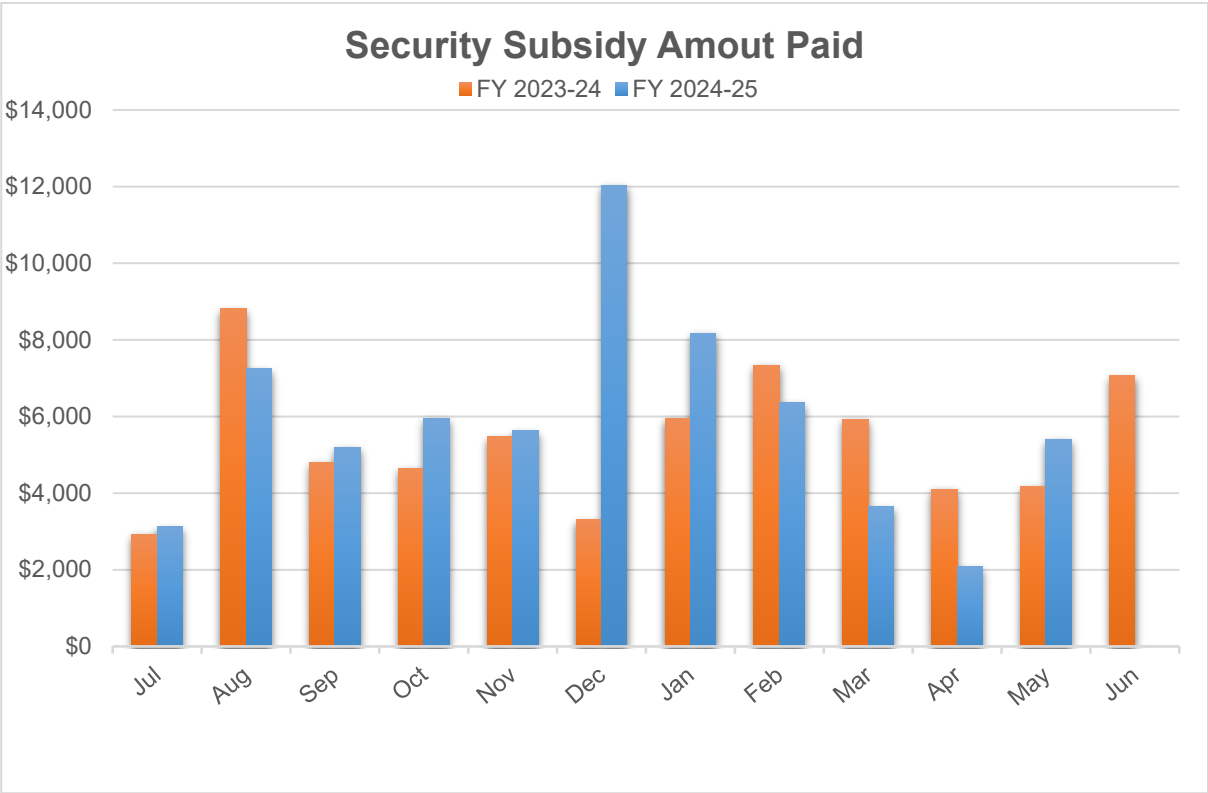
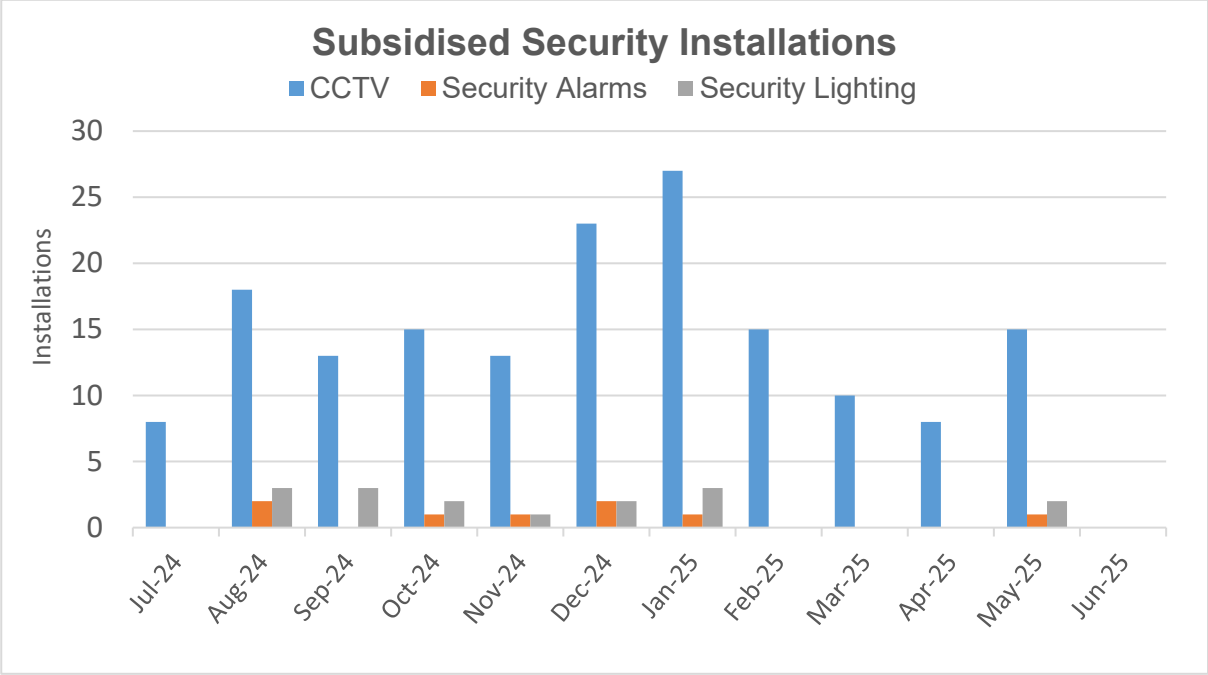
In May 2025, REAP generated \$131,149 in total revenue, marking a 13% decrease from the previous year.

Arts Development & Events



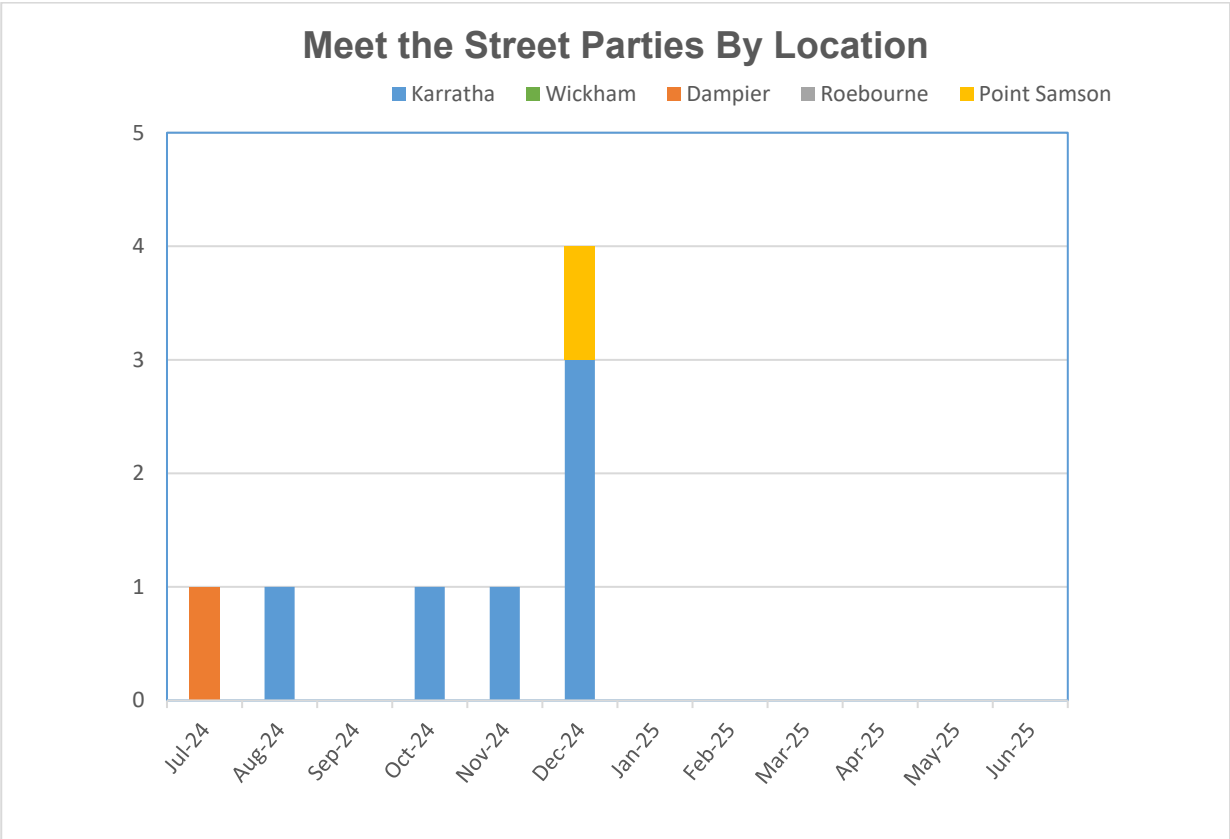
May saw a vibrant and engaging month of arts and cultural activity driven by the Red Earth Arts Festival (REAF). Across the calendar of events, workshops, and programs a total of 9,250 patrons participated—reflecting strong community interest and attendance. Key highlights included The Whale Activation which captivated 1,900 visitors with its immersive experience, the Harmony and HeArt Community Event which brought together 900 people in a celebration of cultural diversity and the stunning First Lights - Bunggaliyarra Munggu Drone Show drawing a crowd of 950 with its cutting-edge visual spectacle. REAF extended its reach beyond the Karratha city centre by delivering a series of regional activations and community engagements throughout the broader City.

Security Subsidy Scheme



20 Security Subsidy applications were received, with 15 being eligible for reimbursement.

Meet the Street



0 Meet the Street parties hosted this month.

Small Community Grants

No Small Community Grants awarded since the last Ordinary Council Meeting.

COUNCILLOR QUESTION:

Is there any reason for the significant (58%) reduction in year on year attendance at the WRP?

CITY RESPONSE:

There is an error with the May 2024 figure, which has now been updated. This changes the year on year % to -16%.

13.1.2 INFORMATION REPORT - CONCESSION ON FEES FOR CITY FACILITIES

File No: CR.38

Responsible Executive Officer: Director Community Experience

Reporting Author: EA Community Experience

Date of Report: 20 June 2025

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 2025.

Organisation	Reason	Authorised Officer	Amount (excl. GST)
Nil			

13.1.3 DEVELOPMENT SERVICES UPDATE

File No:	DB.32
Responsible Executive Officer:	Director Development Services
Reporting Author:	Manager Planning Services
Date of Report:	24 June 2025
Disclosure of Interest:	Nil
Attachment(s)	List of current decisions subject of State Administrative Tribunal Review and List of current Regional Development Assessment Panel applications

PURPOSE

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

This information is provided to keep Council informed of major development applications within the City of Karratha that will be determined by the RDAP 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 24 June 2025

APPLICATION (City &/or RDAP File Reference)	PROPERTY	DATE FOR SAT REVIEW / APPLICATION LODGED	STATUS	DATE CLOSED / COMPLETED
SAT				
Nil				
RDAP				
DA25-040 Proposed Showrooms	Lots 8, 9, 10 Madigan Road, Gap Ridge (Commonly referred to as the Homemaker Centre site)	24/4/25	Currently the submitted information is being assessed. Public advertising ended on the 18 June 2025. Due date for City to submit the Responsible Authority Report to the Development Assessment Panel Secretariat is 11 July 2025.	Date of DAP determination meeting to be confirmed by the DAP Secretariat following submission of the RAR.
DA25-036 Proposed refurbishment of the workforce accommodation facility commonly known as Wickham Village and an extension of time (10 years) for operation of the facility	Lot 103 Wickham Drive, Wickham	2/5/25	Currently the submitted information is being assessed. Public advertising ended on the 18 June 2025. Due date for City to submit the Responsible Authority Report (RAR) to the Development Assessment Panel Secretariat is 17 July 2025. Rio Tinto's request to bring RAR submission date and date of DAP meeting forward will be considered as part of finalising RAR.	Date of DAP determination meeting to be confirmed by the DAP Secretariat following submission of the RAR.

13.1.4 RECORD OF TENDER OUTCOME UNDER DELEGATION - RFT0000033 PROVISION OF GRAFFITI REMOVAL SERVICES

File No: RFT0000033

Responsible Executive Officer: Director Projects and Infrastructure

Date of Report: 10 June 2025

Disclosure of Interest: Nil

Attachment(s) Nil

PURPOSE

To inform Council of the outcome of tenders that have been determined under delegation since the last Ordinary Council Meeting.

BACKGROUND

Under Delegation 1.1 'Tenders & Expressions of Interest', the Chief Executive Officer (CEO) is able to award a tender where the consideration does not exceed \$500,000 and Directors \$250,000 (excluding GST) on the provision there is an approved budget.

Alternatively, under section 5.42 of the *Local Government Act 1995*, Council may specifically delegate to the CEO the authority to award a particular tender up to a specific value limit.

Policy CG-12 'Purchasing Policy' requires that on each occasion a tender is determined under delegated authority a report is to be provided to Council at its next ordinary meeting that provides the information as detailed below:

Tender No:	RFT0000033	Project Budget:	\$390,000 excluding GST
Tender Title:	Provision of Graffiti Removal Services		
State-wide Advertising Commenced:	14/05/2025	Tender Closing Date/ Time:	29/05/2025
Scope of Works:	Prompt removal of graffiti from Principal-owned assets across the town sites of Roebourne, Wickham, Point Samson, Karratha, Dampier, and Cossack. Timely removal is considered best practice, as it discourages repeat offences, improves the appearance of public spaces, enhances community safety, and reduces long-term costs for the City of Karratha. The Contractor will provide a mobile graffiti removal service capable of responding to requests within the timeframes outlined in RFT00000033- section 2.4.9.		
Selection Criteria:	Relevant Experience	20%	
	Methodology	15%	
	Capacity to Deliver	15%	
	Sustainability	5%	
	Price	45%	
Submissions Received:	ProFix Australia (West Pilbara Enterprises Pty Ltd T/as) Norwest Civil and Rail Pty Ltd WGA WA Pty Ltd ProLogic Pty Ltd JBA Pacific Scientists and Engineers Pty Ltd Graffiti Systems Australia		
Tender Awarded:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of Decision:	4/06/2025
Tender Awarded to:	ProFix Australia (West Pilbara Enterprises Pty Ltd T/as)		
Contract Value:	\$390,000 excluding GST		
Contract Term:	Three years period.	Contract Options:	One year

13.1.5 JUNE 2025 PUBLIC BRIEFING NOTES AND TABLE OF REPORT CHANGES

File No: CM.191

Responsible Executive Officer: Chief Executive Officer

Reporting Author: Minute Secretary

Date of Report: 14 July 2025

Disclosure of Interest: Nil

Attachment(s) Nil

13.2 PROPOSED AMENDMENT TO CITY OF KARRATHA ADVOCACY POSITION STATEMENTS

File No:	CR.77
Responsible Executive Officer:	Chief Executive Officer
Reporting Author:	Manager Marketing & Communications
Date of Report:	28 July 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. Advocacy Position Statements 2025-2026 Tracked Change2. Advocacy Position Statements 2025-2026 Clean3. Public Briefing Presentation

PURPOSE

For Council to consider adopting an amendment to the City's Advocacy Position Statements 2025-2026.

OFFICER'S RECOMMENDATION

That Council ADOPT the City of Karratha Advocacy Position Statements included as Attachment 2.

BACKGROUND

The City adopted its Advocacy Position Statements 2024–2026 at the June 2024 Council Meeting. These were subsequently updated and endorsed by Council in December 2024, incorporating additional positions relating to housing delivery, health services, transport connectivity, and legislative reform.

Since that time, the City has continued to implement its advocacy strategy, engage with key stakeholders and respond to project milestones and changing circumstances. To maintain the relevance and accuracy of the document, further updates are now proposed to reflect new emerging priorities and to remove positions that are no longer applicable.

DISCUSSION

There are four key modifications proposed to the City's Advocacy Position Statements, as set out below:

1. Update to existing Position Statement relating to the Step-Up Step-Down facility, to acknowledge that construction has now commenced, with the City's advocacy now focused on supporting timely completion and ensuring long-term operational sustainability.
2. Inclusion of four new Position Statements:
 - a. A new position supporting the development of the Roebourne Heavy Vehicle Deviation Route, to redirect heavy haulage traffic away from the Roebourne townsite and improve safety, protect and enable the further development of amenity.

- b. A new position advocating for the final funding of approximately \$300m and accelerated delivery of the final stage of approximately 76km of the Manuwarra Red Dog Highway.
 - c. A new position calling for the delivery of a cyclone-rated public marina at Dampier, recognising the need to address marine safety, infrastructure shortfalls, and industry/tourism opportunity.
 - d. A new position seeking support for the vesting and redevelopment of the former Nickol Bay Hospital site for a Karratha Community and Education Precinct, addressing significant shortfalls in recreation and education infrastructure.
3. Removal of two existing Position Statements:
- a. Housing Support Program – Mulataga, as the City's \$22.1 million funding application has been approved and the project is now progressing.
 - b. Walgu Apartments, as Council has formally resolved not to proceed with this project.
4. Minor editorial refinements to ensure accuracy, consistency and updated agency references.

A tracked change version of the updated Advocacy Position Statements is included as Attachment 1, with a clean copy provided as Attachment 2.

LEVEL OF SIGNIFICANCE

In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of moderate significance in terms of influencing the City's activities and reputation.

STATUTORY IMPLICATIONS

There are no statutory implications.

COUNCILLOR/OFFICER CONSULTATION

No Councillor or Officer consultation is required.

COMMUNITY CONSULTATION

The proposed amendment to the Advocacy Position Statement reflects the feedback received from the community through the annual community survey and other engagement undertaken by the City.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

A budget allocation of \$60,000 has been included in the City's Draft 2025–26 Budget to support advocacy efforts. There are no additional financial implications arising from the proposed changes to the Advocacy Position Statements outlined in this report.

STRATEGIC IMPLICATIONS

This item is relevant to the implementation of the City's approved Strategic Community Plan 2020-2030, the Corporate Business Plan 2020-2025 and the Operational Plan 2024-2025.

RISK MANAGEMENT CONSIDERATIONS

There are no risk management considerations applicable. Advocacy Position Statements are typically used to mitigate existing or potential risks to the City of Karratha and its community.

IMPACT ON CAPACITY

The cost to implement the Administration recommendation will be met through the City's existing resourcing.

RELEVANT PRECEDENTS

Council adopted the City's Advocacy Position Statements 2024–2026 at its 28 June 2024 meeting and endorsed amendments at its meeting on 9 December 2024.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

It is recommended that Council adopt the amended Advocacy Position Statements 2025–2026 to reflect updated project statuses, remove resolved items and incorporate new and emerging advocacy priorities for the City.

COUNCILLOR QUESTION:

The state government put in \$178 million into the Town of Port Hedland spoil bank marina, can the requested amount be increased?

CITY RESPONSE:

The figures in this report have been considered based on previous work and adjusted for construction in current time. The speculative figure is \$95-100 million but this is just an indicative figure until such a time as more detailed work is undertaken.

COUNCILLOR QUESTION:

Cossack and Roebourne Heritage, is this going to get picked up through the work being done, or should these be raised as an amendment/alternate?

CITY RESPONSE:

It is the Administrations preference that advocacy for changes or improvements at the Cossack and Roebourne heritage precincts is driven in response to the upcoming Tourism Strategy that is being developed.

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 item:

17.1 CONFIDENTIAL ITEM KARRATHA AIRPORT FUTURE MANAGEMENT CONSIDERATION

Also included is the following:

ATTACHMENT 5 TO ITEM 11.2 CORPORATE CREDIT REPORTING

ATTACHMENT 6 TO ITEM 11.2 CONTRACTOR REFERENCES

ATTACHMENT 7 TO ITEM 11.2 BUILDING INSPECTION REPORTS

ATTACHMENT TO ITEM 12.2 TENDER EVALUATION REPORT

ATTACHMENT TO ITEM 12.3 TENDER EVALUATION REPORT

12.2 TENDER EVALUATION REPORT QUESTIONS ARISING FROM BRIEFING SESSION

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 Ordinary Council Meeting is to be held on Monday, 25 August 2025 at 6pm at Council Chambers - Welcome Road, Karratha.