



**SHIRE OF ASHBURTON**

**SPECIAL MEETING OF COUNCIL  
MINUTES**

**(Public Document)**

**Council Chamber, Onslow Shire Complex, Second Avenue, Onslow  
Via Teleconference**

- 1. Council Chambers, Recreation Centre, Central Road, Tom Price**
- 2. Paraburdoo Library, Ashburton Avenue, Paraburdoo**
- 3. Pannawonica Library, Pannawonica Drive, Pannawonica**

**28 July 2017**

SPECIAL MEETING OF COUNCIL 28 JULY 2017

SHIRE OF ASHBURTON  
SPECIAL MEETING OF COUNCIL

The Chief Executive Officer recommends the endorsement of these minutes at the next Ordinary Meeting of Council.

Acting CEO:  \_\_\_\_\_

Date: 31/07/2017

These minutes were confirmed by Council as a true and correct record of proceedings by the Ordinary Council Meeting held on 20 June 2017.

Presiding Member: \_\_\_\_\_

Date: 15/08/2017

**DISCLAIMER**

*The resolutions contained in the Minutes are subject to confirmation by Council. The Shire of Ashburton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ashburton for any act, omission or statement or intimation occurring during a Council meeting.*

SPECIAL MEETING OF COUNCIL 28 JULY 2017

<b>1.</b>	<b>DECLARATION OF OPENING.....</b>	<b>4</b>
1.1	ACKNOWLEDGEMENT OF COUNTRY .....	4
<b>2.</b>	<b>ANNOUNCEMENT OF VISITORS.....</b>	<b>4</b>
<b>3.</b>	<b>ATTENDANCE .....</b>	<b>4</b>
3.1	PRESENT.....	4
3.2	APOLOGIES.....	5
3.3	APPROVED LEAVE OF ABSENCE.....	5
<b>4.</b>	<b>PUBLIC QUESTION TIME .....</b>	<b>5</b>
<b>5.</b>	<b>DECLARATION BY MEMBERS.....</b>	<b>5</b>
5.1	DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA.....	5
5.2	DECLARATIONS OF INTEREST.....	5
<b>6.</b>	<b>ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION</b>	<b>6</b>
<b>7.</b>	<b>BUSINESS .....</b>	<b>7</b>
<b>8.</b>	<b>NEXT MEETING.....</b>	<b>19</b>
<b>9.</b>	<b>CLOSURE OF MEETING .....</b>	<b>19</b>

SPECIAL MEETING OF COUNCIL 28 JULY 2017

**1. DECLARATION OF OPENING**

The Presiding Member declared the meeting open at 7.05 pm.

**1.1 ACKNOWLEDGEMENT OF COUNTRY**

As representatives of the Shire of Ashburton Council, we respectfully acknowledge the local Indigenous people, the traditional custodians of this land where we are meeting upon today and pay our respects to them and all their elders both past and present.

**2. ANNOUNCEMENT OF VISITORS**

As per the list in the present table below.

**3. ATTENDANCE**

**3.1 PRESENT**

<b>Elected Members:</b>	Cr K White	Shire President, (Presiding Officer) Onslow Ward	Council Chambers, Onslow
	Cr L Rumble	Deputy Shire President, Paraburdoo Ward	Paraburdoo Library
	Cr P Foster	Tom Price Ward	Council Chambers, Tom Price
	Cr M Lynch	Tom Price Ward	Council Chambers, Tom Price
	Cr D Diver	Tom Price Ward	Council Chambers, Tom Price
<b>Staff:</b>	Mr D Stewart	Acting Chief Executive Officer	Council Chambers, Tom Price
	Mr J Bingham	Director Corporate Services	Council Chambers, Tom Price
	Ms L Reddell	Director Development & Regulatory Services	Council Chambers, Onslow
	Mr T Davis	Director Infrastructure Services	Council Chambers, Tom Price
	Ms L O'Reilly	Director Community Development	Council Chambers, Onslow
	Ms J Smith	Executive Officer	Council Chambers, Tom Price
	Mrs M Lewis	CEO & Councillor Support Officer	Council Chambers, Tom Price
<b>Guests:</b>	Nil		
<b>Members of Public:</b>	There were four members of the public in attendance at the commencement of the meeting.		Council Chambers, Tom Price J Taylor B Hall Paraburdoo Library K Pettit Pannawonica Library K Conder

## SPECIAL MEETING OF COUNCIL 28 JULY 2017

<b>Member of Media:</b>	There were no members of the media in attendance at the commencement of the meeting.	
-------------------------	--	--

### 3.2 APOLOGIES

Cr L Thomas      Tableland Ward  
Cr M Gallanagh   Pannawonica Ward  
Cr Dias            Paraburdoo Ward  
Cr Dellar          Ashburton Ward

### 3.3 APPROVED LEAVE OF ABSENCE

There were no approved Leave of Absences.

### 4. PUBLIC QUESTION TIME

There were no public questions.

### 5. DECLARATION BY MEMBERS

#### 5.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

All Councillors in attendance noted that they had given due consideration to all matters contained in the Agenda presently before the meeting.

#### 5.2 DECLARATIONS OF INTEREST

##### **Councillors to Note**

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, that 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 DECLARING INTERESTS (FOR YOUR GUIDANCE)**

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included 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.

## SPECIAL MEETING OF COUNCIL 28 JULY 2017

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 s.5.69 (3) of the Local Government Act, with or without conditions.

### Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest
There were no declarations of interests.		

## 6. ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

There were no announcements without discussion by the Presiding Member for this meeting.

## 7. BUSINESS

### 7.1 ADOPTION OF 2017/18 ANNUAL BUDGET

MINUTE: 32/2017

<b>FILE REFERENCE:</b>	GV04
<b>AUTHOR'S NAME AND POSITION:</b>	John Bingham Director Corporate Services
<b>AUTHORISING OFFICER AND POSITION:</b>	Dale Stewart Acting Chief Executive Officer
<b>NAME OF APPLICANT/RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	25 July 2017
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and authorising officer have no financial, proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Agenda Item 13.2 (Minute No. 197/2017) – Ordinary Meeting of Council 18 July 2017

#### Summary

The Annual Budget for the year ended 30 June 2018 has been workshopped in conjunction with Ordinary Meetings of Council (OMC) held in May, June and July 2017.

The Statutory form of the Budget has now been finalised, taking into account Council's input at these workshops. The document is now submitted to Council for formal adoption.

#### Background

The 2017/18 Annual Budget has been prepared based on the principles contained in the Long Term Financial Plan as well as taking into account substantive matters raised in Council workshops at its May, June and July 2017 OMC.

The 2017/18 Fees and Charges were adopted at the June and July OMC.

The proposed differential rates were approved by Council on 18 July 2017 after previously being advertised for 21 days seeking public comment. One submission was received and a report addressing issues raised was presented to Council at its Ordinary Meeting held on 18 July 2017. It should be noted the advertised rates in the dollar were altered at that meeting from a 2% increase on 2016/17 rates in the dollar to 1.75%.

#### Comment

The budget has been prepared to include information required by the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards. The main features include the following:

## SPECIAL MEETING OF COUNCIL 28 JULY 2017

A Capital Works program totalling \$58.4m features:

• Paraburdoo Community Hub (CHUB)	\$15.4m
• WANDRRA Roadworks	\$10.5m
• Onslow Aerodrome	\$ 5.0m
• Staff Housing	\$ 3.0m
• Onslow Town Centre Development	\$ 3.0m
• Waste Services Facilities	\$ 3.3m
• Pilbara Underground Power Project PUPP	\$ 1.8m
• Roadworks	
○ Roebourne Wittenoom Road	\$3.20m
○ Unsealed Rural Road Resheeting	\$1.50m
○ Upgrade Stadium Rd Tom Price	\$0.75m
○ Sealed Roads	\$0.45m
• Drainage	\$1.70m
• Tourism	
○ Onslow Boardwalk	\$0.50m
○ Para Info Bay	\$0.40m
○ Tom Price Tourist Bay	\$0.48m
○ Tom Price & Pannawonica Caravan Park	\$0.19m
• Sports Clubs and Associations	
○ Cricket Pitches	\$0.15m
○ Onslow Bowling Club Green	\$0.32m
○ Onslow Swimming Pool Construction	\$0.05m
○ Pannawonica BMX Facility	\$0.07m
○ Tom Price Diamond Club Air Conditioner	\$0.04m
○ Paraburdoo and Tom Price Disc Golf	\$0.03m
○ Paraburdoo Tennis Court	\$0.10m
○ Paraburdoo Netball and Basketball	\$0.30m
○ Tom Price Bowls Club	\$0.50m
○ Tom Price Netball & Basketball	\$0.07m
○ Tom Price Pool	\$0.07m
○ Tom Price Squash Courts	\$0.08m

Government Grants and Contributions from the following sources are included:

• WANDRAA	\$10.5m
• RTIO for CHUB	\$ 5.6m
• Royalties for Regions for CHUB	\$ 5.0m
• Roads to Recovery	\$ 1.2m
• Regional Road Group	\$ 2.1m

The budget also includes borrowings for:

- \$1.0m to assist fund the PUPP in Onslow; and
- \$1.1m to assist fund the CHUB in Paraburdoo.

The 1.75% increase in the rate in the dollar for all properties is consistent with forecast inflations rates and local government cost indexes and despite a number of external cost pressures impacting on the Shire including increasing State Government fees and charges.



## SPECIAL MEETING OF COUNCIL 28 JULY 2017

Another important feature of this budget is the various ongoing efficiency gains, business and or service improvement changes either made by the organisation prior to budget adoption and or planned for the coming year in the following areas:

- reductions in Consultancy costs \$300,000;
- reductions in Learning and Development costs \$200,000;
- reductions in Insurance costs based on a performance based premium approach - predicted to be up to \$200,000 per annum;
- reviewing the need for and remuneration of each position as vacancies arise;
- reducing leased properties required for staff housing stock through acquisition of strategic assets;
- renegotiating rents downward for staff housing stock where it is required to retain them;
- disposal of under-utilised light fleet and plant;
- disposal of surplus minor plant and equipment;
- installation of LED lighting in Onslow reducing ongoing power cost and outages; and
- construction of a number of new assets as detailed in the Capital Works Program.

Going forward into 2017/18, further efficiencies, yet to be fully quantified, will be made in relation to employee costs in the areas of staff housing rents and, where able, the phasing out of Fly In Fly Out employee contracts. Additionally, a new policy for investments will facilitate a less conservative, yet still prudent, approach to earnings, forecast to collect an additional \$500,000 per annum in interest earnings on 2016/17.

Cash Reserves are forecast to remain at a stable level of \$35m after increasing by \$7.5m in 2016/17. Noteworthy is the creation of the following new Reserves:

1. Financial Risk Reserve to mitigate against Finance Risks including unfavourable SAT rulings;
2. A Waste Services Reserve, which will be similar in purpose to the Aerodrome Reserve in funding future Capital Projects;
3. A Joint Venture Housing Reserve to meet the requirements of the JV Housing Agreement; and
4. A Tom Price Administration Building Reserve to start a funding pool for a future replacement office in Tom Price, pursuant to the Long Term Financial Plan.

Finally, the *My Council* Financial Health Index (FHI) is forecast to remain stable at or around the benchmark rating of 70. In 2015/16 this index slipped back to 67, due to the Operating Surplus and Asset Sustainability ratios performing poorly, due to a heavy reliance on expansion of new assets as compared to spending on preservation of existing assets. The 2017/18 budget has been cast to begin improving these ratios with a budgeted small Operating Surplus factored in, as well as a focus for Capital Expenditure on renewals.

The 2017/18 Budget is shown as **ATTACHMENT 7.1**.

### **Consultation**

Acting Chief Executive Officer  
Directors  
Finance Manager  
Grants and Budgeting Officer  
Financial Services Co-ordinator  
Management Reporting Co-ordinator

## SPECIAL MEETING OF COUNCIL 28 JULY 2017

### **Statutory Environment**

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, (Absolute Majority required) in the form and manner prescribed, a budget for its Municipal Fund for the financial year ending on the next following 30 June.

The *Local Government Act 1995* [Section 5.63 (1)(b)] specifically excludes the need for Elected Members to "Declare a Financial Interest" in imposing a rate, charge or fee.

The Section reads as follows:

*"5.63(1) Sections 5.65, 5.70 and 5.71 do not apply to a relevant person who has any of the following interests in a matter –  
(b) an interest arising from the imposition of any rate, charge or fee by the local government;"*

Additionally, the declaration provisions of the Act do not apply to Council business reimbursements or to Members sitting fees. Any other interest, be it Financial, Proximity or Impartiality must be declared.

Divisions 5 and 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 2017/18 Annual Budget as presented meets the statutory requirements.

There is no legislative requirement to re-advertise differential rates, even if they are changed from the advertised figures.

### **Financial Implications**

The 2017/18 Budget has been guided by the Long Term Financial Plan and provides for the following income and expenditure:

Operating Income	\$85,724,085
Operating Expenditure	\$52,955,319
Capital Income	\$18,244,433
Capital Expenditure	\$59,454,198
Gross Turnover	\$112,409,517

### **Strategic Implications**

Shire of Ashburton 10 year Strategic Community Plan 2017-2027

Goal 5 – Inspiring Governance

Objective 1 – Effective Planning for the Future

### **Risk Management**

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Low".

### **Policy Implications**

ELM10 Financial Sustainability Policy

### **Voting Requirement**

Absolute Majority Required

## SPECIAL MEETING OF COUNCIL 28 JULY 2017

### Officers Recommendation

That with respect to the 2017/18 Budget, Council adopt the following:

1. For the purpose of yielding the deficiency disclosed by the proposed Municipal Fund Budget and pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995, Council impose the following differential general and minimum rates on Gross Rental and Unimproved Values.

Differential Rate Category	Rate in the \$	General \$	Lesser Minimum \$
GRV Commercial/Industrial	0.051954	1037.50	not applicable
GRV Residential/Community	0.051853	830.00	622.50
UV Mining/Industrial	0.389160	1037.50	not applicable
UV General	0.198472	1037.50	not applicable

2. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 64(2) of the Local Government (Financial Management) Regulations 1996, Council adopts the following due dates for the payment or rates by instalments:

- Option 1
  - o Payment in full by a single Instalment, due Thursday 14th September 2017
- Option 2
  - o 1st Instalment due Thursday 14th September 2017
  - o 2nd Instalment due Wednesday 24th January 2018
- Option 3:
  - o 1st Instalment due Thursday 14th September 2017
  - o 2nd Instalment due Wednesday 15th November 2017
  - o 3rd Instalment due Wednesday 24th January 2018
  - o 4th Instalment due Wednesday 28th March 2018

3. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 67 of the Local Government (Financial Management) Regulations 1996, Council adopt an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$14 for each instalment after the initial instalment is paid.
4. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 68 of the Local Government (Financial Management) Regulations 1996, Council adopt an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.
5. Pursuant to section 6.51(1) and subject to section 6.51(4) of the Local Government Act 1995 and regulation 70 of the Local Government (Financial Management) Regulations 1996, Council adopt an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

## SPECIAL MEETING OF COUNCIL 28 JULY 2017

### 6. Rates Concessions & Rates Waivers

6.1 Provide a concession to GRV Residential/Community properties whose valuations have increased from 2014/15 to 2017/18. The concession to be equivalent to the difference payable between 2014/15 valuations and the proposed 2017/18 GRV Residential/Community properties rate in the dollar (i.e. 0.051853), and 2017/18 valuations and the proposed 2017/18 rate in the dollar.

6.2 Provide a concession on application to Pastoral owners equivalent to the difference payable between an increase of 1.75% on 2016/17 rate in the dollar levels and the proposed 2017/18 (i.e. a rate in the dollar of 0.198472 and 2016/17 valuations) rate in the dollar if they meet the following criteria;

- the property is used predominantly for Pastoral purposes; and
- is the predominant income generated for the owner of the property; and
- meets the Australian Taxation Office guideline of whether or not a person is carrying on the business of primary production per Subsection 995-1 (1) of the Income Tax Assessment Act 1936.

6.3 Provide a concession on application to UV Tourism property owners equivalent to the difference payable between an increase of 1.75% on 2016/17 rate in the dollar levels and the proposed 2017/18 (i.e. a rate in the dollar of 0.198472 and 2016/17 valuations) rate in the dollar if they meet the following criteria;

- the property is used predominantly for Tourism purposes; and
- is the predominant income generated for the owner by the property.

6.4 Provide a 100% waiver to properties leased to Not for Profit Community groups, subject to it being provided for in their lease or being previously waived / applied in the 2016/17 financial year.

7. Pursuant to section 6.13 of the Local Government Act 1995 and regulation 19A of the Local Government (Financial Management) Regulations 1996, Council adopt an interest rate of 11% for any amount of money (other than rates and service charges) owing to the Local Government that remains unpaid after becoming due and payable.

### 8. Councillor Allowances

8.1 Pursuant to section 5.99 of the Local Government Act 1995 and regulation 30 of the Local Government (Administration) Regulations 1996, Council adopts the following annual fees for payment of elected members in lieu of individual meeting attendance fees:

- President \$30,841 pa
- Councillors \$23,000 pa

8.2 Pursuant to section 5.99A of the Local Government Act 1995, Council adopt the following annual local government allowance for elected members:

- Information & Communications Technology (ICT) Allowance \$500 pa

8.3 Pursuant to section 5.99A of the Local Government Act 1995, Council and regulation 32 of the Local Government (Administration) Regulations 1996 adopt the following annual local government allowance for elected members:

## SPECIAL MEETING OF COUNCIL 28 JULY 2017

- Child Care - the actual cost per hour or \$25 per hour, whichever is the lesser amount.
- 8.4 Pursuant to section 5.99A of the Local Government Act 1995 regulation 31 of the Local Government (Administration) Regulations 1996 Council adopts the following annual local government allowance for elected members:
- Travelling Expenses rate applicable to the reimbursement of travel and accommodations costs in the same or similar circumstances under the Public Service Award 1992 issued by the Western Australian Industrial Relations Commission as at the date of the current determination of the Salaries and Allowances Tribunal on Local Government Elected Council Members.
- 8.5 Pursuant to section 5.98(5) of the Local Government Act 1995, Council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:
- President \$62,727 pa
- 8.6 Pursuant to section 5.98A of the Local Government Act 1995, Council adopts the following annual local government allowance to be paid in addition of the annual meeting allowance:
- Deputy President \$15,682 pa
9. Pursuant to Section 6.16 of the Local Government Act 1995, Council adopts the Fees and Charges as previously approved by the Council at the Ordinary Council Meetings of June and July 2017, as per the attachment.
10. In Accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996, Council adopts the following materiality thresholds:
- | <b>Condition</b>  | <b>Action</b>  |
|---|----------------|
| Actual variances to Budget up to 5% of Budget                           | Don't Report   |
| Actual variances to Budget up to 10% of Budget Discretion               | Use Management |
| Actual Variance exceeding 10% and a greater value greater than \$20,000 | Must Report    |
11. In accordance with Section 6.11 of the Local Government Act 1995, Council establishes four (4) new Reserve accounts as follows:
- Financial Risk Reserve – to mitigate against Finance Risks including rate revaluations and appeals.
  - Waste Services Reserve – to fund Capital Projects for the Shires Waste Facilities.
  - Tom Price Administration Building Reserve – to fund a replacement Administration Office Building in Tom Price.
  - Joint Venture Housing Reserve – to fund refurbishment, maintenance and repairs on the Onslow Joint Venture Housing project.

## SPECIAL MEETING OF COUNCIL 28 JULY 2017

The Acting Chief Executive Officer advised that the Council has received correspondence from the Department of Local Government, Sport and Cultural Industries, dated 27 July 2017, advising that it believes that the Shire's potential decision to apply a differential rates strategy to provide concessions to Pastoral and Tourism landowners in the Unimproved (UV) General rate category is potentially in contravention of the Local Government Act 1995 and potentially liable for someone to appeal to the State Administrative Tribunal (SAT) with the result that the outcome could be, that the Tribunal subsequently squashes the rate(s) which forces re levying of the rates.

Their correspondence is tabled for Councillors information. Subsequent to this, the Acting Chief Executive Officer, in liaison with the Shire President, and notwithstanding that the approach is lawful in the view of the Acting Chief Executive Officer pursuant to section 6.47 of the Local Government Act 1995, the Shire replied to the Department and agreed that the Council would consider their request to defer Budget adoption until after re advertising of the proposed rates, without the concessions mentioned above. In other words, similar to the process that occurred in the 2016/17 year.

This will delay the proposed Budget adoption until late August (the deadline for Budget adoption, without approval from the Minister is 31 August).

Accordingly, the following alternative (replacement) officer recommendation is provided for the Meeting.

### **Alternative Officers Recommendation and Council Decision**

**MOVED: Cr L Rumble**

**SECONDED: Cr P Foster**

**That with respect to the 2017/18 Budget, Council:**

- 1. Defer Budget Adoption until a Special Meeting of Council is called for the purpose by the Shire President in late August 2017, after receiving approval from the Minister for Local Government, Sport and Cultural Industries for the differential rates; and**
- 2. Authorise re-advertising of the rates with objects and reasons for GRV and UV the same as 2016/17, with the advertised rate in the dollar increase of up to 2% from 2016/17, and closing at 12 noon on 21 August; and**
- 3. Note that the Council has considered the following in the amended rating differential rates proposed:**
  - a. The Budget deficiency (without levying the rates at the level indicated) including the likelihood and severity of potential valuation appeals and fluctuations in mining tenements; and**
  - b. The Budget efficiency and savings measures and additional facilities being constructed as detailed within the report; and**
  - c. The Corporate Business Plan and Long Term Financial Plan 2017; and**
  - d. The Rating Strategy 2017; and**
  - e. The request of the Department of Local Government, Sport and Cultural Industries dated 27 July 2017; and**
- 4. Following advertising of the Differential Rates, delegate authority to the Acting Chief Executive Officer to consider submissions and to make application to**

SPECIAL MEETING OF COUNCIL 28 JULY 2017

**the Minister for Local Government, Sport and Cultural Industries, pursuant to section 6.33 (3) of the Local Government Act 1995.**

**CARRIED BY ABSOLUTE MAJORITY 5/0  
Crs Rumble, Foster, Lynch, Diver and White voted for the motion**

**7.2 TENDER RFT 14/17 - ONSLOW AIRPORT RUNWAY EMBANKMENT  
REMEDICATION WORKS**

**MINUTE:** 33/2017

<b>FILE REFERENCE:</b>	CM14.17
<b>AUTHOR'S NAME AND POSITION:</b>	Nathan Benson Technical Services Coordinator
<b>AUTHORISING OFFICER AND POSITION:</b>	Troy Davis Director Infrastructure Services
<b>NAME OF APPLICANT/ RESPONDENT:</b>	Not Applicable
<b>DATE REPORT WRITTEN:</b>	21 July 2017
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and authorising officer have no financial, proximity or impartiality interests in the proposal.
<b>PREVIOUS MEETING REFERENCE:</b>	Agenda Item 15.1 (Minute No. 151/17) – Ordinary Meeting of Council 26 April 2017

**Summary**

A Request for Tender for Onslow Airport Runway Embankment Remediation Works (RFT 14/17) was issued via the Shire's e-tendering portal known as TenderLink and also advertised via state wide public notice in The West Australian Newspaper from 16 June 2017 until 12 July 2017.

Seven conforming tenders and two alternative tenders were received via TenderLink in response to the RFT.

The evaluation panel has now completed its assessment of the tender submissions and has made their recommendation.

**Background**

The Onslow Airport runway upgrade project was completed in late 2013. The project involved the construction of a new runway, taxiway and apron with these areas filled up to 4m above ground level, which predominately comprise tidal flats.

The constructed embankments utilised local borrow materials consisting of fine to medium grained sands with some protection provided via the use of a geotextile fabric with rock placed to secure it. Where no protection has been provided, significant erosion has taken place. Additionally, erosion has started to occur at the protected areas of the embankments as the protection measure have degraded over time.

Staff have been undertaking basic maintenance works after rain events to remediate the



## SPECIAL MEETING OF COUNCIL 28 JULY 2017

scouring, however the defects are increasing with the possibility they will encroach on the operational zone of the airstrip in a significant rain event.

Council considered a remediation proposal at the April 2017 Ordinary Meeting of Council and resolved the following:

*"That Council endorse the proposed Onslow Airport Runway Remediation Project proceeding to procurement via tender via Option 2 at an estimated cost of \$2.48m."*

The adopted remediation treatment involves removal of the existing treatments, re-shaping and compaction of the batters, installation of a proprietary geotextile specifically designed for coastal applications with sun and salt exposure, and replacement of the rock batter protection.

The selection criteria were based upon the Services category as per Council's FIN 14 Tender Evaluation Criteria Policy. The advertised selection criteria were:

Criteria		Weighting
(a)	Relevant Experience	10%
(b)	Key Personnel	10%
(c)	Past Company Performance	10%
(d)	Tenderers Resources	5%
(e)	Plant, Equipment & Materials	5%
(f)	Methodology	10%
(g)	Price	50%

After initial compliance assessment, all submissions were deemed compliant for further assessment. The evaluation panel then assessed the submissions against the selection criteria and value for money.

The Evaluation and Recommendation Report, including the overall evaluation scores and rankings, is attached as a confidential item.

### CONFIDENTIAL ATTACHMENT 7.2

#### Comment

The tenders have been assessed with the below scores and rankings. Complete details of the tenders and assessment are provided in Attachment A.

Rank	Tenderer	Score (/100)
1	Drilline Pty Ltd	81.0
2	NTC Contracting	73.8
3	Norwest Contracting (Alternative Tender)	66.6
4	Dowsing Group	64.5
5	BMD Pty Ltd	63.2
6	Norwest Contracting (Conforming Tender)	60.1
7	Formstruct Pty Ltd	58.7
8	Onslow Hire (Alternative Tender)	18.5
6	Onslow Hire (Conforming Tender)	16.2

The evaluation panel concluded Drilline Pty Ltd to be the most suitable and value for money submission in relation to RFT 14/17.

**Consultation**

Director Infrastructure Services  
Airport Manager  
Manager Operations  
Technical Officers  
External Consultant – JJ Ryan Consulting Pty Ltd

**Statutory Environment**

Local Government Act 1995 Section 5.23(2)(c)  
Part 4 of the Local Government (Functions and General) Regulations 1996  
Civil Aviation Act 1988  
The Civil Aviation Safety Regulations 1988 (CASR) Part 61  
Manuals of Standards (MOS)

**Financial Implications**

The budget for these works is \$2.48M funded from the Airport Reserve and was based on the cost estimate prepared by the Consultant engaged to undertake the investigations and design.

It is noted that the preferred tendered price is significantly lower than the original estimate. This is due to the fact that the recommended tenderer, who is local to Onslow, has been able to procure materials, plant and labour at significantly cheaper rates than those anticipated when the cost estimate was prepared. Considering the large quantum of works included in the project, the extension of these cheaper rates has resulted in a significant cost saving.

Also, there are two items within the schedule of rates that are unable to be quantified until the existing rock protection material is removed from the batters, and have therefore been tendered as “Rate Only” items and not included in the tender lump sum. These “Rate Only” items involve importing new fill and rock materials to supplement what is already there, should it be unsuitable.

If the absolute worst case scenario is considered, and none of the existing rock protection and select fill materials are suitable for re-use, additional costs over and above the tendered lump sum of up to \$600,000 may be incurred. This scenario would put the total project cost, at \$1,235,000. An analysis of other tenderer’s “Rate Only” items was conducted, and Drilline Pty Ltd remains the preferred tenderer after the additional items are applied.

Any savings from these lower project costs will therefor reduce the required drawn down from the Airport Reserve (in replenishing the Municipal Fund expenditure related to the project).

**Strategic Implications**

Shire of Ashburton 10 Year Community Strategic Plan 2017 -2027  
Goal 4 – Quality Services and Infrastructure  
Objective 01 – Quality public infrastructure  
Objective 02 – Accessible and safe towns

**Risk Management**

This item has been evaluated against the Shire of Ashburton’s Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be “Extreme”. The high level of risk is being driven by the high fact that the work is adjacent to the runway of a working airport. It is considered that the likelihood of a risk event occurring is “Rare” but it will be managed by specific monitoring and response procedures, including strict adherence to all CASA regulations and procedures, overseen by the relevant Senior Managers.

## SPECIAL MEETING OF COUNCIL 28 JULY 2017

Additionally the works will be conducted as “Night Works” to avoid the Regular Passenger Transport flight times.

### **Policy Implications**

Policy FIN12 Shire of Ashburton Purchasing Policy. This Policy outlines how the Shire of Ashburton will deliver best practice in the purchasing of goods, services and works that align with the principles of transparency, probity and good governance whereby establishing efficient, effective, economical and sustainable procedures in all purchasing activities. This Policy was used to undertake the procurement process through a publically advertised RFT.

Policy FIN14 Shire of Ashburton Tender Evaluation Criteria. This policy establishes the evaluation criteria for Council procurement in three Procurement categories, Plant, Services and Infrastructure. This RFT utilised evaluation criteria as set out in FIN14.

### **Voting Requirement**

Simple Majority Required

#### **Officers Recommendation and Council Decision**

**MOVED: Cr P Foster**

**SECONDED: Cr M Lynch**

**That with respect to Tender RFT 14/17 – Onslow Airport Runway Remediation Works; Council:**

- 1. Award the tender to Drilline Pty Ltd for \$634,902.57 excluding GST; and**
- 2. Authorise the Chief Executive Officer to enter into a contract with the appointed Contractor; and**
- 3. Authorise the Chief Executive Officer to manage the Contract, including variations to the design specifications and contract value, providing this does not exceed the project budget or reduce the overall scope; and**
- 4. Recognises that additional costs, as indicated in the body of the report, over and above the fixed component of the contract sum, may be incurred during the course of the works, pending the suitability of existing rock protection and select fill materials, with these costs derived from the tendered unit rates accepted under the contract for the project.**

**CARRIED 5/0**

**Crs Rumble, Foster, Lynch, Diver and White voted for the motion**

### **8. NEXT MEETING**

The next Ordinary Meeting of Council will be held on 15 August 2017, at the Council Chambers, Onslow Shire Complex, Second Avenue, Onslow, commencing at 1.00 pm.

### **9. CLOSURE OF MEETING**

The Presiding Member closed the meeting at 7.37 pm.