



## **MINUTES OF THE SPECIAL MEETING OF COUNCIL HELD ON 13 AUGUST 2007**

I hereby certify that the Minutes of the Special Meeting of Council held on 13 August 2007 are a true and accurate record of the proceedings contained therein.

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**Shire President Confirmed**

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**1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Shire President declared the meeting open at 4.30pm

**2. RECORD OF ATTENDANCE**

Cr Michele Pucci	Shire President
Cr Keith Wright	Councillor
Cr Di Ausburn	Councillor
Cr John Buchanan	Councillor
Cr Maxine Middap	Councillor
Cr Roch Devenish-Meares	Councillor
Cr Jane Parker	Councillor
Mr Peter Stubbs	Chief Executive Officer
Ms Jo-Anne Ellis	Executive Manager of Corporate Services
Mr Rick Spry	Airports Manager

Peter Cottle  
Darrren Spackman (4:40pm)

**APOLOGIES**

Nil

**LEAVE OF ABSENCE (PREVIOUSLY APPROVED)**

Nil

**3. DECLARATION OF:**

- Financial Interest - Nil
- Members Impartiality Interest - Nil
- Proximity Interest - Nil

**4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

**5. PUBLIC QUESTION TIME**

Nil

**6. APPLICATIONS FOR LEAVE OF ABSENCE**

**COUNCIL DECISION**

**Minute No.7825**

**Moved: Cr M Middap**

**Seconded: Cr D Ausburn**

***That Cr Jane Parker be granted leave of absence from the Ordinary Meetings of Council on 21 August, 18 September and 16 October, 2007.***

**Carried Unanimously 7/0**

**COUNCIL DECISION**

**Minute No. 7826**

**Moved: Cr K Wright**

**Seconded: Cr M Middap**

***That Cr Roch Devenish-Meares be granted a leave of absence from the Ordinary Meeting of Council on 21 August 2007.***

**Carried Unanimously 7/0**

## 7. BUSINESS OF MEETING

### 7.1 Tender T03- 7/08 – Supply Installation and Maintenance of Passenger Screening Equipment

<b>DATE:</b>	8 August 2007
<b>PROPONENT:</b>	N/A
<b>LOCATION:</b>	East Kimberley Regional Airport
<b>AUTHOR:</b>	Jo-Anne Ellis, Executive Manager Corporate Services
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Executive Manager Corporate Services
<b>FILE NO:</b>	66.56.03
<b>ASSESSMENT NO:</b>	N/A

#### **PURPOSE**

To consider and award Tender *T03-07/08 – Supply Installation and Maintenance of Passenger Screening Equipment* for the East Kimberley Regional Airport.

#### **BACKGROUND**

At the Ordinary Council Meeting on 17 July 2007 Council passed the following resolution:

*Minute No. 7788*

*Moved: Cr K. Wright*

*Seconded: Cr J. Buchanan*

*That Council:*

1. *Approve the submission a new Transport Security Program to DOTARS appointing the Shire of Wyndham East Kimberley as the new screening authority and Kununurra Security Services as the screening agent at East Kimberley Regional Airport.*
2. *Invite, consider and accept a tender for the supply, installation and maintenance of screening equipment as listed below. The total value of the tender should include outright purchase and lease options.*
  - *Passenger Screening X-ray Machine*
  - *0.8 Meter Entry Roller Bed*
  - *3.0 Meter Exit Roller Bed*
  - *Acrylic Shielding*
  - *Walk through Metal Detector*
  - *2 x Hand Held Metal Detectors*
  - *Explosives Trace Detector*
  - *Maintenance Contract*
  - *Installation/Commissioning/Hangover/ Training and Freight.*
3. *Authorise the engagement of Kununurra Security Services as screening agents until 1 March 2008 commencing on the date the Shire of Wyndham East Kimberley has authority to act as the Screening Authority. This transitional arrangement will allow*

*adequate time for a tender process to be implemented for a longer term service provider.*

- 4. Authorise the inviting of tenders for the provision of Screening Agent services at the East Kimberley Regional Airport to be timed so that a tender can be accepted and operational by 1 March 2008.*

*Carried 5/2*

*Cr D. Ausburn requested that the votes be recorded.*

*For: Cr M. Pucci, Cr M. Middap, Cr K. Wright, Cr J. Buchanan, Cr J. Parker  
Against: Cr R. Devenish-Meaures, Cr D. Ausburn*

Tenders were advertised in the West Australian newspaper on Saturday 21 July 2007. Tenders closed on Monday 6 August 2007 and were opened after the closing time. No members of the public were present at the opening.

An assessment panel comprising of the Chief Executive Officer, Executive Manager Corporate Services, Airport Manager and Mr Robert Wild from Kununurra Security Services reviewed the tenders received. An assessment report is on the relevant corporate file and a Recommendation Report is attached to this agenda.

#### **STATUTORY IMPLICATIONS**

Section 3.57 of the Local Government Act 1995  
Regulations 11 – 24 Local Government (Functions and General) Regulations 1996

#### **POLICY IMPLICATIONS**

Nil

#### **FINANCIAL IMPLICATIONS**

A budget of \$170,000 for 2007/08 exists to undertake this purchase. Funds will come from Council Airports Reserve.

#### **STRATEGIC IMPLICATIONS**

Passenger Security screening is an integral and mandatory (under Commonwealth Legislation) part of running the airport operations at the East Kimberley Regional Airport.

#### **COMMUNITY CONSULTATION**

Nil

#### **COMMENT**

Refer to the Recommendation Report from the evaluation panel attached to this agenda

#### **ATTACHMENTS**

Panel Recommendation Report – T03-07/08

#### **VOTING REQUIREMENT**

Special Meeting of Council – MINUTES  
13 August 2007

Simple Majority

### **TENDER EVALUATION PANEL RECOMMENDATION**

That Council accept the tender for the supply, installation and maintenance of screening equipment from Rapiscan Systems as the preferred supplier at a price of:

- Supply of Equipment (outright purchase) \$124,600 excl GST
- Installation/Commissioning/Handover/Training and Freight \$ 6,000 excl GST
- Maintenance Contract – Year 1 (Bronze ) \$ 5,300 excl GST
- Maintenance Contract – Years 2 – 5 (Silver) (per year) \$ 9,450 excl GST

The tender be accepted on the basis that the supplier will meet the delivery schedule outlined in section 2.4 Implementation Timetable of the request for tender.

### **COUNCIL DECISION**

**Minute No. 7827**

**Moved: Cr J Buchanan**

**Seconded: Cr M Middap**

***That Council accept the tender for the supply, installation and maintenance of screening equipment from Rapiscan Systems as the preferred supplier at a price of:***

- ***Supply of Equipment (outright purchase)*** \$124,600 excl GST
- ***Installation/Commissioning/Handover/Training and Freight*** \$ 6,000 excl GST
- ***Maintenance Contract – Year 1 (Bronze )*** \$ 5,300 excl GST
- ***Maintenance Contract – Years 2 – 5 (Silver) (per year)*** \$ 9,450 excl GST

***The tender be accepted on the basis that the supplier will meet the delivery schedule outlined in section 2.4 Implementation Timetable of the request for tender.***

**Carried Unanimously 7/0**

### **COUNCIL DECISION**

**Minute No. 7828**

**Moved: Cr K Wright**

**Seconded: Cr M Middap**

***That Council endorse the tender criteria used to assess tenders received as outlined on page 11 of the Tender Recommendation Report for the Tender T03 – 07/08.***

**Carried Unanimously 7/0**

# RECOMMENDATION REPORT

<b>Title of Tender</b>	Supply Installation and Maintenance of Passenger Screening Equipment at East Kimberley Regional Airport
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<b>RFT Number:</b>	T03-07/08
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## 1. INTRODUCTION

### 1.1 TITLE

The Shire of Wyndham East Kimberley issued Tender T03-07/08 – Supply Installation and Maintenance of Passenger Screening Equipment for the East Kimberley Regional Airport on 21 July 2007.

### 1.2 SCOPE

Supply, installation and maintenance of Passenger Screening Equipment for the East Kimberley Regional Airport

Passenger screening security equipment that is required is detailed as follows:

Passenger Screening X-ray Machine

0.8 Meter Entry Roller Bed

3.0 Meter Exit Roller Bed

Acrylic Shielding

Walk through Metal Detector

2 x Hand Held Metal Detectors

Explosives Trace Detector

Maintenance Contract

Installation/Commissioning/Hangover/ Training and Freight

The Supply installation and maintenance of all equipment under this tender must comply with Department of Transport and Regional Services Notice to **Regulation 4.17 Aviation Transport Security Regulations 2005 – Methods, Techniques and Equipment to be used for Screening Version 4.**

The successful tenderer will be reporting to the Airport Manager to fulfil the requirements as described in this report.

### 1.3 VALUE

The price basis for the contract is a fixed price tender.

The budget estimate for the purchase, installation and first year maintenance under this contact is \$170,000.

### 1.4 CONTRACT PERIOD

The RFT seeks the supply of equipment by outright purchase or lease, installation and initial training and then the provision of the ongoing maintenance for a five year term.

### 1.5 ADVERTISING DETAILS

The tender/ was advertised as follows:

- (a) The West Australian – 21 July 2007
- (b) Shire of Wyndham East Kimberley website

## 2 BACKGROUND

### 2.1 TENDERER'S NAME

Tenders were received from:

XTEK Limited (XL)
Rapiscan Systems (RS)
Smiths Detection Australia Pty Ltd (SD)
Security Support Services Pty Ltd (SS)
L3 Communications Australia Pty Ltd (L3)

## 3 EVALUATION PANEL

### 3.1 PARTICIPANTS

An Evaluation Panel assessed each tender. Details on members of the Panel are contained within the table below.

Name	Position/Role
Peter Stubbs	Chief Executive Officer
Jo-Anne Ellis	Executive Manager Corporate Services
Rick Spry	Airport Manager
Robert Wild	Kununurra Security Services

## 4 SELECTION CRITERIA AND RATING SCALE

### 4.1 COMPLIANCE CRITERIA

Description of Compliance Criteria
(a) Compliance with the Specification contained in the Request.
(b) Compliance with the Conditions of Tendering this Request.
(c) Compliance with attendance at any mandatory tender briefing or site inspection.
(d) Compliance with the Quality Assurance requirement for this Request.
(e) Compliance with the Delivery Date.
(f) Compliance with and completion of the Price Schedule.

### 4.2 QUALITATIVE CRITERIA

Description of Qualitative Criteria	Weighting
(a) Relevant Experience	30%
(b) Key Personnel skills and experience	20%
(c) Tenderer's Resources	30%
(d) Demonstrated Understanding	20%

### 4.3 RATING SCALE

Ratings for the evaluation were 0 -10 and represent the following descriptions:

Score	Description
0	Inadequate or non appropriate offer, many deficiencies, does not meet criterion,
1	Between 0 and 2,
2	Marginal offer, some deficiencies, partly meets criterion,
3	Between 2 and 4,
4	Fair offer, few deficiencies, almost meets criterion,
5	Between 4 and 6,
6	Good offer, no deficiencies, meets criterion,
7	Between 6 and 8,
8	Very good offer, exceeds criterion,
9	Between 8 and 10,
10	Outstanding offer, greatly exceeds criterion.

### 4.4 PRICING

The pricing submitted by each tenderer was documented and assessed in detail for the two tenders selected for short listing based on scoring from assessment of the qualitative criteria. The selected response is that which represents the most advantageous to the Shire of Wyndham East Kimberley.

## 5 EVALUATION METHODOLOGY

### 5.1 INITIAL COMPLIANCE CHECK

An initial compliance check was conducted the Evaluation Panel on 7 August 2007 to identify submissions that were non-conforming with the immediate requirements of the RFT. This included compliance with contractual requirements and provision of requested information.

It was evident at this review that:

XTEK Limited tender was non-conforming with the specification criterion – supply of Explosives Trace Detector.

The Evaluation Panel elected not to consider XTEK Limited bid/s any further due to their non-conformance.

The remaining submissions were progressed through to the qualitative criteria assessment on the basis that all terms and conditions and mandatory requirements of the RFT had been met.

### 5.2 qualitative criteria assessment

The qualitative criteria assessment was carried out by the Evaluation Panel on 7 August 2007, with the Evaluation Panel scoring the tenders/ according to the evaluation matrix.

All applicants were assessed against the qualitative selection criteria. Specific criteria were weighted according to their importance as perceived and agreed by the Evaluation Panel. Relative weightings were published within the RFT .

Option 1 – Successful tenderer/acceptable tenderers identified

The evaluation clearly showed two acceptable tenderers based on the weighted qualitative assessment scores and were consequently progressed to assessment of price as a differentiation between the two tenders.

## 6 EVALUATION TOOLS

Below is an outline of the process used by the Evaluation Panel when allocating points against the qualitative selection criteria.

Refer to section 4.2 of the Evaluation Report for a description of the selection criteria.

As part of the qualitative criteria assessment, the Evaluation Panel scored tenders according to the evaluation matrix below:

### 6.1 Evaluation Matrix – Qualitative Criteria and Price

Selection Criteria	Weighting	RS		SD		SS		L3	
		Score (Out of 10)	Weighted Score						
<b>Relevant Experience</b>	30%	8	24	8	24	4	12	8	24
<b>Key Personnel Skills and Experience</b>	20%	8	16	6	12	4	8	8	16
<b>Tenderer's Resources</b>	30%	8	24	6	18	4	12	8	24
<b>Demosntrated Understanding</b>	20%	8	16	4	8	4	8	7	14
<b>Totals</b>			<b>80</b>		<b>62</b>		<b>40</b>		<b>78</b>

The Evaluation Panel agreed that the evaluation matrix had clearly identified two tenders that would be able to address the requirements of the RFT and further considered the pricing submission of following tenders.

Rapiscan Systems (RS) – Weighted Score of 80  
L3 Communications Australia Pty Ltd (L3) – Weighted Score of 78

Price submissions of RS and L3 were considered in detail.

L3 offered two alternatives for MTD and ETD. Option one MTD was chosen and option 2 ETD was chosen for assessment purposes.

RS Maintenance option of Silver years 2 – 5 was chosen

Maintenance does not include parts for both tender options considered

Outright Purchase	RS \$124,600	L3 \$138,982
Lease	RS \$149,455	L3 \$167,730

Maintenance	RS \$ 43,100	L3 \$68,240 (plus travel & accom for ETD)
Installation, Training etc costs for ETD)	RS \$ 6,000	L3 \$ 5,250 (does not include training or costs for ETD)

Leasing was considered by the panel and an outright purchase was considered preferential because

It was not considered the equipment would need replacing or be redundant in 5 years

The economic benefits were not demonstrated for leasing.

The funds to purchase do not need to be borrowed so financing is not an issue.

Based on price and taking into account that RS can offer all the equipment, maintenance and installation on through their own company the panel are recommending that Rapiscan Systems be awarded the tender for outright purchase of equipment, maintenance and installation of equipment.

The Airport Manager will conduct reference checks with other operators to finalise the due diligence on this tender recommendation.

## 7 BASIS OF DECISION

### 7.1 BASIS FOR RECOMMENDING A TENDERER

Based on the Panel's evaluation, the tender from Rapiscan Systems represented the highest rated assessment against the qualitative selection criteria and demonstrated the most advantageous tender to Local Government in terms of outright purchase, installation and training and ongoing maintenance costs and is therefore recommended as the preferred supplier.

### 7.2 DETAILS OF REFEREE REPORT

The referee report provided for Rapiscan Systems, attached below, supports the recommendation for Rapiscan Syatems as the preferred supplier.

Questions Asked:

- 1 Did Equipment turn up on time?
- 2 How does Equipment Perform?
- 3 How do you rate servicing of equipment?
- 4 Have you had any other issues or problems with the equipment?

REFEREE	INFORMATION PROVIDED
Westralia Airports-Perth Airport Mr Neil Fitzgerald Security Operations manager	<p>1 Yes</p> <p>2 No Problems with the performance.</p> <p>3 Had problems with last Distributor A and I Company. With Rapiscan had no problems</p> <p>4 one X-ray machine is 5 years old , had to have up grades. Other machines are over 3years old no problems.</p> <p>Neil advise service is the next day, and advise Rapiscan is going to base a Engineer in Perth. Also advised the new machine will be better with new upgrades.</p>

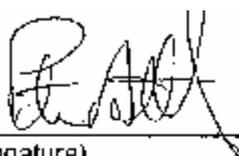
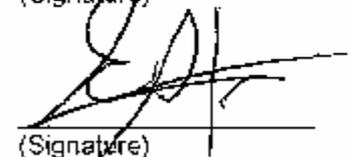
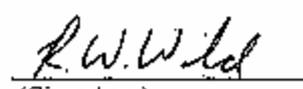
Gold Corp Perth Mint Mr David Harpur, Security Control Officer	Yes, no problems with time No Problems Very good service with Rapiscan ,but not with A and I company No Issues and happy with the equipment Remarked about the x-ray machine you can down load information to USB or Computer
Cocs Island and Christmas Island Mr Andrew Forte Director	Yes and installed on time problem to computer but fixed straight away. Very good service and good time Advise the equipment was purchase from A and I Company, small problems. But now Rapiscan have taken over the service is great and on time. Quote No problems so far.

## 8 DECISION

The Evaluation Panel recommends that Rapiscan Systems be selected as the preferred supplier at a price of

- Supply of Equipment (outright purchase)	\$124,600 excl GST
- Installation/Commissioning/Handover/Training and Freight	\$ 6,000 excl GST
- Maintenance Contract – Year 1 (Bronze )	\$ 5,300 excl GST
- Maintenance Contract – Years 2 – 5 (Silver) (per year)	\$ 9,450 excl GST

## 9 ENDORSEMENT BY EVALUATION PANEL

Peter Stubbs	 (Signature)	<u>8-8-07</u> (Date)
Jo-Anne Ellis	 (Signature)	<u>8-8-07</u> (Date)
Rick Spry	 (Signature)	<u>8/8/2007</u> (Date)
Robert Wild	 (Signature)	<u>8/8/07</u> (Date)

## 7.2 Tender T02 07/08 – Lease of Infrastructure at Wyndham Airport

<b>DATE:</b>	8 August 2007
<b>PROPONENT:</b>	N/A
<b>LOCATION:</b>	Wyndham Airport
<b>AUTHOR:</b>	Jo-Anne Ellis, Executive Manager Corporate Services
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Executive Manager Corporate Services
<b>FILE NO:</b>	66.56.03
<b>ASSESSMENT NO:</b>	N/A

### **PURPOSE**

To consider responses from Tender T02-07/08 – Lease of Infrastructure at Wyndham Airport

### **BACKGROUND**

At the Ordinary Council Meeting on 17 July 2007 Council passed the following resolution:

*Minute No. 7799*

*Moved: Cr K. Wright                      Seconded: Cr R. Devenish-Meares*

*That Council publicly invite tenders from aviation companies for a fixed term five year lease of infrastructure comprising aircraft hangar, office and shed at Council's Wyndham Airport, with the following tender assessment criteria:*

- *90% price*
- *10% community benefit*

*Carried Unanimously 7/0*

Tenders were advertised in the West Australian newspaper on Saturday 21 July 2007 and the Kimberley Echo on Thursday 26 July 2007.

Tenders closed on Monday 6 August 2007 and were opened, with no members of the public present.

### **STATUTORY IMPLICATIONS**

Section 3.58 of the Local Government Act 1995

### **POLICY IMPLICATIONS**

Nil

### **FINANCIAL IMPLICATIONS**

The lease of Infrastructure at Wyndham Airport will offset some of the loss incurred in maintaining and running this facility.

Leasing the infrastructure will require some maintenance to the infrastructure to ensure it is of a suitable standard. This has not been costed to date.

### **STRATEGIC IMPLICATIONS**

Creation of expanded or new business opportunities in the region by leasing infrastructure.

### **COMMUNITY CONSULTATION**

Nil

### **COMMENT**

Six people/companies accessed the tender documentation from the Shires website.

Only one tender was received, this was from North West Regional Airlines for \$25,000 per year including GST (Revenue to Council would be \$22,727.27 excluding GST).

Northwest Airlines also trades and Broome Aviation.

Having received only one tender Executive Managers considered that the market had not adequately been tested and that disposing of this property by lease for a period of five years may not be advantageous to Council in the long term without further testing of the market.

Additionally it was considered that the extent of maintenance/upgrade of the infrastructure has not been adequately determined or costed.

### **ATTACHMENTS**

Nil

### **VOTING REQUIREMENT**

Simple majority

### **MANAGERS RECOMMENDATION**

That Council

1. Does not dispose of the Infrastructure at Wyndham Airport by lease at this time.
2. Requests Officers to bring to a briefing session details and cost estimates of the maintenance/improvements required to the infrastructure at Wyndham Airport.
3. Requests Officers to bring to a briefing session an action plan to encourage more interest in leasing the Infrastructure at the Wyndham Airport.

## **COUNCIL DECISION**

**Minute No. 7829**

**Moved: Cr K Wright**

**Seconded: Cr R Devenish-Meares**

***That Council***

- 1. Does not dispose of the Infrastructure at Wyndham Airport by lease at this time.***
- 2. Requests Officers to bring to a briefing session details and cost estimates of the maintenance/improvements required to the infrastructure at Wyndham Airport.***
- 3. Requests Officers to bring to a briefing session an action plan to encourage more interest in leasing the Infrastructure at the Wyndham Airport.***

**Carried Unanimously 7/0**

### 7.3 Northern Land and Water Taskforce Draft Submission

<b>DATE:</b>	21 August 2007
<b>PROPONENT:</b>	Shire Wyndham East Kimberley
<b>LOCATION:</b>	Northern Australia
<b>AUTHOR:</b>	Peter Stubbs, Chief Executive Officer
<b>REPORTING OFFICER:</b>	Peter Stubbs, Chief Executive Officer
<b>FILE NO:</b>	42.09.01
<b>ASSESSMENT NO:</b>	N/A

#### **PURPOSE**

For Council to consider a submission to the Northern Australia Land and Water Taskforce, chaired by Federal Senator Bill Heffernan to consider development of northern Australia.

#### **BACKGROUND**

The Northern Australia Land and Water Taskforce, chaired by Senator Bill Heffernan has been established to advise the Commonwealth Government on major opportunities and issues related to developing northern Australia's land and water assets.

Senator Heffernan met with some elected members of Council in May 2007 in Kununurra about this issue.

The Shire President made a submission to Senator Heffernan on 7 June 2007 following that visit.

The Northern Australia Land and Water Taskforce has advertised for public submission with this submission closing on 15 August 2007. Advertising material related to this is attached to this report.

Submissions are to be limited to three pages.

#### **STATUTORY IMPLICATIONS**

Nil

#### **POLICY IMPLICATIONS**

Nil

#### **FINANCIAL IMPLICATIONS**

Nil

#### **STRATEGIC IMPLICATIONS**

The development of land and water assets in the East Kimberley region is one off the most strategic issues for the regions future. In particular the relevance of the Ord Irrigation

Scheme does not appear to be a focus of the Northern Australia Land and Water Taskforce, and this is anomaly for the reason stated in the Shire Presidents submission.

### **COMMUNITY CONSULTATION**

Nil

### **COMMENT**

Given the investment ready nature of the Ord Irrigation Scheme, the large amount of research done over some decades to expand this Scheme, and the relevance of an expended Scheme to the East Kimberley region, it is recommended that Council make a submission to the Northern Australia Land and Water Taskforce.

It is also recommended that any submission Council makes be copied to other organisations in the East Kimberley region and other Kimberley Local Governments to make them aware of the comments Council is making to Taskforce and to encourage further submissions.

### **ATTACHMENTS**

1. Northern Australian Land and Water Taskforce Call for Public Submissions
2. Draft Council Submission to Northern Australia Land and Water Taskforce.

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER RECOMMENDATION**

1. That Council adopt the submission prepared and tabled to the Northern Australian Land and Water Taskforce charged by the Commonwealth Government with advising it on development options for land and water in Northern Australia and the relevance of this the East Kimberley region.
2. That Council provide a copy of this submission to other organisations in the East Kimberley region and to other Kimberley Local Governments to make them aware of Council's submission and to encourage further submissions to the Northern Australia Land and Water Taskforce.

## **COUNCIL DECISION**

**Minute No. 7830**

**Moved: Cr Wright**

**Seconded: Cr Middap**

- 1. That Council adopt the submission prepared and tabled to the Northern Australian Land and Water Taskforce charged by the Commonwealth Government with advising it on development options for land and water in Northern Australia and the relevance of this the East Kimberley region.***
- 2. That Council provide a copy of this submission to other organisations in the East Kimberley region and to other Kimberley Local Governments to make them aware of Council's submission and to encourage further submissions to the Northern Australia Land and Water Taskforce.***

**Carried Unanimously 7/0**

**Attachment 1: Northern Australian Land and Water Taskforce Call for Public Submissions**



**Australian Government**  
**Department of the Environment and Water Resources**

Ms Michele Pucci  
Shire President Shire of Wyndham-East Kimberley  
PO BOX 614  
Kununurra  
WA 6743

Dear Ms Pucci

**NORTHERN AUSTRALIA LAND AND WATER TASKFORCE  
CALL FOR PUBLIC SUBMISSIONS**

You have previously contacted the Australian Government or Senator the Hon Bill Heffernan expressing interest in the further development of land and water resources northern Australia.

I am writing to advise you that over the week commencing 13 July the Taskforce will be advertising in the press for public submissions from individuals or organizations. A copy of the advertisement (and a list of the newspapers and dates on which it will appear) is attached for your information, together with copies of the Taskforce's terms of reference and membership, and a map outlining the areas of interest to the Taskforce. Further copies of these documents can be downloaded at [www.environment.gov.au/water/action/development/index.html](http://www.environment.gov.au/water/action/development/index.html)

Submissions, which should not exceed three pages in length, should be lodged no later than **17 August 2007**, and may be emailed to [northern.taskforce@environment.gov.au](mailto:northern.taskforce@environment.gov.au) or posted to the following address:

Northern Australia Taskforce Secretariat  
Department of the Environment and Water Resources  
GPO Box 787  
CANBERRA ACT 2601

Periodic updates on the work of the Taskforce will be posted on its website. If you have specific queries, please do not hesitate to contact the Taskforce Secretariat at [northern.taskforce@environment.gov.au](mailto:northern.taskforce@environment.gov.au) or telephone 02- 6274 1503.

Yours sincerely

Andrew Dickson  
Secretary  
Northern Australia Land and Water Taskforce

17 July 2007



GPO Box 787 Canberra ACT 2601 Telephone 02 6274 5111 Facsimile 02 6274 1886  
[www.environment.gov.au](http://www.environment.gov.au)



**Attachment 2: Draft Council Submission to Northern Australia Land and Water Taskforce.**

Our Ref: 42.09.01

Northern Australian Taskforce Secretariat  
Department of the Environment and Water Resources  
GPO Box 787  
CANBERRA ACT 2601

**Submission to the Northern Australian Land and Water Taskforce  
July 2007**

Council for the Shire of Wyndham East Kimberley makes the following submissions for the Taskforce consideration. These submissions were also made to Senator Heffernan in June 2007.

1. Development of agriculture in northern Australia must be based on good science;
2. Development of northern Australia is in the nation's interest;
3. World trends indicate that continued agricultural production in Australia is essential;
4. Fresh water will be a limiting resource for the much of the world in the next 50 years and beyond;
5. Given climate trends and predictions for Australia, it is unlikely that southern Australia can continue to play the dominant role it has in the past 200 years in terms of agricultural production even with advances in science (new varieties etc);
6. Genetically modified crops should be considered in the context of developing agriculture and industries in northern Australia;
7. That appropriate market signals are beneficial in terms of water pricing;
8. Irrigation efficiency will be required in both the existing irrigation scheme (Ord River Scheme) and any expansion to maximise the value of the fresh water available.
9. The Ord River Irrigation Scheme is investor and development ready, because of the existing headworks, infrastructure and some 30 years of science underpinning its development. This does not seem to be a focal point for the Taskforce terms of reference, and it should be, because there is no catchment or project more ready for development than this one. If Australia cannot expand this Scheme then it has little or no chance of developing others.
10. The state of readiness for investment and development of the Ord River Scheme is immediate and far exceeds any other area in northern Australia in this regard;
11. The Ord River Irrigation Scheme has water availability secured by virtue of past Commonwealth and State investment in key infrastructure such as the Argyle Dam and Lake Kununurra Diversion Dam;

12. This past investment will not be fully capitalised on, unless the Ord River Irrigation Scheme is fully developed;
13. If the development of Ord River Irrigation Scheme is to reach its full potential (80,000Ha plus) it should be done before other greenfield developments are commenced (e.g. Fitzroy River in the West Kimberley);
14. Despite full flow from Lake Argyle driving the Ord Hydro power plant, the Dam has overflowed the spillway consistently. This coupled with increased rainfall climate predictions indicates a very secure water source of development for the Kununurra area;
15. If we are to take a national perspective, then the Commonwealth needs to use its influence to have the Northern Territory progress its component of the Ord Irrigation Scheme immediately;
16. That by virtue of the State initiated Native Title settlement, the Ord Final Agreement signed in October 2005, the native title issues associated with developing the Ord River Irrigation Scheme have been cleared;
17. That by virtue of the Ord Final Agreement the Consolidated Pastoral Company owned by the Packer Group, will receive around 16,000Ha of freehold land capable of agricultural development, in return for lands surrendered from their Pastoral Lease;
18. That whatever the Consolidated Pastoral Company do or don't do with this land has a strong influence on the nature of agricultural industries and processing in this region in the short to medium term;
19. That the Commonwealth is encouraged to discuss this (point 9 above) with Mr Ken Warrenner, who Council understands Senator Heffernan knows, and who represents the Consolidated Pastoral Company in this matter;
20. That the Commonwealth acknowledge that over 30 years of science relevant to the Ord River Irrigation Scheme already exists, meaning decisions can be made with increased confidence about production and industry development.
21. That the Commonwealth acknowledge the importance of the Wyndham Port, East Kimberley Regional Airport, and the National Highway in terms of development of the whole East Kimberley region;
22. That Commonwealth acknowledge the process, led by the WA State Government, in calling for Expressions of Interests seeking private sector partners to expand the Ord River Irrigation Scheme. This process has identified private sector interest nationally in this project in the past 8 months. It has created an expectation that the WA Government will consider a joint approach with the private sector in developing an additional irrigated land;
23. That the Commonwealth acknowledge that expansion of the sugar industry in the Ord River Irrigation Scheme is desirable not only for economic and agronomic reasons related to business critical mass, but it is also the preferred power source for the Argyle Diamond Mine underground mining venture commenced in 2007 which requires an additional 15 megawatts of power. Cogeneration of power from sugar processing is an essential step to be taken to add value and financial sustainability to the sugar industry in the region;

24. That the Commonwealth acknowledge there is other sustainable power options for this region and these options include additional hydro power through a possible new hydro plant on the Diversion Dam at Kununurra and viable tidal power on the lower Ord River, proposed by Tidal Energy Australia;
25. That the following jobs are expected to be associated with development of an additional 16,000Ha of agriculture as per the planned M2 expansion: Construction 400-900 jobs, operational 300-700 jobs;
26. That these new jobs are essential if the Kimberley region is to provide new opportunities to the rapidly growing indigenous population. (Senator Heffernan emphasised this point at the Broome Economic Forum 2<sup>nd</sup> May 2007);
27. That the potential for irrigated agriculture in the East Kimberley region extends beyond the Ord Valley and already includes 10,000 Ha at Kingston Rest with its own secure water supply of 23 GL, and is yet to be fully developed;
28. That a mosaic of other niche irrigated agricultural production is possible in places such as Argyle Diamond Mine (when the mine is decommissioned), Bell Springs community, Kalumburu, North Kimberley etc. This mosaic of agricultural development is possible across the Kimberley often without large headworks and can assist in leveraging business critical mass for agricultural industries. Further development of this type has risk management advantages and the ability to time production to suit niche market opportunities. The work at Kilty Station by Jack Nixon is a terrific example of this.
29. That given the importance of the East Kimberley region and Ord River Scheme to any genuine consideration of land and water resource development in Northern Australia, that the Taskforce ought to reflect stronger membership from this region.
30. It is noted on the map circulated with the terms of reference that Katherine and Derby are not shown as "Major Towns". If we are talking about developing Northern Australia, surely they must be considered as Major Towns. Arguably Fitzroy Crossing, Halls Creek and Kalumburu should also be shown.
31. The West Australian newspaper 3 July 2007 quotes Senator Heffernan as saying "*the Ord was now a matter of national interest and he had commissioned studies into how it could benefit Australia. The question of ways to develop the Ord dominated discussion at the task force's inaugural meeting on Friday and talks are already under way between Perth and Canberra about the GM issue.*"

That is an interesting comment and raises numerous questions. Council seeks clarity on the following:

If the Ord is of such national interest, why isn't the third level of government in this country, Local Government, our Local Government the Shire of Wyndham East Kimberley, given the courtesy and respect of being both represented on the Northern Australian Land and Water Taskforce and being present at these supposedly important meetings?

The failure of the Commonwealth Government to address this issue, when it is this regions "backyard" you are talking about, makes a mockery of a number of intergovernmental agreements about involvement of Local Government in the future

of our society. It is for reasons like this that our Council has resolved to initiate a national media campaign around this issue. Our region and Local Government has not been consulted with regard to appropriate levels of regional representation at forums where the future of this region is discussed. How do you expect people of this region to have confidence in your government going forward, if this situation is to continue?

Yours sincerely,

Michele Pucci  
Shire President

#### 7.4 Zone Tax Rebate- Draft Item to National General Assembly of Australian Local Government.

<b>DATE:</b>	8 August 2007
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Zone A and B under Taxation Zone Rebate System
<b>AUTHOR:</b>	Peter Stubbs, Chief Executive Officer
<b>REPORTING OFFICER:</b>	Peter Stubbs, Chief Executive Officer
<b>FILE NO:</b>	60.14.02
<b>ASSESSMENT NO:</b>	N/A

#### **PURPOSE**

For the National General Assembly of Local Government to consider the need for reform to Australia's Tax Zone Rebate scheme, to better assist with the attraction and retention of populations in remote and regional Australia, leading to long-term sustainability for country Australia.

#### **BACKGROUND**

Mr Barry Haase, Federal Member for Kalgoorlie, has been urging the Commonwealth Government for eight years to reform the Tax Zone Rebate scheme, so far with no success. Mr Haase, a long-term advocate of a change to this tax rule, is the Member for the largest electorate in the world, covering 2,300,284 sq km of regional and remote Australia. It is divided into Zones A and B under the Taxation Zone Rebate system.

Mr Haase has provided the following information as background and explanation:

#### ***A CHANGE TO AUSTRALIA'S TAX ZONE REBATE SCHEME***

*Australia's Taxation Zone Rebate scheme needs an immediate and considerable overhaul. The current system neither accurately reflects the reality of life in rural and regional Australia in 2006, nor formally recognises the contribution made by these areas.*

*The Rebate must be substantially increased, classification of those entitled to it amended and ancillary elements such as a discount of the Higher Education Contributions Scheme (HECS) debt repayments for university graduates who choose to live and work in rural and remote areas considered.*

*The Tax Zone Rebate (originally known as the Taxation Zone Allowance) was introduced in 1945 to attract city workers to more remote areas and provide an incentive for them to make it a permanent move. Two zones were established: Zone A for remote areas and Zone B for marginally remote areas. The annual rate was set at £40 and £20 respectively. These Zones remain largely unchanged today.*

*In the second reading speech for the Income Tax Assessment Bill 1945, Treasurer Ben Chifley said: "These allowances are paid to employees as compensation for the disabilities of uncongenial climatic conditions, isolation or relatively high living costs."*

*This position is as relevant today as it was fifty years ago, if not more so.*

*In 1975 the Allowance was changed to a Rebate. In the past 30 years it has been reviewed six times, most recently in 1993/94, but the value of the payment has been eroded to the point of irrelevancy, providing no adequate compensation for life in rural and regional Australia. The Rebate ranges from \$57 to \$1,173 annually for those who live or work, for a*

*total period of six months, in specified areas. At its highest value, the Rebate was worth five weeks' wages per annum. At \$57 per annum today, it is barely worth the time taken to make the claim.*

*A level of \$5,000 - \$7,000 per annum would better reflect the cost of living in the bush. Furthermore, it must only be available to bona fide residents. The residents of towns in remote Australia often suffer a 20% surcharge on a standard metropolitan-priced basket of goods. Nearly half a million taxpayers claim the Rebate, at a cost of \$200m. Reclassification of entitlement would greatly reduce the number of claimants.*

*One element contributing to rural population reduction is "Fly-In Fly-Out" (FIFO). FIFO workers are entitled to the Rebate, even though they may live in cities with full amenities. This entitlement should be removed, as there is no hardship involved. No, not these days, even in the workplace.*

*Boundaries need to be reclassified. In 1945, Darwin, Cairns and Townsville were classified as remote towns. They are now among Australia's largest and most vibrant cities. Darwin is the capital city of the Northern Territory and has a population of 110,000, but it is currently classified as being "remote", in Zone A. enjoying the same meagre entitlement is Marble Bar in Western Australia, with a population of 410.*

*Queensland is experiencing a population boom, recording the largest population growth of the States and Territories in 2003-04, with an increase of 81,000 people. Cairns now has a population of 120,000 and Townsville 144,000, but are both "marginally remote", in Zone B. Residents receive the same Rebate as those in Woomera in South Australia, with a population of 300, and Corinna in Tasmania, with just five.*

*Small towns such as these are disappearing because of general hardship. The share of the population in rural areas (centres of <1,000 people) declined from 14.7% in 1986 to 10.9% in 1996. Without a change to the Taxation Zone Rebate scheme, vast areas of Australia will be depopulated.*

*If a tight-fisted attitude in Treasury prevents fair recognition of the need for service equity for bona fide residents of remote Australia, then Taxation Zone Rebates should be removed for populations in excess of 50,000, which enjoy cost benefits as a result of competition.*

*Australia should use its abundance of land and unpolluted environment to its advantage, rather than overcrowding its urban centres. Mining and agriculture account for nearly 50% of Australia's exports, but there is a shortage of workers in both these sectors, as no meaningful incentives are in place.*

*Investigation of all aspects of remote area population decline is long overdue. Innovative strategies, such as discounting HECS repayments, need to be thoroughly analysed. A discount for graduates, who are bona fide residents of remote areas, of 25% for Zone B and 100% for Zone A, is one such strategy that has the potential for great service improvement at minimal bottom line cost.*

*The great void between suburban living, with public amenities and low living costs, and rural and remote residency must be addressed. Taxation Zone Rebates were successful in 1945 attracting people to remote areas. With a genuine commitment and a general revision, they have the potential to do the job again.*

## **STATUTORY IMPLICATIONS**

Nil

## **POLICY IMPLICATIONS**

Nil

## **FINANCIAL IMPLICATIONS**

Nil

## **STRATEGIC IMPLICATIONS**

The Tax Zone Rebate Scheme, if applied at meaningful levels, could play a useful role in ensuring the long-term sustainability for regional Australia, and therefore, relevant Local Governments.

## **COMMUNITY CONSULTATION**

Nil

## **COMMENT**

Given the significance of the Zone Tax Rebate scheme across Australia, and its governance through the Australia Taxation System regulated by the Commonwealth it is considered the National General Assembly of Local Government is an appropriate forum to progress reform of the scheme.

The attraction and retention of populations is an issue for many Local Governments, especially in this time of the resources boom. One element of this problem is the use of Fly In Fly Out workers by mining companies. Local Governments' funding is based on populations, and reform of the Tax Zone Rebate Scheme would encourage workers to live where they work. This change would directly link and benefit innovative strategies such the Argyle Diamond Mine's target of 80% of their workforce living in the Kimberley region.

The changes recommended would significantly assist business at all levels in the skills competitive environment in regional areas.

Savings made by removing the eligibility for fly in fly our workers and people in communities of greater than 50,000 people could contribute to offsetting the increased rebate cost to people in genuinely remote and regional areas.

The Rebate is no longer relevant, as it was based on the cost of living 60 years ago, and provides no incentive in its current form, for people to live in regional areas.

The following criteria apply to motions for consideration by the Item before the National General Assembly of Local Government:

1. To focus the debate contained at this year's National General Assembly of Local Government, the following principles apply:
  1. it must refer to an issue of national significance
  2. be relevant to the work of local government

3. not be antithetical to the interests of any one state or territory
2. As in previous years, motions of similar substance will be grouped together as associated motions.
3. Motions will be reviewed against the principles as set out in (1) above by the General Assembly Review Committee and state/territory associations as to their eligibility for inclusion in the General Assembly Business Papers.

Motions adopted by the National General Assembly will be formally considered by the Board of the Australian Local Government Association. The ALGA Board is not bound by any resolution passed by the National General Assembly of Local Government.

It was proposed that Council consider this item at its scheduled Special Meeting to be held on the 8<sup>th</sup> August 2007. This meeting however was cancelled due to lack of an available quorum. Agenda Items to the National General Assembly were required to be lodged by the 10<sup>th</sup> August 2007. Hence it was necessary if the recommendations in this report were to go to the National General Assembly that be lodged after discussion with the Shire President and Deputy Shire President. It is therefore recommended that Council note the recommendations forwarded to the National General Assembly.

### **ATTACHMENTS**

Nil

### **VOTING REQUIREMENT**

Simple Majority

### **MANAGERS RECOMMENDATIONS**

That Council note the following recommendations lodged to the 2007 National General Assembly of Local Government after discussion with the Shire President and Deputy Shire President:

1. The Australian Local Government Association lobby the Commonwealth Government to undertake an immediate review of the current Tax Zone Rebate Scheme, and provide a report detailing the scheme, its financial implications and its Constitutional legitimacy.
2. The Australian Local Government Association request the Commonwealth Government to consider amending the Tax Zone Rebate scheme to exclude eligibility to people in communities of greater than 50,000 people.
3. The Australian Local Government Association request the Commonwealth Government to consider amending the Tax Zone Rebate scheme to exclude fly in fly out workers from communities of more than 50,000 people.
4. The Australian Local Government Association request the Commonwealth Government to consider amending the Tax Zone Rebate scheme to provide a tax rebate of \$7,000 for eligible residents in regional Australia in communities of less than 50,000 people.

## **COUNCIL DECISION**

Minute No. 7831

Moved: Cr R Devenish- Meares

Seconded: Cr K Wright

***That Council note the following recommendations lodged to the 2007 National General Assembly of Local Government after discussion with the Shire President and Deputy Shire President:***

- 1. The Australian Local Government Association lobby the Commonwealth Government to undertake an immediate review of the current Tax Zone Rebate Scheme, and provide a report detailing the scheme, its financial implications and its Constitutional legitimacy.***
- 2. The Australian Local Government Association request the Commonwealth Government to consider amending the Tax Zone Rebate scheme to exclude eligibility to people in communities of greater than 50,000 people.***
- 3. The Australian Local Government Association request the Commonwealth Government to consider amending the Tax Zone Rebate scheme to exclude fly in fly out workers from communities of more than 50,000 people.***
- 4. The Australian Local Government Association request the Commonwealth Government to consider amending the Tax Zone Rebate scheme to provide a tax rebate of \$7,000 for eligible residents in regional Australia in communities of less than 50,000 people.***

**Carried Unanimously 7/0**

## **8. CLOSURE OF MEETING**

With all matters of business concluded the Shire President closed the meeting at 4:45pm.