



# Agenda

Special Council Meeting

Monday, 29 July 2024

Date:	Monday 29 July 2024
Time:	7:00PM
Location:	Meeting by Electronic Means
Distribution Date:	Thursday 25 July 2024



**Shire of Ashburton  
Special Council Meeting**

Please be informed a Special Council Meeting will be held at 7:00PM on Monday 29 July 2024 at Meeting by Electronic Means.

A handwritten signature in black ink, appearing to read 'Kenn Donohoe'.

Kenn Donohoe  
Chief Executive Officer  
25 July 2024

**Disclaimer**

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

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## 1 Declaration Of Opening

The Presiding Member declared the meeting open at [enter time](#).

### 1.1 Acknowledgement Of Country

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

## 2 Announcement Of Visitors

To be informed at the meeting.

## 3 Attendance

### 3.1 Present

Elected Members:	SP A Smith Cr K White Cr R De Pledge Cr M Gallanagh Cr L Rumble JP Cr A Sullivan Cr M Lynch Cr B Healy Cr R Kapor	Shire President  Deputy Shire President, Onslow Ward Ashburton-Tablelands Ward Pannawonica Ward Paraburdoo Ward Paraburdoo Ward Tom Price Ward Tom Price Ward Tom Price Ward
Employees:	K Donohoe J Sangster C McGurk D Kennedy G Harris A Johnston J Bray R Marlborough B Van Rensburg	Chief Executive Officer Deputy Chief Executive Officer Director Community Development Director Corporate Services Director Infrastructure Services Manager Media and Communications Manager Governance Senior Governance Officer Council Support Officer
Guests:	<a href="#">Enter names</a>	

Members of Public:	There were <a href="#">enter number</a> members of the public in attendance at the commencement of the meeting.
Members of media:	There were <a href="#">enter number</a> members of the media in attendance at the commencement of the meeting.

### **3.2 Apologies**

To be informed at the meeting.

### **3.3 Approved Leave Of Absence**

## **4 Question Time**

### **4.1 Public Question Time**

To be informed at the meeting.

## **5 Declaration By Members**

### **5.1 Due Consideration By Councillors To The Agenda**

Councillors will be requested to note they have given due consideration to all matters contained in this agenda.

### **5.2 Declaration Of Interest**

A member who has an Impartiality, Proximity or Financial interest in any matter to be discussed at this meeting must disclose the nature of the interest either in a written notice, given to the Chief Executive Officer, prior to the meeting, or at the meeting immediately before the matter is discussed.

A member who makes a disclosure in respect to an interest must not preside at the part of the meeting which deals with the matter, or participate in, or be present during any discussion or decision-making process relative to the matter, unless the disclosing member is permitted to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

The following declarations of interest are disclosed –

To be informed at the meeting.

## **6 Announcements By The Presiding Member And Councillors Without Discussion**

To be informed at the meeting.

## **7 En Bloc Resolutions**

### **7.1 Agenda Items Adopted En Bloc**

To be advised at the meeting.

## 8 Corporate Services Reports

### 8.1 2024-2025 Annual Budget

<b>File Reference</b>	GV04
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	T Dayman, Manager Finance
<b>Authorising Officer</b>	D Kennedy, Director Corporate Services
<b>Previous Meeting Reference</b>	Ordinary Council Meeting 21 May 2024 - Item 13.3 – 096/2024
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	<ol style="list-style-type: none"> <li>1. 2024-2025 Annual Budget</li> <li>2. Pilbara Regional Waste Management Facility 2024-2025 Fees and Charges - Confidential</li> </ol>

#### Report Purpose

The purpose of this report is to present the 2024-2025 Annual Budget for adoption.

Council is requested to adopt the Annual Budget, which includes –

- The Municipal Fund Budget for 2024–2025;
- General differential rates, minimum payments, and instalment arrangements;
- Municipal Fees and Charges;
- Pilbara Regional Waste Facility Fees and Charges;
- Elected Member payments; and
- Material variance reporting parameters.

#### Background

The development of the 2024-2025 Annual Budget has been developed over several months, and has included:

- The approval by Council of a Statement of Objects and Reasons for Differential Rating for public advertising/ submission period,
- Benchmarked with Council's Long Term Financial Plan (LTFP) adopted in April 2024.
- Workshops with Elected Members aimed at delivering information, exploring concepts and clarifying options, and
- Referral to Council's Integrated Planning Framework.

## Comments

### Annual Budget

The 2024-2025 Annual Budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and the Australian Accounting Standards. The main features of the draft budget include:

### Revenue

- Cost of living pressures have been acknowledged with residential rates and rubbish charges kept at 2023/24 levels.
- Forecast rate revenue growth is driven by new industrial developments occurring within the Shire and the one-off addition of 12 Temporary Workforce accommodation facilities being gazetted to Gross Rental Value (GRV).
- Total rate revenue estimated at \$68.3 million, with positive outlook for interim rate growth.
- Investment interest rates are expected to hold for a further 12 months. As a result, interest revenue has been budgeted at \$4.9 million. This is up \$1.5 million on previous year.
- Fees and charges at \$13.7 million account for 14% of revenue. Much of this revenue is derived from waste and airport operations.
- Total revenue budget of \$93.1 million.

### Differential Rates 2024/25

Rate Category	Rate in Dollar	Minimum Payment	Percentage of Revenue
<b>GRV Residential/Commercial/Industrial</b>	0.09830	\$1,350	10%
<b>GRV Transient Worker Accommodation</b>	0.19500	\$1,350	12%
<b>UV Pastoral</b>	0.19290	\$1,350	2%
<b>UV Non-Pastoral</b>	0.38568	\$1,350	76%

- The proposed differential general rates were approved by Council on 21 May 2024 and advertised for public comment in accordance with section 6.36 of the Act.
- No submissions were received by the close of submission date for Council to consider.
- Ministerial approval is not required for any of the differential rate categories this year as no rate is more than twice the lowest differential rate in the GRV or UV categories.
- No concessions have been provided for in the budget. Council has however provided delegated authority to consider written concession applications from leaseholders of pastoral land with the principal factor in considering each application being the capacity of the applicant to pay.

### Expenditure

- The Shire's operating expenditure is forecast at \$79.1 million with Employee Costs and Materials & Contracts accounting for 76% of this figure.



- After adding back depreciation (non-cash item) the Shire is forecasting a very strong net cash from operating activities of \$28.1 million. This is up \$8 million on the previous year and is contributing significantly towards the funding of the \$69.2 million capital works program.

### Employee Costs

- The employee costs budget of \$26.9 million is based on the workforce structure approved by Council at the 13 December 2022 Ordinary Meeting of Council together with two positions approved during 2023/24 budget deliberations (Technical Officer – Infrastructure, Lands & Heritage Officer – Office of DCEO), and the recent approval of a Chief Financial Officer position within Corporate Services.
- The draft budget provides for several new positions to meet operational needs and additional staff at the Pilbara Regional Waste facility. A review of the Workforce Plan is currently underway, and the Chief Executive Officer will be presenting this to Council before any recruitment is undertaken.
- A shortage of staff housing particularly in Onslow is restricting the ability to recruit. Alternative delivery modes such as remote working and outsourcing are all being considered until housing stock increases.
- A breakup of employment expenses is provided below.

<b>Component</b>	<b>Amount</b>	<b>Comments</b>
<b>Salary &amp; Wages</b>	\$19.0 M	213 staff (70.6% full time)
<b>Superannuation</b>	\$ 3.0 M	11.5% from 1/7/2024 Shire 6% matching contribution scheme
<b>Allowances</b>	\$ 2.0 M	EBA – Ashburton / Annual Travel
<b>Training &amp; Development</b>	\$ 0.5 M	Training and development costs
<b>Recruitment</b>	\$ 0.5 M	Including relocation costs
<b>Workers Compensation</b>	\$ 0.5 M	Local Government Insurance Service (LGIS)
<b>Other</b>	\$ 0.9 M	Agency staff, FBT, Uniforms, Health & Wellbeing, Employee Recognition.

### Materials & Contracts

- Materials and Contracts (goods and services) budget of \$33.5 million includes items such as legal expenses, consultancy, maintenance, communication expenses, advertising, memberships, periodicals, hire expenses, leases, postage, freight and information technology expenses across the Shire's many business units.
- Consultancy expenditure of \$7.6 million is utilised for many purposes. Major items included in the 2024/25 budget include \$600K for Project Management within Community Development to assist with major capital works, \$600K for Airport expansion/upgrade, \$500K for Tom Price Admin Building project management and design, \$500K for ICT outsourced specialities such as cyber security, disaster recovery and network engineering, \$450K PRWMF outsourced Business and Technical Development, and \$425K for the Development Services outsourced planning work.
- Legal fees have been budgeted at \$1.5 million. \$500K relates to the ongoing Wittenoom claims with the balance spread across Land & Asset Compliance, Development Services, and Organisational Development.

- Passion of the Pilbara, 100 Years of Onslow Celebration and the Nameless Valley Festival make 2024/25 a festival filled year ahead.
- \$1 million was added to the Shire's property operating budget because of the acquisition of 20 houses from Rio Tinto and several spot purchases during the year.
- A breakup of the materials and contracts budget by major business unit is below:

<b>Business Unit</b>	<b>Amount</b>
<b>Roads</b>	\$5.5M
<b>Communities</b>	\$4.1M
<b>Facilities</b>	\$3.1M
<b>Waste</b>	\$3.0M
<b>Property</b>	\$2.7M
<b>ICT</b>	\$2.7M
<b>Airport</b>	\$1.8M
<b>Town Maintenance</b>	\$1.2M
<b>Fleet</b>	\$1.1M

### Insurance

- As the Shire's property portfolio grows and building costs in the Pilbara escalate the cost of insurance is increasing at a much higher rate than inflation. Options such as self-insuring certain asset types and growing the Future Risks reserve could be strategies considered by Council in the future to manage the current budget of \$1.9 million.

### Other Expenditure

- The other expenditure budget of \$988K predominately covers donations and subsidies made to community groups, elected member's fees and provision for bad debts.

### Capital Expenditure

- Total capital expenditure budget of \$69.2 million representing \$46.7 million in new initiatives and \$22.5 million of projects funded and carried forward;
- A breakup by Asset Class with major projects is provided below:

<b>Asset Class</b>	<b>Amount</b>	<b>Major Projects</b>
<b>Buildings</b>	\$24.5M	\$ 10.0 M – Minna Oval Sports Pavilion \$ 6.1 M – Watson Drive, Onslow \$ 3.0 M – Contractor Accom, Tom Price \$ 2.4 M – Men in Sheds, Onslow \$ 2.0 M – Refurbishments
<b>Towns Infrastructure</b>	\$17.1M	\$ 14.0 M – Oceanview Caravan Park Stage 3
<b>Parks &amp; Recreation</b>	\$ 8.3M	\$ 2.9 M – Onslow Bike Park \$ 2.2 M – Anzac Park Foreshore \$ 2.1 M – Paraburdoo Bike / Pump Track \$ 0.4 M – Tom Price Post Office Corner
<b>Plant Purchases</b>	\$ 4.2M	\$2.2M – Annual Plant Replacement Program \$2.0M – PRWMF inhouse transition

<b>Roads</b>	\$ 4.1M	\$2.2M – Ashburton – Meekatharra Rd
<b>Drainage</b>	\$ 3.7M	\$3.0M – Third Street & Ocean Outfalls, Onslow \$0.7M – Mine Road
<b>PRWMF</b>	\$ 2.7M	\$2.7M – Completion of Evaporation Ponds

- The proposed upgrade to the Onslow Airport Runway is not included in the 2024/25 budget. However, \$3 million has been allocated to the Airport Reserve in anticipation of a Shire contribution needed to complete this essential project. A budget amendment will be presented to the Council during 2024/25 once there is clarity regarding the funding mix and costings.
- Similarly, the Onslow Streetscape Development, funded by the Chevron Community Development Fund is in the advanced planning stages. During 2024/25 a budget amendment is expected to be presented to Council, with this project to span over the next 2 financial years.
- The Council's commitment to improving the Shire's vital road network is demonstrated by a \$6.5 million transfer to the Future Projects Reserve. Twitchin Road and Pannawonica-Millstream Roads have been identified as priority projects. Scoping and design work will be undertaken, and once completed, a request to access reserve funds will be made to the Council.
- The Pannawonica Bike / Pump Track development remains funded by the Rio Tinto Inspire Agreement at an estimated cost of \$2 million. It is not currently listed in the budget as land tenure issues within the Pannawonica townsite are still to be resolved. Once this condition has been cleared the project will proceed.
- No new loans are proposed.
- An estimated surplus of \$8.9 million is anticipated to be brought forward from 30 June 2024. This is an unaudited figure that includes the prepayment of the Shire's annual Financial Assistance Grants of \$2.7 million. Any change will be brought back to Council as part of a future budget review.

#### Determination of material variance

Each year Council is required to adopt a percentage or value for the purposes of reporting material variances in the consolidated monthly Statement of Financial Activity.

This value or percentage is then used throughout the financial year to identify potential areas in Council's actual revenue and expenses which may not be in keeping with Council's budget.

The early identification of those potential issues can assist in better utilisation and allocation of Council funds and resources.

It is proposed to keep the material variance reporting limit at 10% or \$40,000 whichever is the greater. This is consistent with a review of other similar local governments.

It should be noted that internally, responsible officers are monitoring variances at a more granular general ledger or job level, and that Finance and Costing Reviews by Business Unit are conducted throughout the year.

#### Statement of calculation of the Annual Budget

In compiling the Annual Budget, Shire officers have, in accordance with the Local Government Accounting Manual,-

- Identified and reviewed recurring operating revenue and expenditure,

- Prepared salary and wage schedules, including proposed new employees, employee increment changes, enterprise agreement increases, and the mandated increase from 11.0% to 11.5% for Superannuation Guarantee Scheme (SGC),
- Prepared water, power and other essential cost estimates and increase assumptions,
- Prepared capital expenditure forecast based where possible, on reasonably assumed estimates for construction and/or purchase, together with indicative timing taking into account resourcing requirements,
- Confirmed grants reasonably expected to be received for both operating and capital projects,
- Forecast the opening Net Current Assets position at 30 June 2024 based on the most currently available information,
- Identified committed carry forward projects from the previous financial year,
- Flagged committed funds (contract liabilities) and treated these in accordance with accounting standards,
- Obtained revenue estimates for the disposal of non-current assets,
- Obtained estimates from LGIS for insurance, including workers compensation,
- Reviewed Fees and Charges,
- Prepared the Statutory Budget document in accordance with the standard format recommended by the Department of Local Government.

### Consultation

Community

Elected Members

All Budget Responsible Officers

Finance Team

### Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.2 Appropriate, sustainable, and transparent management of community funds
Strategy	3 Plan effectively for financial sustainability.

### Council Policy

Nil

## Financial Implications

### Current Financial Year

Carryover estimates from the 2023/24 Financial Year have been included in the draft budget presented for adoption. These estimates are subject to change pending outcomes from the final audit. Any required adjustments will be brought back to Council for endorsement.

### Future Financial Year(s)

Specific financial implications are as outlined in the body of this report and as itemised in the draft 2024-2025 budget attached for adoption.

## Legislative Implications

### *Local Government Act 1995*

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

Divisions 5 and 6 of Part 6 of the Act refer to the setting of budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The draft 2024-2025 budget as presented is considered to meet statutory requirements. A copy of the Annual Budget is to be submitted to the Department responsible for Local Government within 30 days of adoption by Council.

Section 5.98 of the Act sets out fees etc payable to Council members.

Section 5.98A of the Act sets out allowance payable to the deputy President.

Regulations 30-34AD of the *Local Government (Administration) Regulations 1996* sets the limits, parameters and types of allowances that can be paid to elected members.

Regulation 34 of the *Local Government (Financial Management) Regulations 1996* requires Council to adopt a percentage or value, calculated in accordance with the Australian Accounting Standard, to be used in monthly statements of financial activity for reporting material variances.

Section 67 of the *Waste Avoidance and Resource Recovery Act 2007* enables a local government to impose an annual charge in respect of premises provided with a waste service by the local government.

## Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Financial impact	Potential cash flow issues may result if the Annual Budget is not adopted.	Unlikely (2)	Moderate (3)	Moderate (5-9)	Provide Elected Members with sufficient information for decision making including budget workshops and community submission period for differential rates.
Reputation (social/community)	Potential reduction in service levels and assets provided to the community if the Annual Budget is not adopted	Unlikely (2)	Moderate (3)	Moderate (5-9)	Provide Elected Members with sufficient information for decision making including budget workshops and community submission period for differential rates.
Compliance	Failing to adopt Annual Budget by 31 August is a compliance breach without Ministerial approval	Unlikely (2)	Moderate (3)	Moderate (5-9)	Provide Elected Members with sufficient information for decision making including budget workshops and community submission period for differential rates.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be low.

## Voting Requirements

Absolute Majority

## Officer Recommendation

That with respect to the adoption of the 2024-2025 Annual Budget, Council,

### Recommendation 1 – Budget for 2024-2025

Pursuant to the provisions of Section 6.2 of the *Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996*, Council adopt the Budget as contained in Attachment 1 for the Shire of Ashburton for the 2024-2025 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type.
- Statement of Cashflows.
- Rating Setting Statement.
- Notes to and Forming Part of the Budget

**Absolute Majority Required**

**Recommendation 2 – General and Minimum Rates, Instalment payment arrangements, and interest**

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

**A. General Rates**

- Residential / Commercial / Industrial (GRV) \$0.09830 cents in the dollar
- Transient Worker Accommodation (GRV) \$0.19500 cents in the dollar
- Pastoral (UV) \$0.19290 cents in the dollar
- Non-Pastoral (UV) \$0.38568 cents in the dollar

**B. Minimum Payments**

- Residential and Community (GRV) \$1,350
- Commercial and Industrial (GRV) \$1,350
- Transient Worker Accommodation (GRV) \$1,350
- Pastoral (UV) \$1,350
- Mining (UV) \$1,350

2. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, Council nominates the following due dates for the payment in full by instalments:

**Option 1 (Full Payment)**

Full amount of rates and charges including arrears, to be paid on or before 26 September 2024 or 35 days after the date of issue appearing on the rates notice whichever is the later.

**Option 2 (Two Instalments)**

- First instalment to be made on or before 26 September 2024 or 35 days after the date of issue appearing on the rate notice whichever is later, including all arrears and half the current rates and service charges; and
- Second instalment to be made on or before 24 January 2025, or 2 months after the due date of the first instalment, whichever is later.

**Option 3 (Four Instalments)**

- First instalment to be made on or before 26 September 2024 or 35 days after the date of issue appearing on the rate notice, whichever is later, including all arrears and a quarter of the current rates and service charges;
- Second instalment to be made on or before 24 November 2024, or 2 months after the due date of the first instalment, whichever is later;
- Third instalment to be made on or before 24 January 2025, or 2 months after the due date of the second instalment, whichever is later; and
- Fourth instalment to be made on or before 25 March 2025, or 2 months after the due date of the third instalment, whichever is later.

3. Pursuant to Section 6.45 of the *Local Government Act 1995*, and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$16.50 for each instalment after the initial instalment is paid.
4. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.
5. Pursuant to Section 6.51(1) and subject to Section 6.51(4) of the *Local Government Act 1995* and Regulation 70 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

**Absolute Majority Required**

### **Recommendation 3 – Fees and Charges for 2024-2025**

Pursuant to Section 6.16 of the *Local Government Act 1995* and other relevant legislations, Council,

1. Adopts the Fees and Charges included at pages 33 to 85 inclusive of the draft 2024 – 2025 budget included as Attachment 1; and
2. Endorses the attached Fees and Charges (Commercial in Confidence) as detailed in Attachment 2, for the Pilbara Regional Waste Management Facility.

**Absolute Majority Required**

### **Recommendation 4 – Elected Members' Fees and Allowances for 2024-2025**

In accordance with Section 5.98(1)(b) and Section 5.99 of the *Local Government Act 1995* and Regulation 30 of the *Local Government (Administration) Regulations 1996*, Council adopts the following annual meeting attendance fees for Elected Members:

- i. Shire President \$33,706
- ii. Councillors \$25,137

In accordance with Section 5.98(1)(b) of the *Local Government Act 1995* the annual allowance for the Shire President be set at \$68,552.

In accordance with Section 5.98A(1) of the *Local Government Act 1995* the annual allowance for the Deputy Shire President be set at \$17,138.

In accordance with Section 5.99A of the *Local Government Act 1995* and Regulation 32 of the *Local Government (Administration) Regulations 1996* the annual allowance for ICT expenses for Elected Members be set at \$3,120.

In accordance with Section 5.98(2)(a) of the *Local Government Act 1995* and Regulation 31 of the *Local Government (Administration) Regulations 1996* the childcare / child minding reimbursement rate be set at actual cost per hour or \$30 per hour, whichever is the lesser, for Elected Members requiring childcare services whilst undertaking their role as an Elected Member.

**Absolute Majority Required**



**Recommendation 5 – Material Variance Reporting for 2024 - 2025**

In accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, the level to be used in statements of financial activity in 2024-2025 for reporting material variances shall be 10% or \$40,000, whichever is the greater.

**Simple Majority Required**

## 9 Community Development Reports

### 9.1 Request for Tender - 13.24 Design & Construction of Minna Oval Sports Club

<b>File Reference</b>	CM.13.24
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	C McGurk, Director Community Development
<b>Authorising Officer</b>	K Donohoe, Chief Executive Officer
<b>Previous Meeting Reference</b>	Nil
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	1. RFT13.24 - Evaluation and Recommendation Report - Confidential - Confidential

#### Report Purpose

The purpose of this report is to provide Council with the Tender Evaluation and Recommendation Report for Request for Tender (RFT) 13.24 Design & Construction of Minna Oval Sports Club, Tom Price, as provided and detailed in Confidential Attachment 1.

Council is requested, based on the tender evaluation panels assessment of all tender submissions received to award the project works as detailed in Request for Tender (RFT) 13.24 Design & Construction of Minna Oval Sports Club, Tom Price to Tenderer 3.

#### Background

In March 2024 a media release announced a commitment of \$10 million in funding from Rio Tinto towards the development of the Minna Oval in Tom Price, with the aim of creating enhanced amenities and facilities to support a more diverse range of sporting options for the Tom Price community.

This development at Minna Oval supports the objectives outlined in the adopted Community Infrastructure and Lifestyle Plan (CLIP) and the approved Long-Term Financial Plan (LTFP), where Minna Oval was identified as a priority project in Area W.

The funding for this project is part of the Inspire Community Partnership Agreement with Rio Tinto, showcasing a collaborative effort to enhance community infrastructure. The Shire also allocated an initial \$5 million in the 2023/24 budget to kickstart this development.

Following this announcement, Request for Tender (RFT) 13.24 Design & Construction of Minna Oval Sports Club was invited in accordance with the requirements of the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996*.

#### Comments

Tender RFT 13.24 was released via the Shire's e-tendering portal known as Tenderlink on Saturday 25<sup>th</sup> May 2024. The invitation to tender was also advertised Statewide, as statutorily required.

Tender submissions were invited until 2.00pm on Tuesday 9<sup>th</sup> July 2024.

The RFT advertisement specified the requirements of the Shire and invited suitably registered, qualified and experienced contractors to submit bids to enter into a contract for the works contained in RFT 13.24, in accordance with the tender brief:

*The Shire of Ashburton is seeking a suitably qualified and experienced Construction Contractor for the design, documentation and construction of a new Sports Club adjacent the existing Minna Sports Oval, Tom Price, Western Australia.*

*The facility is to be a new single storey structure with precast external walling and steel roof structure, containing new clubhouse facilities including club rooms, player changerooms and toilets, storage areas, a commercial kitchen, bar area, public toilets and all associated services works. The external works involve new utility connections, a carpark, covered playground, playing field extension, new drainage Works and other associated external works.*

The following qualitative criteria was approved for this tender and this information was advertised as part of the overall process. Each approved criterion was given the following weightings.

Criteria		Weighting
(a)	Relevant Company Experience and Performance	20%
(b)	Key Personnel	20%
(c)	Resources/Plant/Equipment	10%
(c)	Methodology/Quality and WHS Systems/Life Cycle/Risk Management	10%
Total %		60%

The tender price was given the following weighting:

Criteria	Weighting
Price	40%

At the close of the submission period, tender submissions were received from the following, in alphabetical order.

Tenderer Details
CMA Contracting Pty Ltd
Cooper & Oxley Group Pty Ltd
Emirge Pty Ltd
Tec Services Group Pty Ltd T/a Total Electrical Communication Services

All tender submissions received were deemed compliant with the scope and specifications, as detailed in the RFT 13.24.

Each member of the tender evaluation panel individually assessed each tender submission received against the qualitative criteria approved for this project. Each criterion was given a rating scale of 0-10, with zero being the lowest and 10 being the highest.

An independent probity auditor was also involved throughout the tender assessment and evaluation process.

The evaluation panel recommendation report, inclusive of the overall evaluation scores, rankings and the evaluation panel's recommendation for the preferred that would be the most advantageous offer and best value for money to undertake the project works contained in Request for Tender 13.24 Design & Construction of Minna Oval Sports is provided in Confidential Attachment 1.

The offer submitted is for a lump sum price and includes all preliminaries, materials, labour, delivery and deliverables. This is subject to any satisfactory contract negotiations and resultant amendments.

### Consultation

Request for Tender (RFT) 13.24 Design & Construction of Minna Oval Sports Club was advertised via the Shire's e-tendering portal known as Tenderlink on Saturday 25<sup>th</sup> May 2024.

This tender was also advertised via state-wide public notice in The West Australian Newspaper on Saturday 25<sup>th</sup> May 2024. Public notices were also placed on the Shire's website and Administration and Library Noticeboards and via social media advising of the advertised tender to ensure compliance with state-wide public notice of the *Local Government Act 1995*.

The tender submission period closed on Tuesday 9<sup>th</sup> July 2024 at 2.00pm. Consultation was also undertaken with:

Procurement Department  
Independent Probity Auditor  
Tender Assessment Panel  
Director Corporate Services

### Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	1. People - We will support opportunities for the community to be safe, socially active, and connected.
Strategic Outcome	1.1 Coordinated delivery of social services and projects for the community
Strategy	3 Provide safe and welcoming centres to help address social isolation in the community.

### Council Policy

[Council Policies » Shire of Ashburton](#)

Council Policy – Purchasing and Procurement

Council Policy – Asset Management

Council Policy – Risk Management

## Financial Implications

### Current Financial Year

Pilbara Iron Company (Services) Pty Ltd – (Rio Tinto), have provided funding for this project of \$10,000,000. Under the funding agreement \$7.5 million will be received during the 2024/25 financial year because of the agreement being executed, the contract being awarded and confirmation of the commencement of construction.

The final \$2.5 million payment will be received from Rio Tinto within 3 months of the facility being completed. This is not expected to be received until the 2025/26 financial year.

During the 2024/25 financial year the Shire will be required to provide cashflow funding of approximately \$2.5 million that has been included in the 2024/25 annual budget.

### Future Financial Year(s)

With Rio Tinto Funding capped at \$10 million, project contingency for variations will need to be met by the Shire. A contingency of 20% based on a contract sum of ~\$9.2 million equates to \$1.84 million bringing the total budget estimate to \$11.04 million.

The contingency of \$1.84 million is considered sufficient to cover unknowns such as more rock in the ground than estimated in Geotech samples, additional underground services, weather delays whilst building in the wet season, accommodation and material price increases outside reference design.

If the full contingency is used, the Shire contribution to this project will be \$1.04 million.

Expenditure above the Rio Tinto funding of \$10 million to complete this project will be included in the 2025/26 Annual Budget, should it be necessary.

## Legislative Implications

*Local Government Act 1995, Section 1.8 – Statewide public notice*

*Local Government Act 1995, Section 3.57 – Tenders for providing goods or services.*

*Local Government (Functions and General) Regulations 1996, Regulation 11 – When tenders must be publicly invited.*

*Local Government (Functions and General) Regulations 1996 Regulation 18 – Rejecting and accepting tenders.*

## Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Reputation (social/community)	Project not delivered for Tom Price community.	Possible (3)	Moderate (3)	Moderate (5-9)	Adopt officer's recommendation.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be medium.

**Voting Requirements**

Simple Majority

**Officer Recommendation**

That with respect to Request for Tender 13.24 Design and Construction of Minna Oval Sports Club, Council,

1. Accepts the Evaluation Panel's recommendation, as provided in Confidential Attachment 1, and approves the award of a contract to Tenderer 3 for the tendered works under Request for Tender 13.24 Design & Construction of Minna Oval Sports Club for the total contract price of \$9,159,381.99 (excluding GST), inclusive of all preliminaries, materials, labour, delivery and deliverables;
2. Lists \$1.04million for consideration in the 2025/2026 Annual Budget to provide a 20% contingency for this project, as outlined in Confidential Attachment 1; and
3. Authorises the Chief Executive Officer to enter into a formal contract with Tenderer 3 for the tendered works under Request for Tender 13.24 Design & Construction of Minna Oval Sports Club.

## **10 Next Meeting**

The next Ordinary Council Meeting will be held at 2:00pm on Tuesday 20 August 2024 at Council Chambers, Onslow Shire Complex, Second Avenue, Onslow.

## **11 Closure Of Meeting**

There being no further business, the Presiding Member closed the meeting at [enter time](#).