



SHIRE OF CARNARVON
MINUTES
ORDINARY COUNCIL MEETING
TUESDAY 23 JULY 2024

CONFIRMATION OF MINUTES

These minutes were confirmed by the Council on

as a true and accurate record

Chairman

Gwoonwardu Mia Aboriginal Cultural Centre
Robinson Street, Carnarvon, West Australia

Phone: (08) 9941 000

Fax: (08) 9941 1099

Website – www.carnarvon.wa.gov.au

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Carnarvon for any act, omission or statement or intimation occurring during Council/Committee Meetings or during formal/informal conversations with Staff or Councillors. The Shire of Carnarvon 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/Committee Meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's 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 licence, any statement or limitation of approval made by a member or officer of the Shire of Carnarvon during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Carnarvon. The Shire of Carnarvon warns that anyone who has an application lodged with the Shire of Carnarvon must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Carnarvon in respect of the application.

To be noted that, in accordance with Regulation 11 of the Local Government (Administration) Regulations 1996, the minutes of the Council Meeting are a record of the decisions of the Council, any additional officers' advice, and explanatory notes as required. The minutes contain a summary of questions asked by members of the public and the answers given. The minutes **are not** a transcript of the proceedings of the meetings.

INFORMATION ON PUBLIC QUESTION TIME

The following information is provided should you wish to ask a question of Council at the Ordinary Meetings held on a monthly basis.

Please note that questions that have not been filled out on the Submission Form will not be accepted.

- The Local Government Act 1995 allows members of the public to ask questions in regard to any issue relating to the Shire.
- A maximum of 15 minutes will be allowed for public question time and the Presiding Member will allow a maximum of three (3) verbal/written questions per person.
- Prior to asking a question, the speaker must state his/her name and address.
- Members of the public are discouraged from asking questions which contain defamatory remarks, offensive language or questioning the competency of staff or Council members.
- The Presiding Member may nominate a member or officer to answer the question and may also determine that any complex questions requiring research be taken on notice and answered in writing.
- No debate or discussion is allowed to take place on any question or answer.
- A summary of each question asked and the response given will be included in the minutes of the meeting –

Local Government (Administration) Regulations 1996 – Pt 2, r.11 – (in part reads -)

11. Minutes, content of (Act s.5.25(1)(f))

The content of minutes of a meeting of a council or a committee is to include –

(e) a summary of each question raised by members of the public at the meeting and a summary of the response to the question.

Responses to questions that are taken on notice will be responded to as soon as possible.

- If you wish to ask a question, please complete the Public Question Time Submission Form at the back of this information sheet. Alternatively, questions can be submitted in writing to the Shire of Carnarvon 3 days prior to the meeting.

SPECIAL MEETINGS OF COUNCIL

Members of the public are welcome to attend a Special Meeting of Council if open, and ask questions of the Council within the allotted public question time **subject to the questions being asked only relating to the purpose of the Special Meeting** (s5.23 of the Act and regulation 12 (4) of the Local Government (Administration) Regulations 1996, the Department of Local Government and Communities Guide to Meetings and Governance Bulletin April 2014 and Guideline No. 3 Managing Public Question Time.)

INDEX

1	ATTENDANCE, APOLOGIES & APPROVED LEAVE OF ABSENCE	6
2	DECLARATIONS OF INTEREST	6
3	PUBLIC QUESTION TIME	6
	3.1 PUBLIC QUESTION TIME	7
4	CONFIRMATION AND RECEIVING OF MINUTES.....	8
	CONFIRMATION OF MINUTES	8
	4.1 Minutes of the Ordinary Council Meeting - 25 June 2024.....	8
	4.2 Minutes of the Special Council Meeting - 16 July 2024	8
	RECEIVING OF MINUTES	9
	4.3 Minutes of the Regional Road Group Meeting - 21 June 2024.....	9
	4.4 Minutes of the Gascoyne Zone Meeting - 21 June 2024	9
	4.5 Minutes of Audit & Risk Committee Meeting - 25 June 2024	9
5	ANNOUNCEMENTS BY THE PRESIDENT WITHOUT DISCUSSION.....	9
6	PRESENTATIONS, PETITIONS AND MEMORIALS.....	9
	Nil	
7	DEPARTMENTAL REPORTS	10
	7.1 GOVERNANCE.....	10
	7.1.1 Actions Performed Under Delegated Authority for the Months of June and July 2024.....	10
	7.1.2 Request for Deed of Extension of Lease - Avis Car Hire, Portion of Lot 547, Portion of Terminal and Car Parking at Carnarvon Airport.....	14
	7.1.3 Request for Deed of Extension of Lease - Budget Car Hire, Portion of Lot 547, Portion of Terminal and Car Parking at Carnarvon Airport.....	17
	7.2 CORPORATE SERVICES	20
	7.2.1 Accounts Paid under Delegation June 2024.....	20
	7.2.2 A1644-Approval to Act Mediation Orders	24
	7.2.3 Regional Express Airlines Fee Waiver Request	28
	7.2.4 Monthly Financial Report June 2024.....	32
	7.3 DEVELOPMENT AND COMMUNITY SERVICES	36
	Nil	
	7.4 INFRASTRUCTURE SERVICES.....	37
	7.4.1 Request for Quotation (RFQ) 05/2024 Separable Portion A - Repair Town Levees.....	37

Cr Vandeleur declared an Impartial Interest in this matter as he is the Director of Tremor who were asked to submit a quote but declined. Cr Vandeleur was not required to leave the meeting. 37

7.4.2 Regional Airports Development Scheme (RADS) Funding 2025-2027 Project Nominations 41

7.4.3 Contract variation RFT 12-2022 Flood Preparedness Project Gascoyne River Flood Modelling..... 46

Cr Skender declared an Impartiality Interest in this item as his partner is the author of the report. Cr Skender was not required to leave the meeting..... 46

8 APPLICATIONS FOR LEAVE OF ABSENCE 50

9 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN 50

Nil

10 QUESTIONS FROM MEMBERS WITHOUT NOTICE..... 50

11 URGENT BUSINESS APPROVED BY THE PRESIDING MEMBER OR BY A DECISION OF THE COUNCIL..... 50

12 MATTERS FOR WHICH MEETING TO BE CLOSED TO MEMBERS OF THE PUBLIC 50

Nil

13 DATE OF NEXT MEETING..... 50

14 CLOSURE 50

The meeting was declared open by the Presiding Member at 1.00pm

The Shire of Carnarvon acknowledges and respects the Yinggarda (Carnarvon) and Baiyungu (Coral Bay) as the traditional custodians of the lands where we live and work. We pay our respects to Elders, past, present and emerging. The Shire of Carnarvon is committed to honouring the traditional custodians' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

1 ATTENDANCE, APOLOGIES & APPROVED LEAVE OF ABSENCE

Mr Eddie Smith Presiding Member/Shire President
 Cr Burke Maslen Councillor, Gascoyne/Minilya Ward
 Cr Adam Cottrell Councillor, Coral Bay Ward
 Cr Marco Ferreira Councillor, Plantation Ward
 Cr Luke Skender Councillor, Town Ward
 Cr Luke Vandeleur Councillor, Town Ward
 Cr Paul Kelly Councillor, Town Ward
 Cr Dudley Maslen Councillor, Town Ward

Mr John Attwood Acting Chief Executive Officer
 Mr David Nielsen Executive Manager, Infrastructure Services
 Mr Alan Thornton Deputy Chief Executive Officer
 Mrs Danielle Hill Senior Executive Officer

Apologies Nil
Leave of Absence Nil
Press..... Nil
Observers Nil

2 DECLARATIONS OF INTEREST

(Elected Members and Officers are reminded of the requirements of Section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting or when the matter is to be discussed.)

Cr Luke Skender (Impartiality Interest) – Item 7.4.3 – Contract Variation RFT 12-2022 Flood Preparedness Project Gascoyne River Flood Modelling

Cr Luke Vandeleur (Impartiality Interest) – Item 7.4.1 – RFQ for Quotation 05/2024 Separable Portion A – Repair Town Levees

3 PUBLIC QUESTION TIME

(In accordance with Section 5.24 of the Local Government Act 1995, a 15 minute public question time is made available to allow members of the public the opportunity of questioning Council on matters concerning them. All questions are to be provided on the Public Question Time Submission Form.)

QUESTIONS TAKEN ON NOTICE FROM PREVIOUS MEETING

Following questions were taken on notice at the June 2024 Council Meeting and submitted by Mrs Brooke Maslen -

Question 2 – Will the Shire get several readings in several areas of the radio frequency electromagnetic spectrum frequency before and after it is switched on?

No, the telecommunications company must ensure compliance with relevant regulations. The applicant has provided an Environmental Electromagnetic Energy (EME) report. This report provides a summary of levels of radiofrequency (RF) electromagnetic energy (EME) around the proposed wireless base station. The levels were calculated by Telstra using methodology developed by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA).

The report states that the maximum EME level calculated for the proposed changes at this site is 0.53% out of 100% of the public exposure limit, 180m from the location. As such the facility is not considered to be a hazard to the surrounding community.

If you believe a Telco has not followed the rules in the Deployment Code, you can make a complaint to the Australian Communications and Media Authority (ACMA). You will need to specify the part or parts of the Deployment Code you think have been breached, and provide copies of your complaint to the Telco and the Telco's response.

Question 3 – What will the Shire do to protect the assault on the children, the elderly and the sick and pregnant women and the rest of the community and visitors exposed to these dangerous emissions?

Response: Please refer to question 2 above.

Question 4 – Can the approval be brought back to Council for further consideration.

Response: Officers will not be bringing this matter before Council as the applicant has received development approval, the mobile tower is already constructed and will be in operation soon.

Following questions were taken on notice at the June 2024 Council Meeting and submitted by Mr Kim Wiffen -

Question 1 - Can the Council provide us with a baseline reading before and after the tower and infrastructure is installed and operational?

Response: The Shire does not have the equipment to undertake such readings. A report has been provided as part of the application stating that the electromagnetic energy levels will be far below the allowable public exposure limit. Please contact the Telstra for further readings when the tower is operational.

Question 3 – Can anyone on this Council explain what 5G is and how it works and the importance of installing it in this town area and how many more towers they are expecting to install considering there will now be 3 mobile phone towers within 2km of each other?

Response: 5G is the fifth generation of mobile networks. It is a new wireless standard that promises faster, smarter, and more connected devices. A great deal of information is also available on the Internet about 5G.

The Shire is not aware of more towers to be installed in the short term. However, that could change in the future as the need for more network coverage increases and should applications be received, they will be considered on their merit at the time.

3.1 PUBLIC QUESTION TIME

There was no public question time.

4 CONFIRMATION AND RECEIVING OF MINUTES

CONFIRMATION OF MINUTES

4.1 Minutes of the Ordinary Council Meeting - 25 June 2024

4.2 Minutes of the Special Council Meeting - 16 July 2024

MOTION

RESOLUTION OCM 01/07/24

Moved: Cr Luke Vandeleur

Seconded: Cr Burke Maslen

That Council consider Item 4.1 and 4.2 enbloc.

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

MOTION

COUNCIL RESOLUTION OCM 02/07/24

Moved: Cr Luke Vandeleur

Seconded: Cr Marco Ferreirinha

That the minutes of the Ordinary Council Meeting held on 25 June 2024 and the minutes of the Special Council Meeting held on 16 July, 2024 be confirmed as a true record of proceedings subject to the Councillor attendance figures at the Special Council Meeting being amended to read eight and not nine as appears in the minutes.

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly and Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

RECEIVING OF MINUTES

- 4.3 Minutes of the Regional Road Group Meeting - 21 June 2024
- 4.4 Minutes of the Gascoyne Zone Meeting - 21 June 2024
- 4.5 Minutes of Audit & Risk Committee Meeting - 25 June 2024

MOTION

COUNCIL RESOLUTION OCM 03/07/24

Moved: Cr Luke Vandeleur

Seconded: Cr Burke Maslen

That Council consider Items 4.3, 4.4 and 4.5 being moved enbloc.

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

MOTION

COUNCIL RESOLUTION OCM 04/07/24

Moved: Cr Burke Maslen

Seconded: Cr Luke Skender

That the minutes of –

- 1. Regional Road Group Meeting – 21 June 2024;*
- 2. Gascoyne Zone Meeting – 21 June 2024; and*
- 3. Audit and Risk Management Committee Meeting – 25 June 2024*

be received.

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

5 ANNOUNCEMENTS BY THE PRESIDENT WITHOUT DISCUSSION

President Smith wished to acknowledge the sad passing of Betty Fletcher known as “Queen of the Gascoyne” who was well respected and loved by the Gascoyne Junction and Carnarvon community.

6 PRESENTATIONS, PETITIONS AND MEMORIALS

Nil

7 DEPARTMENTAL REPORTS

7.1 GOVERNANCE

7.1.1 ACTIONS PERFORMED UNDER DELEGATED AUTHORITY FOR THE MONTHS OF JUNE AND JULY 2024

File No:	ADM0043
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Dannielle Hill, Senior Executive Officer
Authoriser:	Andrea Selvey, Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	Monthly Report
Schedules:	Nil

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Item

To report on actions performed under delegated authority for the months of June and July 2024.

Background

In accordance with the conditions of delegation and to increase transparency this report has been prepared for Council and includes all actions performed under delegated authority for:

- Development Approvals issued;
- Building Permits issued;
- Health Approvals issued; and
- Affixing of Common Seal.

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government Act 1995 - Section 9.49A
 Planning & Development Act 2005 – Part 10 Div. 2
 TPS No. 10 – Section 2.4
 Shire of Carnarvon Local Government Act Local Laws S.29
 Health Act 1911 – S.107; Health Act 1911, Part VI
 Health (Public Buildings) Regulations 1992

Relevant Plans and Policy

Nil

Financial Implications

There are no financial implications arising from receiving this report.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating (Consequence x likelihood)	Mitigating Action/s
Financial	N/A		
Health & Safety	N/A		
Reputation	Non-compliance with statutory requirements would result in reputational damage to the Shire	Low	This agenda item aims to ensure that the Shire is compliant.
Service disruption	N/A		
Compliance	That the performed delegations are not reported to Council	Low	This agenda item aims to ensure that the Shire is compliant in reporting delegated authority actions
Property	N/A		
Environment	N/A		
Fraud	N/A		

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our economy fosters investment and productivity in industries befitting Carnarvon’s physical and natural environment and that grows our horizons*

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

The following table detailing the actions performed within the organisation under delegated authority for the months of June and July 2024 are submitted to Council for information.

COMMON SEAL

DATE	DOCUMENT
20.06.24	Contract for the Provision of Building Surveying Services
10.07.24	Deed Extension – Don McLeod Judo Hall
10.07.24	Lease – Minister Education – 39 Egan Street
16.07.24	Employment Contract - CEO

ENVIRONMENTAL HEALTH

Food—Food Act 2008

Date of decision	Decision Ref.	Decision details	Applicant	Other affected person(s)
12/7/24	HFO24/006	Food business registration (home-based), Pretty Cake Printables, 8 Geyer Place, Brockman	Sarah Abreu	

PLANNING & DEVELOPMENT

Planning and Development Act (Local Planning Schemes) Regulations 2015 Schedule 2 Clause 68					
Applications to use/develop land					
File Ref:	Application Ref:	Subject Land (Incl. Scheme No)	Purpose	Applicant/ Proponent	Date Granted
A3271	P31/24	Lot 12 (28) Robinson St, Coral Bay	Promotion of Scenic Helicopter Flights	Scenic Helicopters	10/07/2024

Hawkers, traders and stall holders

Shire of Carnarvon Local Government Act Local Laws, s.29

Date of decision	Decision Ref.	Decision details	Applicant	Other affected person(s)
25/06/2024	P30/24	Approved – Mobile Trading	William Korver T/A Knives R us	Nil Nil
12/07/2024	P32/24	Approved – Mobile Trading	The Twisted Kitchen	Nil Nil

BUILDING

Application No.	Owners Name	Lot & Street	Type of Building Work
B24/059	Batavia Holdings Pty Ltd	Lot 10 (16) Robinson St, Coral Bay	Five Chalets, Twelve Caravan Sites with Ensuities, Caretaker Unit, Laundry/Storage Shed

OFFICER'S RECOMMENDATION

That Council, by Simple Majority, in accordance with Section 5.46 of the Local Government Act, resolves to accept the reports outlining the actions performed under delegated authority for June and July 2024.

COUNCIL RESOLUTION OCM 05/07/24

Moved: Cr Luke Vandeleur

Seconded: Cr Burke Maslen

That Council, by Simple Majority, in accordance with Section 5.46 of the Local Government Act, resolves to accept the reports outlining the actions performed under delegated authority for June and July 2024.

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

7.1.2 REQUEST FOR DEED OF EXTENSION OF LEASE - AVIS CAR HIRE, PORTION OF LOT 547, PORTION OF TERMINAL AND CAR PARKING AT CARNARVON AIRPORT

File No:	ADM0230
Location/Address:	Portion of Lot 547, Carnarvon Airport
Name of Applicant:	Avis Car Hire (Norcoast Holdings Pty Ltd)
Name of Owner:	Shire of Carnarvon
Author(s):	Caroline Ballard, Governance & Information Coordinator
Authoriser:	John Attwood, Acting Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	N/A
Schedules:	<ol style="list-style-type: none"> 1. Avis Car Hire Desktop Market Rental Valuation Report 2024 2. Sketch and Aerial View of premises at Carnarvon Airport

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

This report details a request from Avis Car Hire (Norcoast Holdings Pty Ltd) (Lessee) seeking a Deed of Extension of a lease over the Portion of Lot 547, being a portion of both the Terminal building and Car Parking at Carnarvon Airport (**Schedule 2**). It is recommended that Council approve the renewal of the lease.

Background

An initial lease for a portion of both the Terminal building and Car Parking Portion of Lot 547, Carnarvon Airport commenced on 2 September 2019 for an initial period of 5 years, with an option to renew for a further 5 years. The current lease expires on 1 September 2024; the Shire received a request to renew the lease on 6 May 2024. A market valuation report (**Schedule 1**) was prepared in June 2024 by Asset Valuation Advisory which provides an in-depth market rental analysis and comparisons, the report summarises a market rental value of \$6,000 (ex. GST).

Stakeholder and Public Consultation

N/A

Statutory Environment

Local Government Act 1995 section 3.58 Disposal of Property

Relevant Plans and Policy

Policy CF018 Lease and Licensing Classification; Tier Three – Commercial Licence

Financial Implications

The cost of preparation of the lease, market valuation, advertising and maintenance will be paid by the lessee in accordance with Policy CF018.

This lease proposal will guarantee a set income of \$6,000 per annum (ex.GST) through an annual lease rental charge to be paid by the lessee, based on the valuation report. The rental fee will be reviewed annually (at the anniversary of commencement) based on CPI for the preceding quarter.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Commercial leases revenues within Carnarvon are an important income for the Shire.	C2 - Moderate	Renewing the lease mitigates the risk of loss of income to the Shire of Carnarvon
Health & Safety	N/A		
Reputation	N/A		
Service disruption	N/A		
Compliance	N/A		
Property	N/A		
Environment	N/A		
Fraud	N/A		

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our economy fosters investment and productivity in industries befitting Carnarvon’s physical and natural environment and that grows our horizons*

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

Consistent with other commercial leases and licences in and around Carnarvon Airport Precinct it is recommended that Council grant a Deed of Extension of the lease for a five (5) year term in accordance with property disposal provisions under the *Local Government Act, 1995* and secure a continuing revenue stream.

OFFICER'S RECOMMENDATION

That Council, by Simple Majority, pursuant to Section 3.58 of the Local Government Act 1995, and the Shire of Carnarvon Policy CE018 Lease and Licensing Classification – Tier Three, resolves to:

1. ***exercise the option and renew the lease with Avis Car Hire (Norcoast Holdings Pty Ltd) over a Portion of Lot 547 being a portion of both the Terminal building and Car Parking at Carnarvon Airport, for a further five-year term subject to:***
 - a. ***an annual licence fee of \$6,000 (ex GST) per annum;***
 - b. ***conformity with the statutory provisions for 'Disposal of Property' under Section 3.58 of the Local Government Act, 1995; and***
 - c. ***lease administration and document preparation is prepared at the Lessee's cost to be invoiced to the Lessee upon execution of the lease.***
2. ***advertise by local public notice for a period of not less than two (2) weeks, its intention to renew the lease over a Portion of Lot 547 being a portion of both the Terminal building and Car Parking at Carnarvon Airport; and***
3. ***authorise the CEO to negotiate the details of the lease with the Lessee as outlined above, subject to no objections being received to the Public Notice for the proposed Disposal of Property.***

COUNCIL RESOLUTION OCM 06/07/24

Moved: Cr Dudley Maslen

Seconded: Cr Paul Kelly

That Council, by Simple Majority, pursuant to Section 3.58 of the Local Government Act 1995, and the Shire of Carnarvon Policy CE018 Lease and Licensing Classification – Tier Three, resolves to:

1. ***exercise the option and renew the lease with Avis Car Hire (Norcoast Holdings Pty Ltd) over a Portion of Lot 547 being a portion of both the Terminal building and Car Parking at Carnarvon Airport, for a further five-year term subject to:***
 - a. ***an annual licence fee of \$6,000 (ex GST) per annum;***
 - b. ***conformity with the statutory provisions for 'Disposal of Property' under Section 3.58 of the Local Government Act, 1995; and***
 - c. ***lease administration and document preparation is prepared at the Lessee's cost to be invoiced to the Lessee upon execution of the lease.***
2. ***advertise by local public notice for a period of not less than two (2) weeks, its intention to renew the lease over a Portion of Lot 547 being a portion of both the Terminal building and Car Parking at Carnarvon Airport; and***
3. ***authorise the CEO to negotiate the details of the lease with the Lessee as outlined above, subject to no objections being received to the Public Notice for the proposed Disposal of Property.***

1.

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

7.1.3 REQUEST FOR DEED OF EXTENSION OF LEASE - BUDGET CAR HIRE, PORTION OF LOT 547, PORTION OF TERMINAL AND CAR PARKING AT CARNARVON AIRPORT

File No:	ADM0222
Location/Address:	Portion of Lot 547, Carnarvon Airport
Name of Applicant:	Budget Car Hire (Chalkwest Pty Ltd)
Name of Owner:	Shire of Carnarvon
Author(s):	Caroline Ballard, Governance & Information Coordinator
Authoriser:	John Attwood, Acting Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	N/A
Schedules:	<ol style="list-style-type: none"> 1. Budget Car Hire Desktop Market Rental Valuation Report 2024 2. Sketch and Aerial View of premises at Carnarvon Airport

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

This report details a request from Budget Car Hire (Chalkwest Pty Ltd) (Lessee) seeking a Deed of Extension of a lease over the Portion of Lot 547, being a portion of both the Terminal building and Car Parking at Carnarvon Airport (**Schedule 2**). It is recommended that Council approve the renewal of the lease.

Background

An initial lease for a portion of both the Terminal building and Car Parking Portion of Lot 547, Carnarvon Airport commenced on 2 September 2019 for an initial period of 5 years, with an option to renew for a further 5 years. The current lease expires on 1 September 2024; the Shire received a request to renew the lease on 6 May 2024. A market valuation report (**Schedule 1**) was prepared in June 2024 by Asset Valuation Advisory which provides an in-depth market rental analysis and comparisons, the report summarises a market rental value of \$7,000 (ex. GST).

Stakeholder and Public Consultation

N/A

Statutory Environment

Local Government Act 1995 section 3.58 Disposal of Property

Relevant Plans and Policy

Policy CF018 Lease and Licensing Classification; Tier Three – Commercial Licence

Financial Implications

The cost of preparation of the lease, market valuation, advertising and maintenance will be paid by the lessee in accordance with Policy CF018.

This lease proposal will guarantee a set income of \$7,000 per annum (ex.GST) through an annual lease rental charge to be paid by the lessee, based on the valuation report. The rental fee will be reviewed annually (at the anniversary of commencement) based on CPI for the preceding quarter.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Commercial leases revenues within Carnarvon are an important income for the Shire.	C2 - Moderate	Renewing the lease mitigates the risk of loss of income to the Shire of Carnarvon
Health & Safety	N/A		
Reputation	N/A		
Service disruption	N/A		
Compliance	N/A		
Property	N/A		
Environment	N/A		
Fraud	N/A		

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our economy fosters investment and productivity in industries befitting Carnarvon’s physical and natural environment and that grows our horizons*

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

Consistent with other commercial leases and licences in and around Carnarvon Airport Precinct it is recommended that Council grant a Deed of Extension of the lease for a five (5) year term in accordance with property disposal provisions under the *Local Government Act, 1995* and secure a continuing revenue stream.

OFFICER'S RECOMMENDATION

That Council, by Simple Majority, pursuant to Section 3.58 of the Local Government Act 1995, and the Shire of Carnarvon Policy CE018 Lease and Licensing Classification – Tier Three, resolves to:

1. ***exercise the option and renew the lease with Budget Car Hire (Chalkwest Pty Ltd) over a Portion of Lot 547 being a portion of both the Terminal building and Car Parking at Carnarvon Airport, for a further five-year term subject to:***
 - a. ***an annual licence fee of \$7,000 (ex GST) per annum;***
 - b. ***conformity with the statutory provisions for 'Disposal of Property' under Section 3.58 of the Local Government Act, 1995; and***
 - c. ***lease administration and document preparation is prepared at the Lessee's cost to be invoiced to the Lessee upon execution of the lease.***
2. ***advertise by local public notice for a period of not less than two (2) weeks, its intention to renew the lease over a Portion of Lot 547 being a portion of both the Terminal building and Car Parking at Carnarvon Airport; and***
3. ***authorise the CEO to negotiate the details of the lease with the Lessee as outlined above, subject to no objections being received to the Public Notice for the proposed Disposal of Property.***

CCOUNCIL RESOLUTION OCM 07/07/24

Moved: Cr Paul Kelly

Seconded: Cr Burke Maslen

That Council, by Simple Majority, pursuant to Section 3.58 of the Local Government Act 1995, and the Shire of Carnarvon Policy CE018 Lease and Licensing Classification – Tier Three, resolves to:

1. ***exercise the option and renew the lease with Budget Car Hire (Chalkwest Pty Ltd) over a Portion of Lot 547 being a portion of both the Terminal building and Car Parking at Carnarvon Airport, for a further five-year term subject to:***
 - a. ***an annual licence fee of \$7,000 (ex GST) per annum;***
 - b. ***conformity with the statutory provisions for 'Disposal of Property' under Section 3.58 of the Local Government Act, 1995; and***
 - c. ***lease administration and document preparation is prepared at the Lessee's cost to be invoiced to the Lessee upon execution of the lease.***
2. ***advertise by local public notice for a period of not less than two (2) weeks, its intention to renew the lease over a Portion of Lot 547 being a portion of both the Terminal building and Car Parking at Carnarvon Airport; and***
3. ***authorise the CEO to negotiate the details of the lease with the Lessee as outlined above, subject to no objections being received to the Public Notice for the proposed Disposal of Property.***

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

7.2 CORPORATE SERVICES

7.2.1 ACCOUNTS PAID UNDER DELEGATION JUNE 2024

File No:	ADM0186
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Giang Nguyen, Creditors Officer
Authoriser:	Alan Thornton, Deputy Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	Monthly Report
Schedules:	<ol style="list-style-type: none"> 1. Schedule 1 - Accounts for Payment in June 2024 2. Schedule 2 - Credit Cards Reconciliation 23.05.2024 - 23.06.2024

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

To present the listing of accounts paid under delegation from the Municipal Fund and Trust Fund, in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996*, for the month of June 2024.

Background

Council has delegated to the CEO the exercise of its power under Financial Management Regulation 12 to make payments from Municipal Fund and Trust Fund (Delegation 1.2.20) with a statutory condition on the delegation that a list of all payments is to be recorded in the Council Minutes. The list of payments is provided at Schedule 1 and 2 attached.

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government Act 1995 – Section 5.42

Local Government (Financial Management) Regulations 1996 – Regulations 12 and 13

Relevant Plans and Policy

Nil

Financial Implications

Nil as all payments have been made in accordance with the Council adopted budget.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Payments are made without appropriate budget authority	Low	Internal controls are in place to manage this potential risk
Health & Safety	N/A	N/A	N/A
Reputation	N/A	N/A	N/A
Service disruption	N/A	N/A	N/A
Compliance	N/A	N/A	N/A
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A
Fraud	Accounting Fraud	Moderate	Internal controls are in place, including background checks and regular updates of Sundry Creditors. Sign off by SFO of any Creditor changes (Bank Accounts).

Community and Strategic Objectives

The tabling of information relative to payments made under delegation aligns itself with no specific objective as expressed in the Community Strategic Plan 2022-2032. It is solely a legislative requirement common to all local governments within Western Australia. Without compliance in this regard, achieving strategic or community objectives would be at risk.

OBJECTIVES

In 2040 Carnarvon is a place where:

- N/A

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

Nil

OFFICER’S RECOMMENDATION

That Council, by Simple Majority pursuant to Section 3.18 of the Local Government Act, 1995, resolves to:

- 1. receive the list of payments made under delegation, as per Schedule 1 at a total value of \$\$1,786,241.99 as presented for the month of June 2024, incorporating the following; and***

<i>Payment Reference from:</i>	<i>Payment Reference to:</i>	<i>Payment Type</i>	<i>Payment Amount</i>
<i>EFT41513</i>	<i>EFT41717</i>	<i>Muni EFT</i>	<i>\$936,495.28</i>
<i>-</i>	<i>-</i>	<i>Trust EFT</i>	<i>\$0.00</i>
<i>-</i>	<i>-</i>	<i>Cheque</i>	<i>\$0.00</i>
<i>DD40919.1, DD40923.1-DD40923.3, DD40925.1, DD40940.1, DD40942.1-DD40942.3, DD40944.1, DD40946.1, DD40948.1, DD40948.2, DD40950.1, DD40952.1-DD40952.5, DD40954.1, DD40956.1-DD40956.4, DD40958.1, DD40964.1-DD40964.6, DD40974.1</i>	<i>DD40974.1</i>	<i>Bank Directs</i>	<i>\$849,746.71</i>
		<i>TOTAL</i>	<i>\$1,786,241.99</i>

- 2. receive the copies of credit card statements for all such Shire Facilities for the period 23.05.2024 – 23.06.2024***

COUNCIL RESOLUTION OCM 08/07/24

Moved: Cr Luke Vandeleur

Seconded: Cr Marco Ferreirinha

That Council, by Simple Majority pursuant to Section 3.18 of the Local Government Act, 1995, resolves to:

- 1. receive the list of payments made under delegation, as per Schedule 1 at a total value of \$\$1,786,241.99 as presented for the month of June 2024, incorporating the following; and***

<i>Payment Reference from:</i>	<i>Payment Reference to:</i>	<i>Payment Type</i>	<i>Payment Amount</i>
<i>EFT41513</i>	<i>EFT41717</i>	<i>Muni EFT</i>	<i>\$936,495.28</i>
<i>-</i>	<i>-</i>	<i>Trust EFT</i>	<i>\$0.00</i>

-	-	<i>Cheque</i>	<i>\$0.00</i>
<i>DD40919.1, DD40923.1-DD40923.3, DD40925.1, DD40940.1, DD40942.1-DD40942.3, DD40944.1, DD40946.1, DD40948.1, DD40948.2, DD40950.1, DD40952.1-DD40952.5, DD40954.1, DD40956.1-DD40956.4, DD40958.1, DD40964.1-DD40964.6, DD40974.1</i>	<i>DD40974.1</i>	<i>Bank Directs</i>	<i>\$849,746.71</i>
		<i>TOTAL</i>	<i>\$1,786,241.99</i>

2. receive the copies of credit card statements for all such Shire Facilities for the period 23.05.2024 – 23.06.2024

2.

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

7.2.2 A1644-APPROVAL TO ACT MEDIATION ORDERS

File No:	ADM0072
Location/Address:	Shire of Carnarvon
Name of Applicant:	Shire of Carnarvon
Name of Owner:	A1644
Author(s):	Dallas Wood-Harris, Rates Officer John Attwood, Acting Chief Executive Officer
Authoriser:	John Attwood, Acting Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Absolute Majority
Previous Report:	23rd March 2021
Schedules:	<ol style="list-style-type: none"> 1. Schedule 1(a) Confidential Report - Confidential 2. Schedule1(b)-Advice on Pogression A1644 - Shire of Carnarvon - Confidential 3. Schedule 1(c). Transaction Listing Confidential Report - Confidential

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

To seek a resolution for the outstanding rates debt on property A1644-626 South River Road, the property has been sent to debt collection under the Local Government Act 1995, section 6.64.

The correct action had been taken to achieve a Local Government Act Sale, the property did go to auction and a sale contract had been signed by the Shire of Carnarvon and the purchaser, but a registrar caveat stopped the property transfer and frustrated the completion of the contract of sale. Since then, discussions with Landgate and the ANZ Bank to come to an agreement on the removal of the caveat have resulted in mediation recommended by Hon Justice Jackson of the Federal Supreme Court, this mediation was completed on the 11th of July 2024 at 10.00am to 3.30pm. The officers will seek resolution to action the “In Principle Agreement Orders” which have resulted from the mediation.

Background

Proceedings for the exercise of a power of sale of A1644 for unpaid rates and service charges pursuant to section 6.64(1)(b) of the *Local Government Act 1995* (WA) were frustrated by the lodgement of a Registrar’s

Caveat following the Trustee in Bankruptcy of one co-owner disclaiming that interest (without informing the Shire) – creating a novel situation that is not directly contemplated either the *Local Government Act 1995* (WA) or the *Bankruptcy Act 1966* (Cth).

With the property looking to be ‘locked’ indefinitely, the Shire applied pursuant to section 133(9) of the *Bankruptcy Act 1966* (Cth) and seeking orders to vest the property for the purposes of sale. With several novel jurisdictional and other issues arising, the Court referred the matter to confidential mediation between parties to explore practical solutions by agreement.

A tentative agreement has been reached, conditional on Council and Court approval. This resolution seeks Council approval to waive unpaid sums in accordance with that agreement.

Stakeholder and Public Consultation

Timothy Bradley, Ms Verity Long Droppert-CS Legal
John Attwood-Acting CEO
Alan Thornton-DCEO
Dallas Wood Harris-Rates Officer

Statutory Environment

Section 6.47 of the Local Government Act 1995 states:-

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.*

Section 6.48 of the Local Government Act 1995 (WA) states:-

Regulations may prescribe circumstances in which a local government is not to exercise a power under section 6.46 or 6.47 or regulate the exercise of the power.

Regulation 69A of the Local Government (Financial Management) Regulations 1996 states:-

A local government is not to exercise a power to grant a concession in relation to a rate or service charge under section 6.47 of the Act in circumstances where the concession is based on whether or not, or the extent to which, the land in respect of which the rate or service charge is imposed is occupied by a person who owns the land.

Authorisation of Execution of Documents for Local Government

Subsection 9.49A(1) of the Local Government Act 1995 states:-

A document is duly executed by a local government if —
(a) the common seal of the local government is affixed to it in accordance with subsections (2) and (3); or
(b) it is signed on behalf of the local government by a person or persons authorised under subsection (4) to do so.

Subsection 9.49A(4) of the Local Government Act 1995 states:-

A local government may, by resolution, authorise the CEO, another employee or an agent of the local government to sign documents on behalf of the local government, either generally or subject to conditions or restrictions specified in the authorisation.

Relevant Plans and Policy

Policy C009 – Rates Recovery

Financial Implications

The Shire would most definitely incur greater costs pursuing this matter further in court, with the possibility the legal costs may outweigh the value of the property long term. This waiver has not been accounted for in the draft budget for 2024/2025 which is yet to be adopted.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Financial Loss	High	If this is not resolved the property remains stagnant and accrues more rates debt every year, the cost to pursue this in court will far outweigh the value of the property in time.
Health & Safety			
Reputation	Not pursuing outstanding rates could result in reputation damage as auditors may raise issue of excessive outstanding rates.	Moderate	Sale of property will result in some cost recovery.
Service disruption			
Compliance			
Property			
Environment	Visually disturbing, derelict building, contaminated materials.	Moderate	If not sold property will deteriorate further.
Fraud			

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- N/A

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

It is recommended that Council support the resolution for the reasons explained in the attached Confidential Report. ***Schedule 1. with attachments 1(a),1(b).***

Note: If Council approves of the property being sold at some time after disbursements of the sale funds Council will be required to write-off or waive fees, charges and interest.

OFFICER'S RECOMMENDATION

That Council by Absolute Majority –

1. ***support the confidential tentative agreement reached at the mediation meeting held on the 11th of July 2024, for the sale of Lot 13-626 South River Road, South Plantations Carnarvon WA 6701; and***
2. ***if the tentative agreement is approved by the court, proceed with the sale of Lot 13-626 South River Road, South Plantations WA 6701 and accept the methodology for the disbursement of net proceeds of the sale.***

COUNCIL RESOLUTION OCM 09/07/24

Moved: Cr Paul Kelly

Seconded: Cr Burke Maslen

That Council by Absolute Majority –

1. ***support the confidential tentative agreement reached at the mediation meeting held on the 11th of July 2024, for the sale of Lot 13-626 South River Road, South Plantations Carnarvon WA 6701; and***
2. ***if the tentative agreement is approved by the court, proceed with the sale of Lot 13-626 South River Road, South Plantations WA 6701 and accept the methodology for the disbursement of net proceeds of the sale.***

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY ABSOLUTE MAJORITY 8/0

7.2.3 REGIONAL EXPRESS AIRLINES FEE WAIVER REQUEST

File No: ADM0002
 Location/Address: Mascot, NSW
 Name of Applicant: Regional Express Airlines
 Name of Owner: Regional Express Airlines
 Author(s): Sarah Driscoll, Senior Finance - Operations
 Alan Thornton, Deputy Chief Executive Officer
 Authoriser: John Attwood, A/ Deputy Chief Executive Officer
 Declaration of Interest: Nil
 Voting Requirement: Simple Majority
 Previous Report: Nil
 Schedules: 1. 2023/2024 Fees and Charges

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

This report presents a request from Regional Express Airlines (REX) for Council to consider partially waiving the 2023/2024 fees and charges relating to Persons approximately (PAX) fee revenue.

The Officers’ recommendation is that Council approves the fee waiver request.

Background

On 25 July 2023 Council adopted the Fees and Charges for 2023/2024, including an increase of the REX fee of 5.8% based upon the CPI for the March quarter in 2023 (All Groups Perth). This resulted in a revised REX fee from \$38.50 to \$40.73, which has been rounded to \$41 incl GST for 2023/2024.

In accordance with the Local Government Act 1995, S. 6.19 a Local Government is to give local public notice of fees and charges. Therefore, the Shire advertised the adopted fees and charges for 2023/2024 in the Mid-West times on 2nd of August 2023.

The new fees were to be applied from 25 September 2023, 60 days from the day of the adoption.

At the beginning of each month REX provides the Shire with a Recipient Created Tax Invoice (RCTI) for the prior month. The RCTI comprises the total number of passengers for the month multiplied by the PAX charge rate, which is based on the Shires annual Fees & Charges schedule. The Shires Finance Department then issues a debtors invoice to REX for payment based on information received from REX.

In June 2024, as part of the end-of-financial-year process, it was identified that the rate being used in both the Recipient Created Tax Invoice and subsequent debtors invoices did not reflect the Shire’s published updated 2023/2024 Fees & Charges (PAX passenger fee from \$38.50 to \$41.00 inc GST) effective from the 23 September 2023, refer Schedule 1. Hence, REX had been undercharging the amount owed to the Shire for the period October 2023 to June 2024. The total amount charged to REX for the 2023/2024 financial year is \$927,395 (ex GST).

Based on the correct Fees & Charges rate, the total amount REX should have been charged is \$973,646.25 (ex GST), resulting in a total undercharge of \$46,251.25 (ex GST).

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government Act 1995, Section 6.12 Power to defer, grant discounts, waive or write off debts.

Relevant Plans and Policy

Nil

Financial Implications

Waiver of PAX fee undercharge will be approximately \$46,251.00 (ex GST) in foregone revenue to the Shire.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	A loss of revenue if full PAX fees are waived.	A2 - High	Council to approve the request and waive the PAX fees.
Health & Safety	N/A	N/A	N/A
Reputation	Perception of Shire not dealing with customers equally.	C2 - Moderate	Council 2023/2024 Fees and Charges specifically details PAX fees amounts.
Service disruption	N/A	N/A	N/A
Compliance	N/A	N/A	N/A
Property	N/A	N/A	N/A

Environment	N/A	N/A	N/A
Fraud	N/A	N/A	N/A

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- N/A

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

In May 2024 the Shire of Carnarvon informed REX of the 2023/2024 undercharge and advised that the full PAX fee payment is required to eliminate the undercharge owing to the Shire. REX has taken exception to the payment request and believes that the Shire needed to provide three-months’ notice of their increase. Currently, there is no Contract Service Agreement detailing a notice period.

In previous discussion around the three months’ notice, the Shire looked into the ‘IATA requirements’. The Shire believes giving notice is considered an industry standard but not a formal requirement for the Shire to allow for three months’ notice of any changes to airport fees and charges. Our legislative responsibilities are mandated by the Local Government Act 1995 – with the Shire of Carnarvon being compliant.

On 20 June 2024 REX was informed that on 28 May 2024 Council adopted the Fees and Charges for 2024/2025, which has been advertised in the Mid-West Times on Wednesday 19 June 2024. The new fees and charges will apply from 28 July 2024 (60 days after adoption). The new REX fee has increased to \$43 incl GST (and increase of 3.4%).

On 26 June 2024 REX formally requested the following:

- A waiver of the \$38.50 to \$41.00 increase from 25 September 2023 until 30 June 2024 so that Rex can pass on to the Shire the precise amount that REX has collected from its customers as part of the fully inclusive ticket price; and
- That three months notice be given for the FY25 increase (\$43.00) and that the FY25 increase becomes effective for travel from 1 October 2024.

Factors supporting REX’s position on this matter are:

- A courtesy letter from the Shire of Carnarvon to REX notifying of 2023/2024 Shire Fees and Charges was not sent.
- Due to the increase in overall passenger numbers the actual PAX fees revenue for 2023/2024 (including undercharge) is approximately \$55,128 above 2023/2024 Budget PAX fee revenue (\$927,395 less \$872,267).
- As REX were not aware of fee increases they were not able to include new fees in passenger fares.

The Shire's position is that the Shire of Carnarvon has met Local Government statutory obligations and that it is REX's responsibility to be aware of published Shire Fees and Charges and the annual CPI adjustments.

However there is reasonable assumption that REX were not aware of the increase and some argument that they were not able to recover total fees from paying customers.

OFFICER'S RECOMMENDATION

That Council, by Absolute Majority, pursuant to Section 6.12 of the Local Government Act 1995, resolves to-

- 1. waive \$46,251.25 of Regional Express Airlines fees for the 2023/2024 financial year; and***
- 2. advise Regional Express Airlines that the 2025 financial year fees are due and payable from 28 July 2024.***

COUNCIL RESOLUTION OCM 10/07/24

Moved: Cr Marco Ferreirinha

Seconded: Cr Dudley Maslen

That Council, by Absolute Majority, pursuant to Section 6.12 of the Local Government Act 1995, resolves to-

- 1. waive \$46,251.25 of Regional Express Airlines fees for the 2023/2024 financial year; and***
- 2. advise Regional Express Airlines that the 2025 financial year fees are due and payable from 28 July 2024.***

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY ABSOLUTE MAJORITY 8/0

7.2.4 MONTHLY FINANCIAL REPORT JUNE 2024

File No:	ADM0186
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Sarah Driscoll, Senior Finance - Operations
Authoriser:	Alan Thornton, Deputy Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	Nil
Schedules:	1. June 2024 Monthly Financial Management Report

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

This item presents the Statement of Financial Activity for the period ending 30th June 2024 for Council to consider. The officer’s recommendation is that the Statement of Financial Activity be received by Council.

Background

Each month a local government is to prepare a Statement of Financial Activity reporting on the revenue and expenditure for the month as set out in the budget. The *Local Government (Financial Management) Regulations* provide that the statements be presented at an Ordinary Meeting of the Council within two months after the end of the month to which the statement relates.

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government (Financial Management) Regulation 34.

Relevant Plans and Policy

Nil

Financial Implications

Nil

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Stakeholders may withdraw funding if the statements are not prepared according to the regulatory framework.	Low	Financial Statements are prepared on time and according to the applicable Legislation and Regulations
Health & Safety	N/A	N/A	
Reputation	The delay in achieving timely reporting has the potential to damage the Shire’s reputation.	High	High priority has been placed on preparing Statutory reporting within legislated timeframes
Service disruption	N/A	N/A	
Compliance	Local Government Act 1995 requires Council receives these statements within 2 months of the end of the applicable month.	N/A	Financial Statements are prepared on time and according to the applicable Legislation and Regulations
Property	N/A	N/A	
Environment	N/A	N/A	
Fraud	N/A	N/A	

Community and Strategic Objectives

The tabling of information relative to the monthly Financial Statements aligns itself with no specific objective as expressed in the Community Strategic Plan 2022-2032. It is solely a legislative requirement common to all local governments within Western Australia. Without compliance in this regard, achieving strategic or community objectives would be at risk.

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our community is engaged, inclusive and supportive*

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- *N/A*

Comments

The officer advises that the June 2024 Statement of Financial Activity being presented at the July 2024 Ordinary Meeting of Council complies with the *Local Government Act 1995*. **Schedule 1** attached for consideration is the Statement of Financial Activity, legislative notes, and supporting notes for the period ended 30th June 2024

Monthly Financial Report – contains:

- Statement of Financial Activity (by Nature or Type) - with Explanation of Material Variances*
- Note 1 Composition of Net Current Assets*
- Note 2 Statement of Financial Position*
(* required by legislation)

Notes for other supporting Information include:

- Basis of Preparation
- Statement of Financial Activity by Program
- Cash and Financial Assets
- Cash Reserves
- Capital Acquisition and Disposals
- Receivables
- Payables
- Rate Revenue
- Non-operating grants and contributions
- Operating grants and contributions
- Borrowings
- Lease Liabilities

The Monthly Financial Report shows a carried forward surplus of \$8.1M, which includes an upfront financial assistance grant payment of \$5.6M and \$3M of unfinished projects. With end of year processes relating to grant funding and acquittal of projects, it is likely that this surplus will change.

Interest earnings have exceeded budget, with staff ensuring surplus funds are invested in term deposits until required.

With the end of financial year in sight, staff are working diligently finalising projects and associated acquittals where necessary in preparation for audit.

OFFICER'S RECOMMENDATION

That Council, by Simple Majority in accordance with Section 3.18 of the Local Government Act 1995, resolves to receive the Monthly Financial Report for the period ended 30 June 2024 as per attached Schedule 1.

COUNCIL RESOLUTION OCM 11/07/24

Moved: Cr Paul Kelly

Seconded: Cr Luke Vandeleur

That Council, by Simple Majority in accordance with Section 3.18 of the Local Government Act 1995, resolves to receive the Monthly Financial Report for the period ended 30 June 2024 as per attached Schedule 1.

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

7.3 DEVELOPMENT AND COMMUNITY SERVICES

Nil

7.4 INFRASTRUCTURE SERVICES

7.4.1 REQUEST FOR QUOTATION (RFQ) 05/2024 SEPARABLE PORTION A - REPAIR TOWN LEVEES

Cr Vandeleur declared an Impartial Interest in this matter as he is the Director of Tremor who were asked to submit a quote but declined. Cr Vandeleur was not required to leave the meeting.

File No:	ADM2302
Location/Address:	Various
Name of Applicant:	Shire of Carnarvon
Name of Owner:	Shire of Carnarvon
Author(s):	Mativa Toomalatai, Infrastructure Project Officer
Authoriser:	John Attwood, Acting Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	OCM 15/01/24
Schedules:	1. Evaluation and Recommendation Report - RFQ 05/2024 Repair Town Levees - Confidential

Authority/Discretion:

<input type="checkbox"/>	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input checked="" type="checkbox"/>	Executive	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
<input type="checkbox"/>	Legislative	Includes adopting local laws, town planning schemes and policies.
<input type="checkbox"/>	Information	Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
<input type="checkbox"/>	Quasi-judicial	When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

This report details evaluation of the submission received for the Request for Quotation (RFQ) 05/2024 Separable Portion A – Repair Town Levees.

It is recommended Council accepts the submission received from Goodwork Holdings Pty Ltd.

Background

In December 2023 a Request for Tender (RFT) process was conducted for the Repair of Town Levees and Reconstruction of Flood Gates. Tender RFT 10/2023 was issued as two separable portions being –

- Separable Portion A for the Repair of Town Levees.
- Separable Portion B for the Reconstruction of Flood Gates.

Each portion reflects an element of the larger Improving Flood Preparedness Project and is funded by the Department of Industry, Science, Energy and Resources, The Shire of Carnarvon, Department of Primary Industries and Regional Development (DPIRD) and the Department of Water and Environmental Regulation (DWER).

Prospective tenderers had the option to tender for one or both separable portions of RFT 10/2023. Only one tender was received for Separable Portion A.

At the Ordinary Council Meeting held in January 2024, Council resolved (OCM 15/01/24) to not accept the tender submission received and authorised the CEO to seek alternative quotes in the hope that an RFQ process would attract a larger pool of submissions from interested proponents.

RFQ 05/2024 for the Repair of Town Levees and Reconstruction of Flood Gates was issued on 8 May 2024 and closed at 2:00pm WST on 27 May 2024. As was the case previously, RFQ 05/2024 was also issued as two separable portions being Separable Portion A for Repair Town Levees and Separable Portion B for Reconstruction of Flood Gates.

The RFQ documentation was sent to eight Contractors inviting them to submit a quotation for one or both separable portions. Only one submission was received for Separable Portion A.

Stakeholder and Public Consultation

Nil.

Statutory Environment

Local Government Act, 1995 S3.57 - Tender for providing goods and services.

Local Government (Functions and General) Regulations 1996, Division 2 Requirements for Tendering.

Relevant Plans and Policy

Policy C013 – Tender Selection Criteria Policy

Policy C002 – Purchasing Policy

Financial Implications

The total budget allocation for this element of the Improving Flood Preparedness project is \$627,000.

There are seven elements overall in the Improving Flood Preparedness project and a budget is defined for each element. Most elements have commenced and have committed expenditures.

There is no flexibility or scope for a change in budget unless the Shire and/or project partners (the Department of Primary Industries and Regional Development and Department of Water and Environmental Regulation) are prepared to increase their cash contributions.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Over expenditure of the project budget.	C2 - Moderate	As part of the RFQ process, the Shire has been clear about available budget funds for this project element. It is necessary to closely monitor expenditure during delivery of works

Risk Category	Description	Rating	Mitigating Action/s
			to ensure it does not exceed the budget allocation.
Health & Safety	N/A		
Reputation	Project progress and implementation is monitored by several community stakeholders. Engagement of a suitable contractor, whilst maintaining project budgets and deadlines is essential to ensure stakeholder satisfaction.	B2 - Moderate	Council approves the officer recommendation and project works commence as soon as possible.
Service disruption	N/A		
Compliance	Fail to meet funding program deadline. Inability to secure the services of a suitable contractor will delay delivery of this project element.	C2 - Moderate	Council approves the officer recommendation to ensure funding program compliance is met and works are completed by the deadline. Works must be completed by the end of December 2024.
Property	N/A		
Environment	N/A		
Fraud	N/A		

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our infrastructure, housing and amenities are high quality and accessible*

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

As noted previously, procurement of contractor services to complete this work has been problematic with a lack in submissions.

An evaluation panel evaluated the RFQ submission received and an evaluation report is provided in Confidential Schedule 1.

The panel recommends that RFQ 05/2024 Separable Portion A – Repair Town Levees be awarded to Goodwork Holdings.

OFFICER'S RECOMMENDATION

That Council, by simple majority:

- (a) pursuant to Section 3.57 of the Local Government Act, 1995 and Regulations 11(2)(c)(i), 18(4) and 18(4a) of the Local Government (Functions and General) Regulations, 1996, accepts the Request for Quotation submission from Goodwork Holdings Pty Ltd for RFQ 05/2024 Separable Portion A – Repair Town Levees, based on the fixed price provided in Schedule 1 (confidential) for works up to the value of \$627,000 (excl. GST); and***
- (b) pursuant to Section 9.49A of the Local Government Act, 1995, authorises the CEO to make any necessary non-material amendments and finalise execution of a contract between the Shire of Carnarvon and Goodwork Holdings Pty Ltd for RFQ 05/2024 Separable Portion A – Repair Town Levees.***

COUNCIL RESOLUTION OCM 12/07/24

Moved: Cr Luke Skender

Seconded: Cr Luke Vandeleur

That Council, by simple majority:

- (a) pursuant to Section 3.57 of the Local Government Act, 1995 and Regulations 11(2)(c)(i), 18(4) and 18(4a) of the Local Government (Functions and General) Regulations, 1996, accepts the Request for Quotation submission from Goodwork Holdings Pty Ltd for RFQ 05/2024 Separable Portion A – Repair Town Levees, based on the fixed price provided in Schedule 1 (confidential) for works up to the value of \$627,000 (excl. GST); and***
- (a) (b) pursuant to Section 9.49A of the Local Government Act, 1995, authorises the CEO to make any necessary non-material amendments and finalise execution of a contract between the Shire of Carnarvon and Goodwork Holdings Pty Ltd for RFQ 05/2024 Separable Portion A – Repair Town Levees.***

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

7.4.2 REGIONAL AIRPORTS DEVELOPMENT SCHEME (RADS) FUNDING 2025-2027 PROJECT NOMINATIONS

File No:	ADM2191
Location/Address:	Carnarvon Airport and Coral Bay Airstrip
Name of Applicant:	Shire of Carnarvon
Name of Owner:	Shire of Carnarvon
Author(s):	David Nielsen, Executive Manager Infrastructure Services
Authoriser:	John Attwood, Acting Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	Nil
Schedules:	Nil

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

The 2025-2027 Regional Airport Development Scheme (RADS) funding round is expected to open in July 2024. It is recommended Council approve funding application submissions under the RADS program for the following projects:

- a) Carnarvon Airport – Northern Apron Reconstruction
- b) Carnarvon Airport – Southern Apron Rejuvenation Seal
- c) Coral Bay Airstrip - Pavement Reshaping and Stabilisation

Background

The Regional Airport Development Scheme (RADS) is an ongoing funding program offered by the Western Australia Department of Transport. The Shire has received multiple instances of funding support through this program for prior upgrades to both Carnarvon Airport and Coral Bay Airstrip. Advice has been received that the RADS 2025-2027 funding round will open for applications on 19 July 2024.

Although the latest RADS program guidelines have not yet been issued, past funding rounds typically provided up to 50% of project funding. In some instances, the Federal Regional Airport Upgrade Program (RAUP) has been utilised in conjunction with RADS funding to reduce the Shire co-contribution to one third of the total project cost. Applications for the next RAUP funding round is expected to be released in late 2024 or early 2025.

Three projects are considered as the priority projects for this next RADS funding round.

Project 1 - Northern Apron Reconstruction – Carnarvon Airport

The Northern Apron has been identified as a necessary project for some time. The sealed surface is in poor condition and geotechnical testing previously established that the pavement requires reconstruction. Temporary seal repairs have managed to prolong the life of the Northern Apron.

This project was due to be completed in 2024/2025 under the 2023/2025 RADS funding round. Council resolved to utilise its contribution to the Northern Apron project as a contribution toward upgrades necessary to support unrestricted operation of the Q400 aircraft into Carnarvon due to the higher priority of that work.

Surveys, designs and estimates for the Northern Apron reconstruction project have been completed previously and the project is therefore essentially at a “shovel ready” stage. It should be noted however that it may be possible to revise the current design to utilise asphalt for part of the pavement reconstruction and complete that work in conjunction with other asphalt works proposed for the Q400 upgrades.

Project 2 - Southern Apron Rejuvenation Seal - Carnarvon Airport

The seal on the Southern Apron is aging. Apron pavement areas are generally free from deformations and aircraft loading of this area is typically limited to light general aviation and helicopters. Rejuvenation seals prolong sprayed seal life deferring the need for resealing. No specific survey or design is required for the application of a rejuvenation seal. Budget pricing has been obtained for the application of a rejuvenation seal.

Project 3 - Pavement Reshaping and Stabilisation – Coral Bay Airstrip

A prior funded project upgrade to the Coral Bay Airstrip completed in August 2021 included a pavement lift and correction of low points. Pavement materials used in that work lacked “fines” material to provide binding of the pavement. In February 2023, stabilisation of the pavement was completed using polymer type stabilising products to correct that binding deficiency. Stabilisation work was completed under the RADS program. The stabilisation work has been effective however retreatment will be required along with a general reshaping of the airstrip surface.

No specific survey or design is required for the stabilisation work. The previous technical specification can be utilised and the escalated cost of the previous stabilisation works is considered a reasonable basis for the estimation of the project cost.

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government Act 1995 Section 3.18 Performing Executive Functions

Relevant Plans and Policy

Policy CD006 - External Grants – Procurement and Grants

Financial Implications

The projects will be completed in the 2025/2026 and 2026/2027 financial years. No budget allocation therefore exists for the projects and they will not be included in the 2024/2025 budget considerations.

The RADS program requires a co-contribution from the Shire which is likely to be 50% of the total project cost.

Preliminary budget estimates and co-contribution requirements for the projects are as follows:

Project	Total Project Estimated Cost	Financial Year for Works to be completed	50% Shire Contribution
Carnarvon Airport – Northern Apron Reconstruction	\$895,000	2025/2026	\$447,500
Carnarvon Airport – Southern Apron Rejuvenation Seal	\$150,000	2025/2026	\$75,000
Coral Bay Airstrip Pavement Reshaping and Stabilisation	\$270,000	2026/2027	\$135,000

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Insufficient Shire funds being available in the 2025/2026 and 2026/2027 years to meet the required co-contribution.	C3 - High	The recommendation does not commit Council to the future year expenditures. If funding applications are successful, Council will need to consider the co-contribution allocations as part of the 2025/2026 and 2026/2027 budget processes.
Health & Safety	N/A		
Reputation	N/A		
Service disruption	N/A		
Compliance	N/A		
Property	N/A		
Environment	N/A		
Fraud	N/A		

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our infrastructure, housing and amenities are high quality and accessible*

ADDITIONAL FOCUS AREAS:

- *Supports the needs of areas outside the Township of Carnarvon (Coral Bay and outlying areas)*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

The purpose of this report is to ensure Council are informed of potential funding opportunities and are aware of potential co-contributions associated with the project funding as per the referenced Shire Policy.

If the Carnarvon Airport applications are successful, the intent is to include the Northern Apron and Southern Apron works in the procurement process for the Q400 upgrade works to maximise opportunity for economies of scale and mobilisation cost savings. These elements would be included as provisional items to allow them to be separated from the funding for the Q400 upgrades.

If the Coral Bay application is successful, normal maintenance type grading of the airstrip will be required to maintain airstrip shape until the stabilisation work is completed in the 2026/2027 financial year.

OFFICER’S RECOMMENDATION

That Council by simple majority pursuant to Section 3.18 of the Local Government Act 1995 resolves to authorise the CEO to lodge Regional Airports Development Scheme (RADS) funding program applications for the following projects noting the co-contribution requirements that will need to be considered in the respective financial years if the applications are successful:

Project	Total Project Estimated Cost	Financial Year for Works to be completed	50% Shire Contribution
Carnarvon Airport – Northern Apron Reconstruction	\$895,000	2025/2026	\$447,500
Carnarvon Airport – Southern Apron Rejuvenation Seal	\$50,000	2025/2026	\$75,000
Coral Bay Airstrip Pavement Reshaping and Stabilisation	\$270,000	2026/2027	\$135,000

COUNCIL RESOLUTION OCM 13/07/24

Moved: Cr Luke Vandeleur

Seconded: Cr Paul Kelly

That Council by simple majority pursuant to Section 3.18 of the Local Government Act 1995 resolves to authorise the CEO to lodge Regional Airports Development Scheme (RADS) funding program applications for the following projects noting the co-contribution requirements that will need to be considered in the respective financial years if the applications are successful:

Project	Total Project Estimated Cost	Financial Year for Works to be completed	50% Shire Contribution
Carnarvon Airport – Northern Apron Reconstruction	\$895,000	2025/2026	\$447,500
Carnarvon Airport – Southern Apron Rejuvenation Seal	\$50,000	2025/2026	\$75,000

Coral Bay Airstrip Pavement Reshaping and Stabilisation	\$270,000	2026/2027	\$135,000
---	-----------	-----------	-----------

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreirinha, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

7.4.3 CONTRACT VARIATION RFT 12-2022 FLOOD PREPAREDNESS PROJECT GASCOYNE RIVER FLOOD MODELLING

Cr Skender declared an Impartiality Interest in this item as his partner is the author of the report. Cr Skender was not required to leave the meeting.

File No:	ADM0063
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	Shire of Carnarvon
Author(s):	Carolien Claassens, Project Contracts Manager
Authoriser:	John Attwood, Acting Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	FC 16/5/23
Schedules:	1. Quote HARC - Additional Scenarios - Confidential

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

This report details a contract variation for contract (RFT) 12/2022 – Flood Preparedness Project – Gascoyne River Flood Modelling. The variation will allow additional flood modelling scenarios to be undertaken for the project partners Department of Primary Industries and Regional Development (DPIRD) and Department of Water and Environmental Regulation (DWER).

Background

At the Ordinary Council meeting in February 2023, Council resolved to award Tender RFT 12/2022 Flood Preparedness Project – Gascoyne River Flood Modelling to Hydrology and Risk Consulting (HARC), for a total contract sum of \$251,105 ex GST.

Gascoyne River Flood Modelling is part of the broader Flood Preparedness Project which is being delivered by the Shire in collaboration with partners DPIRD and DWER. The Shire is the recipient of the grant funding and responsible for the procurement and payment of all contractors and contract management.

The Gascoyne River Flood Modelling will improve understanding of flood behaviour and impacts and provide the technical foundation for development of a robust floodplain management plan.

The model considers local flood history, terrain surveys, collection of available flood data and development of hydrologic and hydraulic models¹. The completed model will allow various scenarios to be tested to determine the effect of a proposed flood management action on the behaviour, depth, level, speed, hydraulic hazard and time of flooding for the townsite and horticultural area.

In May 2023 Council resolved to accept a contract variation for an amount up to \$33,800. That variation allowed for additional elevation data from Landgate, additional hydraulic modelling and an extension of the Aerial LiDAR and imagery survey to include the new airport site. The total contracted sum therefore increased to \$284,905.

The flood study and management plan are nearing completion. Project partners and HARC identified seven additional scenarios to further improve the flood study and understand the impact of alternative mitigation options. A short description of each of the scenarios and the relevant project partner is provided below:

No.	FLOOD MODEL SCENARIO – DESCRIPTION	RELEVANT PROJECT PARTNER
1	Impact of Stage 2 Mitigation Works	DWER
2	South Arm Re-Opening	DPIRD
3	Levees in breakout entrances to mitigate flooding in smaller floods	DPIRD
4	Levee on North Bank between Sheridan’s Gully and Bibbawarra Crossing	DPIRD
5	Remove Soil/Vegetation from River	DPIRD
6	Lower North River Road (and verge)	DPIRD
7	Levee to close the gap between Boundary Road and South River Road levee	DPIRD

HARC has quoted an additional \$31,580 ex GST for testing of these additional scenarios. The cost of testing additional scenarios will increase by approximately 37% if carried out after completion of the main flood modelling work.

A contract variation for RFT 12/2022 Flood Preparedness Project – Gascoyne River Flood Modelling is required to allow for the additional scenarios as the variation amount is beyond the delegated authority of the CEO.

Stakeholder and Public Consultation

Project Partners DPIRD and DWER and the Contractor HARC.

Statutory Environment

Local Government Act, 1995 - Section 9.49A Execution of documents

Local Government (Functions and General) Regulations 1996 – Regulation 21A. Varying a contract for the supply of goods or services

¹ Hydrologic modelling determines how much water will become runoff and where it will go for a given storm on a landscape.

Hydraulic modelling determines how deep and fast the water will be and what area it will cover based on the quantity of water and the shape of the landscape and stream channel.

Relevant Plans and Policy

Register of Council Delegations and Authorisations 2023/2024, S.1.2.17 Tenders for Goods and Services – Accepting and Rejecting Tenders; Varying Contracts; Exercising Contract Extension Options.’

Financial Implications

There is no direct financial implication for the Shire.

A contract variation of \$31,580 ex GST is required to allow for the additional scenario work described above. The current contract value is \$284,905 ex GST. Total value of the required contract variation is 11.1% of the contract value.

The CEO has delegated authority to approve contract variation(s) up to a cumulative total of \$250,000 ex GST or 10% of the contract value, whichever is the lesser, on the condition that the adjusted total contract payment remains within the budget provision. As the proposed contract variation is greater than 10%, contract variation approval by Council is necessary.

The proposed contact variations are not within the available project budget. The relevant project partners will be responsible for meeting the cost of the additional scenario testing.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Increase of cost to complete the additional flood modelling scenarios in case the approval is not provided by the end of July 2024.	2A – High	Flood modelling is likely to be completed by the end of July. The cost of additional modelling will increase if HARC is not able to progress the additional scenario modelling prior to project completion. Approval of the contract variation prior to the end of July will avoid additional cost to the Project Partners.
Health & Safety	N/A		
Reputation	N/A		
Service disruption	N/A		
Compliance	N/A		
Property	N/A		
Environment	N/A		
Fraud	N/A		

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- N/A

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

It should be noted the contract variation has been supported by all Project Partners. DWER and DPIRD are responsible for meeting the cost of the additional flood modelling scenarios.

DWER has approved funding for the additional scenario to be modelled. DPIRD is currently in the process of approving the additional funds for the remaining six scenarios. The relevant scenarios will only be progressed upon approval from DPIRD for the necessary additional funding. DPIRD is aware of the increase in cost associated with scenario modelling if their funding approval is not provided by the end of July 2024.

OFFICER'S RECOMMENDATION

That Council, by simple majority, pursuant to Regulation 21A of the Local Government (Functions and General) Regulations 1996 and Section 9.49A of the Local Government Act, 1995, resolves to:

- a) approve a contract variation of \$31,580 ex GST to Contract RFT 12/2022 Flood Preparedness Project – Gascoyne River Flood Modelling for the modelling of seven additional scenarios; and*
- b) authorise the CEO to make any necessary non-material amendments and finalise execution of the contract variations between the Shire of Carnarvon and Hydrology and Risk Consulting (HARC) for Tender RFT 12/2022 Flood Preparedness Project – Gascoyne River Flood Modelling subject to confirmation of the additional Project Partner funding.*

COUNCIL RESOLUTION OCM 14/07/24

Moved: Cr Paul Kelly

Seconded: Cr Luke Vandeleur

That Council, by simple majority, pursuant to Regulation 21A of the Local Government (Functions and General) Regulations 1996 and Section 9.49A of the Local Government Act, 1995, resolves to:

- a) approve a contract variation of \$31,580 ex GST to Contract RFT 12/2022 Flood Preparedness Project – Gascoyne River Flood Modelling for the modelling of seven additional scenarios; and*
- b) authorise the CEO to make any necessary non-material amendments and finalise execution of the contract variations between the Shire of Carnarvon and Hydrology and Risk Consulting (HARC) for Tender RFT 12/2022 Flood Preparedness Project – Gascoyne River Flood Modelling subject to confirmation of the additional Project Partner funding.*

FOR: Crs Eddie Smith, Burke Maslen, Adam Cottrell, Marco Ferreira, Luke Skender, Luke Vandeleur, Paul Kelly, Dudley Maslen

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 8/0

8 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

9 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

10 QUESTIONS FROM MEMBERS WITHOUT NOTICE**Cr Dudley Maslen****Question 1** – Will the Council consider contributing to the cost of cleaning the Heritage Precinct toilets?

President Smith responded and asked that Cr Dudley Maslen prepare a request from the Carnarvon Heritage Group in writing to the CEO for submission to the August 2024 Ordinary Council Meeting.

Cr Maslen (as Chair of the Carnarvon Heritage Group) invited Council to visit the Heritage Precinct to obtain a better understanding of what the CHG is doing to improve the precinct and the challenges they face.

11 URGENT BUSINESS APPROVED BY THE PRESIDING MEMBER OR BY A DECISION OF THE COUNCIL

Nil

12 MATTERS FOR WHICH MEETING TO BE CLOSED TO MEMBERS OF THE PUBLIC

Nil

13 DATE OF NEXT MEETING

The next meeting will be held on Tuesday 27 August 2024 at Council Chambers, Stuart Street Carnarvon commencing at 1.00pm.

14 CLOSURE

The Presiding Member declared the meeting closed at 1.13pm.