



**Notice is given that an Ordinary Meeting of Council of the Shire of Christmas Island is to be held at the Council Chambers on Tuesday 26 April 2022 commencing at 7.00pm**

David Price  
Chief Executive Officer

## **AGENDA**

- 1 Declaration of Opening of Meeting/Announcement of Visitor**
- 2 Record of Attendance/Apologies/Leave of Absence/Declaration of Financial/Proximity/Impartiality Interests**
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  - 2.2 Leave of Absence
  - 2.3 Apologies
  - 2.4 Declaration of Interests
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- 4 Public Question Time**
- 5 Applications for Leave of Absence**
- 6 Petitions/Deputations/Presentations**
- 7 Confirmation of Minutes of Previous Meetings/Business arising from the Minutes of Previous Meetings**
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- 11 Elected Members Motions of which Previous Notice has been given**
- 12 New Business of an Urgent Nature Introduced by Decision of the Meeting**
- 13 Behind Closed Doors**
- 14 Closure of Meeting**
- 15 Date of the next Ordinary Meeting**  
**24 May 2022**



## UNCONFIRMED MINUTES

### Ordinary Meeting of the Shire of Christmas Island held at the George Fam Chambers at 7.00pm on Tuesday 22 March 2022

#### 1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

- 1.1 The Shire President declared the meeting open at 7.00pm.
- 1.2 Shire President introduced the Hon. Warren SNOWDON, Federal Member for Lingiari and Vincent JEISMAN from his office.

Shire President THOMSON thanked the Hon. Warren SNOWDON for his contributions on Christmas Island during his 34 years as member. In 1987 the Christmas Island Assembly was dismissed by the Commonwealth and the Mine was shut down on 31<sup>st</sup> December 1987.

From 1988-90/91 there was struggle between the Union of Christmas Island Workers and the Commonwealth for the re-establishment of the phosphate mine. SNOWDON assisted the union members in getting the mine reopened. Shire President THOMSON paid tribute to the Hon. Warren SNOWDON's role in that; *it was appropriate that a Labor man would do that to represent the interests of the electorate.*

THOMSON stated that the people of Christmas Island have voted for him since as it was admirable what he accomplished in that era. Stated that there would not be the modern Christmas Island today had he not joined forces with the community at that time and worked with Islanders the way that he did representing their interests at the highest levels.

Shire President THOMSON noted that he has been in the role for 34 years and expressed disappointment that the COVID pandemic had caused the postponement of the annual Union Day Festival; it would have been a great opportunity for union members and residents to wish him a large farewell. Invited the Hon. Warren SNOWDON to return to visit the Island in his retirement.

Shire President THOMSON introduced Vince JEISMAN from the office of the federal member for Lingiari. Paid tribute to his dedication and indefatigability in his efforts to keep track of developments and concerns on Christmas Island, so far from the Alice Springs hub. Noted his very consistent efforts to be accessible to the electorate across great distances and time zones during all his years of service.

- 1.3 The Hon. Warren SNOWDON addresses Council. He endorses the comments made about Vince JEISMAN and puts forward he has been an indispensable part of the office. SNOWDON notes that JEISMAN maintains the relations on the Cocos (Keeling) Islands and Christmas Island and has been a key advisor in getting the outcomes delivered in the electorate.

The Hon. Warren SNOWDON expresses that he considers it to be his life's luck and a privilege to have been able to stand on the green carpet as the House of Representatives member contributing to national debate for the Lingiari electorate for so long. He says that it is partly due to Christmas Islanders.

SNOWDON expresses that he is humbled by the Shire President's remarks and states that *'nothing which I have achieved could have been made without this community.'* Recalls his first interaction with Christmas Islanders in October 1987 at a meeting in a highway motel in Perth before coming to the Island for the first time in February 1988.

Recalled the Cabinet decision to close the mine in 1987 and the Islanders' earnest desires to see it reopen, knowing that it was still viable. Put forward that his relationship grew with Christmas Islanders since then working with the Union of Christmas Island Workers and the community to help revive it. States that he '*was just a participant. A link. A link in Parliament.*'

Recalls his first evening on Christmas Island at a welcome function at the Pink House and being greeted by Cr FOO Kee Heng. The Hon. Warren SNOWDON learnt the phrase '*yam seng*' for the first time and says that he has had a wonderful relationship with Cr FOO since then. '*It is with great price I can call you friend.*'

Elaborates that it has been a positive experience as the Member for Lingiari over the last 35 years and thinks he has made between 50 – 60 visits to the Island in that time. Recalls his time as Minister for Territories in the 1990s and the great changes he has seen across his years.

The Hon. Warren SNOWDON recalled the execution of a depopulation strategy for Christmas Island and the fierce resistance the Union of Christmas Island Workers and community put up. '*That's the reason why you're here.*' Passes on his heartfelt thanks to Christmas Islanders.

Recalled the disbanding of the Christmas Island Services Corporation and then the implementation of the WA Applied Laws regime and the Local Government Shire building itself up over time.

Recollected meeting the Manager for Recreation, Community Services and Training Oliver LINES and Research and Grants Officer Karin LINES in the Christmas Island Casino in the 1990s. Noted that there were many stories to be told from that era, all wonderful memories.

The Hon. Warren SNOWDON stated that when the writs are issued, his time as a House of Representatives Member will be over. Spoke about the new Labor candidate for Lingiari Marion SCRYMGOUR and her credentials. Puts that she will be a great fit for Christmas Islanders.

*'I say thank you again. I don't have the right words to express my appreciation.'*

- 1.4 Vincent JEISMAN addresses Council. Expresses that it has been a great experience coming to the Island over the years and serving the people.

## **2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE/ DECLARATIONS OF FINANCIAL INTEREST**

- 2.1 Record of Attendance  
Shire President  
Deputy President  
Councillors

Cr Gordon **THOMSON**  
Cr Kee Heng **FOO**  
Cr Philip **WOO**  
Cr Kelvin Kok Bin **LEE**  
Cr Hafiz **MASLI**  
Cr Vincent Cheng-Siew **SAW**

Chief Executive Officer  
A/Manager Finance and Admin  
Manager Community/Recreation Services  
Research and Grants Officer  
Manager Research, Policy, Governance & Grants/Minute Taker

David **PRICE**  
Kevin **WILSON**  
Olivier **LINES**  
Karin **LINES**  
Chris **SU**

- 2.2 **Leave of Absence**

Cr Morgan Boon **Hwa SOH**

- 2.3 **Apologies**  
Councillor  
Councillor  
Manager Works, Services & Waste

Cr Azmi **YON**  
Cr Farzian **ZAINAL**  
Graeme **HEDDITCH**

## 2.4 Declarations of Financial/Impartiality/Proximity Interest

## 3 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

## 4 PUBLIC QUESTION TIME

- 4.1 Caitlin **PINK** of Flying Fish Cove requests Council make available the Community Garden site on Vagabond Road for gardening projects again. Noted that it had not been active in some time and saw an opportunity for local participation.

Shire President **THOMSON** recalled the active years of the Community Garden, as a project with the CI Neighbourhood Centre in providing a space for asylum seekers at the neighbouring Phosphate Hill Camp to be able to visit and undertake gardening activities. Welcomes new ideas for the Community Garden site now that the asylum seeker use era is over.

Shire to return to Caitlin PINK after internal discussions on how to present the Community Garden again to residents for use.

- 4.2 Cr **FOO** raised on behalf of ratepayers who approached him about the lack of availability of Rapid Antigen Tests (RATs) on Island. Cr **FOO** noted that the WA Government issued 15 free RAT tests to every household in the state in recent weeks. Residents on Christmas Island have to purchase them from local retailers. Cr **FOO** put that the Commonwealth should mirror the WA Government's practice on Island.

Shire President requested that the Councillors revisit this matter in Item 12, '*New Business of an Urgent Nature Introduced by Decision of the Meeting*' for considered discussion and a resolution.

## 5 APPLICATIONS FOR LEAVE OF ABSENCE

- 5.1 Cr SOH – Leave of Absence

### Council Resolution

Moved: Cr LEE

Seconded: Cr WOO

Res. No: 11/22

That the leave of absence application submitted by Cr Morgan SOH (22/3/22 to 26/4/22) be approved.

Carried: 6/0

## 6 PETITIONS/DEPUTATIONS/PRESENTATIONS

## 7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS/BUSINESS ARISING FROM THE MINUTES OF PREVIOUS MEETINGS

### 7.1 Minutes of Ordinary Council Meeting held on 8 February 2022

Members considered the unconfirmed minutes.

### Council Resolution

Moved: Cr FOO

Seconded: Cr MASLI

Res. No: 12/22

That Council adopt the unconfirmed minutes of the 8 February 2022 Council Meeting.

Carried: 6/0

### 7.2 Business Arising from the Minutes of Previous Meetings

## 8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

## 9 REPORTS OF COMMITTEES

### 9.1 Minutes of Community Consultative Committee Meetings

#### Council Resolution

**Moved: Cr MASLI**

**Seconded: Cr LEE**

**Res. No: 13/22**

That the Confirmed Minutes of the Community Consultative Committee meeting of June 2<sup>nd</sup> 2021, June 7<sup>th</sup> 2021, June 23<sup>rd</sup> 2021, November 15<sup>th</sup> 2021 and Information Session with Fisheries Management Committee August 2<sup>nd</sup> 2021 be received.

**Carried: 6/0**

## 10 REPORTS OF OFFICERS

### 10.1 Chief Executive Officer

#### 10.1.1 Annual Report 2020/21

#### Council Resolution

**Moved: Cr FOO**

**Seconded: Cr SAW**

**Res. No: 14/22**

1. The Shire of Christmas Island Annual Report for 2021 is accepted.
2. An Elector's General Meeting is held on Tuesday 26 April 2022 commencing at 6.30pm for the purpose prescribed by the Local Government Act 1995 (WA)(CI).
3. The Chief Executive Officer is give notice of the Elector's Meeting and to ensure that statutory requirements regarding the acceptance of the Annual Report 2021 are met

**Carried: 6/0 Absolute Majority**

### 10.2 Manager Finance & Administration

#### 10.2.1 Schedule of Accounts – February 2022

#### Council Resolution

**Moved: Cr SAW**

**Seconded: Cr LEE**

**Res. No: 15/22**

That Council approves the expenditure as presented in February 2022 Schedule of Accounts.

**Carried: 6/0**

#### 10.2.2 Financial Statements - February 2022

#### Council Resolution

**Moved: Cr FOO**

**Seconded: Cr LEE**

**Res. No: 16/22**

That Council receives the Financial Statements of February 2022 for the Municipal Fund.

**Carried: 6/0**

#### 10.2.3 Christmas Island – Compliance Audit Return (CAR) 2021

#### Council Resolution

**Moved: Cr LEE**

**Seconded: Cr FOO**

**Res. No: 17/22**

Audit Committee review the Christmas Island-Compliance Audit Return (CAR) 2021 and present to council for adoption.

**Carried: 6/0**

### 10.3 Manager Community/Recreation Services & Training

## 10.4 Manager Works, Services & Waste

### 10.4.1 Tender Sale of Items, Plants & Equipment – Tender T01/2022

#### Council Resolution

**Moved: Cr FOO**

**Seconded: Cr LEE**

**Res. No: 18/22**

That Council accepts the following tenders for the Sale of Items, Plant and Equipment at the tendered price submitted.

Description	Plant No/ Asset No	Tenderer	Tendered Price
01 – Stihl Brushcutter	P0010	Eng Huat	\$ 110.00
03 – Stihl Brushcutter	P0010	Eng Huat	\$ 110.00
01 – Kubota Ride on Mower	P0060	Kok Seong Tee	\$ 1000.00
02 – Kubota Ride on Mower	P0210	Kok Seong Tee	\$ 1000.00
03 – Honda Mower HRU-216	N/A	Kim Chey H'ng	\$ 200.00
03 – Chainsaw MS250	P0130	Kim Chey H'ng	\$ 100.00
01 – Hedge Trimmer MS250	P0130	Eng Huat	\$ 110.00
02 – Hedge Trimmer MS250C	P0130	Eng Huat	\$ 110.00

**Carried: 6/0**

### 10.4.2 Sale of Surplus – Tender T02/2022

#### Council Resolution

**Moved: Cr MASLI**

**Seconded: Cr SAW**

**Res. No: 19/22**

That Council Accepts the Tender from Kim Chey H'ng for \$ 5,000.00 for the old Hino Tray Truck

**Carried: 6/0**

### 10.4.3 Tender of Sale of Surplus Trailers

#### Council Resolution

**Moved: Cr SAW**

**Seconded: Cr LEE**

**Res. No: 20/22**

That Council calls for Tenders for the Sale of Surplus Trailers.

**Carried: 6/0**

## 10.5 Manager Governance, Research, Policy & Grants

### 10.5.1 Proposed Heritage Act WA (2018) Application from 1/7/22 to IOTs

#### Council Resolution

**Moved: Cr MASLI**

**Seconded: Cr LEE**

**Res. No: 21/22**

That Council publishes the proposed Local Heritage List on the Shire website in accordance with the Planning and Development Regulations 2015 ahead of the Heritage Ordinance commencing on 1 July 2022

**Carried: 6/0**

## 11 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

## 12 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

### 12.1 Motion To Accept New Business – Rats Tests For Christmas Island

#### Council Resolution

**Moved: Cr LEE**

**Seconded: Cr SAW**

**Res. No: 22/22**

That the Council receive new business regarding Rapid Antigen Tests for Christmas Island

**Carried: 6/0**

## 12.2 Calling Upon Commonwealth For Free Rat Test Provisions

### **Council Resolution**

**Moved: Cr FOO**

**Seconded: Cr LEE**

**Res. No: 23/22**

Council resolves to call upon the Commonwealth to provide Rapid Antigen Tests to Island residents for all purposes at no charge.

**Carried: 6/0**

## **13 BEHIND CLOSED DOORS**

## **14 CLOSURE OF MEETING**

The Shire President closed the meeting at 7.54pm

## **15 DATE OF NEXT MEETING: 26 April 2022**



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 April 2022
AGENDA REFERENCE	9.1
SUBJECT	Minutes of Community Consultative Committee Meetings
LOCATION/ADDRESS/APPLICANT	Nil
FILE REFERENCE	2.4.1
INTEREST DISCLOSURE	None
DATE OF REPORT	9 <sup>th</sup> April 2022
AUTHOR	Chris Su, GRPG Manager
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO (ACTING)	SIGNED

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### RECOMMENDATION

**That the Confirmed Minutes of the Community Consultative Committee meeting of March 2<sup>nd</sup> 2022 and the Unconfirmed Minutes of the CCC meeting of 6<sup>th</sup> April be received**

### BACKGROUND

The objectives of the Community Consultative Committee are set as follows:

- To review and make recommendations about the impact, application and administration of the applied WA laws on its own motion or by referral from Council or the CEO;
- To review and make recommendations about the performance of WA government agencies providing services under formal or informal SDAs on its own motion or by referral from Council or the CEO;
- To review and make recommendations about the application of Commonwealth law and “state-type services” provided by the Commonwealth on its own motion or by referral from Council or the CEO;
- To review and make recommendations about any Council policy the subject of community consultation as referred to it by Council or the CEO;
- To meet with Commonwealth and State Government representatives about the application of laws and service provision for information and feedback; and
- To establish sub-committees and working groups to facilitate consideration of any matter for report back to the Committee.

### COMMENT

The major update item from the CCC’s meetings of March and April 2022 is the DITRDC Aged Care Project Team confirming that the CI Aged Care Facility had not been funded in the Federal 2022/2023 Budget.

The Aged Care Project Team had followed their planned timeline and submitted the Policy Proposal for funding in quarter one 2022 as described in their roadmap at the April 2021 consultations they did on Island.

The Aged Care Project Team were optimistic of a review in the mid-year economic budget review.

**STATUTORY ENVIRONMENT**

There are no statutory environment implications arising from this matter.

**POLICY IMPLICATIONS**

There are no significant policy implications arising from this matter.

**FINANCIAL IMPLICATIONS**

There are no significant financial policy implications arising from this matter.

**STRATEGIC IMPLICATIONS & MILESTONES**

There are no significant strategic implications arising from this matter.

**VOTING REQUIREMENTS**

A simple majority is required.

**ATTACHMENTS**

9.1.1 Confirmed minutes of March 2<sup>nd</sup> 2022

9.1.2 Unconfirmed minutes of April 6<sup>th</sup> 2022



## **CONFIRMED MINUTES OF MEETING**

**Meeting of the Community Consultative Committee (CCC) of the  
Shire of Christmas Island held at the George Fam Centre  
at 4.15pm Monday 2<sup>nd</sup> March 2022**

### **1 Declaration of Opening of Meeting / Announcement of Visitors**

1.1 Gordon THOMSON declared the meeting opened at 4.17pm

### **2 Record of Attendance/Apologies/Leave of Absence/Declarations of Financial, Proximity or Impartiality Interest**

#### **2.1 Record of Attendance**

##### **Community Consultative Committee**

Shire President  
Council Representative  
CI Neighbourhood Centre  
Manager of Policy  
Shire CEO  
Union of Christmas Island Workers  
Christmas Island Tourism Assoc.  
Chinese Literary Association  
Poon Saan Club  
Christmas Island Phosphates  
Christian Fellowship

Gordon **THOMSON**  
Hafiz **MASLI (4.22pm)**  
Oliver **LINES**  
Chris **SU**  
David **PRICE**  
Kelvin **LEE**  
David **WATCHORN**  
**TAN** Teik Kiang  
Suzane **CHAN**  
Joy **WICKENDEN**  
Stephanie **SAMBELL**

Minute Taker

Karin **LINES-LWIN**

##### **Apologies**

##### **W.A Museums**

Project & Research Officer

Polly **SMITH**

### **3. Confirmation of Previous Minutes, Business Arising and Action Items**

#### **3.1 Confirmation of Minutes of 15<sup>th</sup> November 2021**

##### **CCC Resolution**

**Moved:** Kelvin **LEE**

**Seconded:** Chris **Su**

**Res. No:** CCC 1/22

That the CCC confirm that the minutes of the Monday 15th November 2021 meeting is a true and accurate record.

**Carried:** 11/0

### 3.2 Business Arising

### 3.3 Action Items from Previous Meetings

	Action Item	CCC Meeting	Action Officer	Status
1.	DIRDC Community Engagement Protocol-DIRDC still has not responded to August 15th 2019 request by CCC Secretariat for copy of DIRC's Community Engagement Protocol.	August 2019	Chris Su	Still awaiting from DITCRD
2.	Awaiting response from NDIS Minister Linda Reynolds on CCC letter of 12 April 2021 on whether or not the NDIS will continue to apply on CI in the future	April 7 <sup>th</sup> 2021	Shire CEO	Still awaiting from NDIS Minister
3.	Chris Su to follow up with IOTHS if the new W.A PATS increment from \$60-\$100 daily will apply for the IOTs	November 15 2021	Chris Su	Still awaiting response from IOTHS

## 4. Agenda Business

### 4.1 Christmas Island Residential Aged Care Program Update

Chris Su recounted the April 29<sup>th</sup> 2021 CCC meeting with the DITCRD Residential Aged Care project team.

The timeline presented at that meeting was as follows

- a) Dec 2021- Business case submitted to DITCRD (Complete)
- b) May 2022- Policy proposal to seek capital funds for construction (Awaiting)
- c) July 2023- Construction to start

### 4.2 WA Heritage Laws to Apply to Christmas Island from July 2022

The Chair informed that the Shire was contacted by DITCRD mid-February 2022 and that the WA Heritage Act 2018 will apply from July 2022, this will be enforced with an update to the Service Delivery Agreement with the Dept. of Planning, Lands and Heritage (DPLH WA).

The Chair notified the CCC that listings on the current 'Commonwealth Heritage List' under the EPBC Act will be moved to a new "Local Heritage List"

The chair communicated that DITCRD will conduct a version of a "Heritage Survey" to assist with creating the new 'Local Heritage List'.

#### **4.3 Fisheries Ordinance 2022**

The Chair informed the CCC that the Draft *2022 Christmas Island Fisheries Ordinance* voted on by the FMC (16 February 2022) is currently in the hands of Minister Nola Marino to be tabled in Parliament.

It has to be tabled and sit for 14 parliamentary sitting days to be reviewable by parliamentarians before taking effect.

Discussion in CCC on this mechanism for the tabling of the *2022 Christmas Island Fisheries Ordinance*.

All legislative instruments to be decided by the House is available for viewing to the public on the parliamentary website once it is put to the House for consideration. The ordinary function of civic participation in contacting your member is open at that point to support or not support the legislative instrument.

#### **4.4 WA Museums – Research Officer Polly Smith – Presentation**

Polly Smith (WA Museums), explained her role with WA Museums, discussed her objective to record and document oral histories through the community's participation.

The Chair invited the group to discuss their perspective on Polly's method to conduct her research. The CCC discussed who, how and what they believe Polly should take into consideration to portray an accurate representation of the community in recording oral histories.

Members declared their interest in doing a course on researching and curating evidence to preserve history.

The Chair asked if there were any queries. The CCC advised on and supported the pending research to be undertaken by Polly Smith. Polly is happy to submit a brief report on curating evidence through documenting oral histories.

#### **5. General Business**

#### **6. Meeting Closed: 5.48 pm**

#### **7. Date of Next Meeting: To be advised.**



## **UNCONFIRMED MINUTES OF MEETING**

### **Meeting of the Community Consultative Committee (CCC) of the Shire of Christmas Island held at the George Fam Centre at 4.15pm Monday 6<sup>th</sup> April 2022**

#### **1 Declaration of Opening of Meeting / Announcement of Visitors**

- 1.1 Gordon THOMSON declared the meeting opened at 4.20pm

#### **2 Record of Attendance/Apologies/Leave of Absence/Declarations of Financial, Proximity or Impartiality Interest**

##### **2.1 Record of Attendance**

##### **Community Consultative Committee**

Shire President  
Council Representative  
CI Neighbourhood Centre  
Manager of Policy  
Shire CEO  
Union of Christmas Island Workers  
Christmas Island Tourism Assoc.  
Chinese Literary Association  
Christmas Island Phosphates

Gordon **THOMSON**  
Hafiz **MASLI (4.50pm)**  
Oliver **LINES**  
Chris **SU**  
David **PRICE**  
Kelvin **LEE**  
David **WATCHORN**  
Mel **HAN WANYI (4.25pm)**  
Joy **WICKENDEN**

Minute Taker

Karin **LINES-LWIN**

##### **Apologies**

#### **3. Confirmation of Previous Minutes, Business Arising and Action Items**

##### **3.1 Confirmation of Minutes of 2nd March 2022**

##### **CCC Resolution**

**Moved:** Olivier **LINES**

**Seconded:** Kelvin **Lee**

**Res. No:** CCC 2/22

That the CCC confirm that the minutes of the Wednesday 2<sup>nd</sup> March 2022 meeting is a true and accurate record.

**Carried:** 7/0

### 3.2 Action Items

	Action Item	CCC Meeting	Action Officer	Status
1.	DIRDC Community Engagement Protocol-DIRDC still has not responded to August 15th 2019 request by CCC Secretariat for copy of DIRC's Community Engagement Protocol.	August 2019	Chris Su	Still awaiting from DITCRD correspondence on pause
2.	Awaiting response from NDIS Minister Linda Reynolds on CCC letter of 12 April 2021 on whether or not the NDIS will continue to apply on CI in the future	April 7 <sup>th</sup> 2021	Shire CEO	Still awaiting from NDIS Minister
3.	Chris Su to follow up with IOTHS if the new W.A PATS increment from \$60-\$100 daily will apply for the IOTs  Gordon Thomson informed that IOTHS is a separate Policy to W.A	November 15 2021	Chris Su	Chris Su yet to receive an update

## 4. Agenda Business

### 4.1 Christmas Island Residential Aged Care Program Update

- The March CCC meeting had an update from the Aged Care project team, advised that the Residential Aged Care plan had been forwarded to the Department as a Policy Proposal to seek capital funds for construction.
- Chris Su informed CCC that upon his review of the Federal Budget 22/23 he saw that \$15million had been assigned to the IOTs for 'capital works.' He enquired with the Aged Care project team to see if this was for the CI Residential Aged Care Facility. It was not.
- Email of 31/03/2022 from the project team confirms that Policy Proposal did not make it into the 2022-2023 Budget for funding. Project team hopeful this may be in the Mid-Year Review of the Budget.

Mel HAN Wan Yi arrives 4.25pm

## 4.2 Fisheries Ordinance 2022

The Minister tabled the *Christmas Island Fisheries Management Ordinance 2022* in Parliament on 28<sup>th</sup> March 2022. Once it has sat for 14 sitting days of Parliament, it will become the law in force on Christmas Island pertaining to Fisheries.

## 4.3 Marine Park Proclamation

The Minister for the Environment Sussan LEY proclaimed the Christmas Island Marine Park on Sunday 27<sup>th</sup> March 2022.

The zoning of the Marine Park is as per the CCC members' collective submissions in 2021.

The \$2.2m *IOT Marine Park Grant Program* opened and organisations have until June to make an application under this program to help interpret the marine park area.

See Appendix "IOT Marine Park Grant Program"

Group discusses possible projects for funding

- boat ramp upgrade
- threats of Marine debris and waste disposal, burning affects wildlife at Greta and Winifred
- possibilities for use of Marine Park Grant for whole closure of applications for Grant 2<sup>nd</sup> June 2022

Hafiz MASLI arrives 4.50pm

## 4.4 WA Museums Proposed CI Oral History Project

WA Museums advised cannot submit the proposed Work Plan this meeting, as WA Museums officer Polly Smith had planned. The Work Plan may be ready by the May CCC meeting.

Chris SU put forward for consideration the escalation of the proposed Oral History project escalated from a community project to a museum-level project. CCC discussed merits of having experienced oral historian interview persons on Island, in Perth and elsewhere as needed.

### CCC Resolution

**Moved:** Olivier Lines    **Seconded:** Kelvin Lee    **Res. No**    **CCC 3/22**

That the CCC supports the use for a professional oral historian for a Christmas Island Oral History project, and that interested locals are assigned to observe and work with the professional oral historian who will lead the interviews.

**Carried:** 9/0

#### **4.5 Christmas Island Housing Stress**

The Shire of Christmas Island held the CI Housing Stress Workshop and Survey Launch Wednesday 30<sup>th</sup> March 2022 at the Community Hall. Survey can be found on line at [www.shire.gov.cx](http://www.shire.gov.cx)

Around 40 attendees came. Factors causing the housing crisis and several suggestions to get out of it were presented by attendees.

See Appendix "Meeting Notes of Housing Stress Workshop and Survey Launch 30.03.22"

Group discusses:

- High cost of housing for those who wish to employ staff from the mainland, and its negative impact on the economy
- Group raises concerns about those that have secured public housing and are renting them out for profit
- Group discussed the W.A Homes West affordable rent-to-buy housing strategy, WA State housing, social services, Not for Profit organisations
- Gordon Thomson explains benefit of a Housing Co-Operative, responsibility of members.

#### **4.2 Action Item**

- That CCC members return to their organisations to consider what IOT Marine Park programs they might write a grant application for
- To help disseminate the Housing Stress Survey link which closes April 17<sup>th</sup>

**5. General Business:** Nil

**6. Meeting Closed:** 5.48 pm

**7 Date of Next Meeting:** Wednesday 4<sup>th</sup> May 2022



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 April 2022
AGENDA REFERENCE	9.2
SUBJECT	Meeting Minutes of Fishery Management Committee
LOCATION/ADDRESS/APPLICANT	Nil
FILE REFERENCE	2.4.13
INTEREST DISCLOSURE	None
DATE OF REPORT	9 <sup>th</sup> April 2022
AUTHOR	Chris Su, GRPG Manager
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO (ACTING)	SIGNED

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### RECOMMENDATION

**That the Confirmed Minutes of the Special Meeting on the 16<sup>th</sup> February 2022 of the Fishery Management Committee and the Unconfirmed Minutes of the 24<sup>th</sup> March 2022 be received.**

### BACKGROUND

The FMC was presented with the *2022 Exposure Draft Ordinance for the Christmas Island Fisheries Regulations* at its special meeting of 16<sup>th</sup> Feb 2022. This document contained the details that Christmas Islanders had voted in favour of at the October 2021 fishery regulation vote at the Poon Saan Community Hall.

Subsequently the FMC communicated to the Minister for Territories Nola MARINO that they were supportive of this 2022 draft. The Minister tabled the Ordinance on March 28<sup>th</sup> in the Senate as a disallowable instrument. It will become law after 14 sitting days if no member of Parliament objects to it.

### COMMENT

The 2022 CI Fisheries Regulations contain the requirement for the Minister for Territories to create a '*Christmas Island Fishery Advisory Council*' and populate it. The FMC members were required to send a short self-introduction with their name and background to the Minister's office to assist in this process. This was completed by the FMC members on schedule.

### STATUTORY ENVIRONMENT

Future changes to the Fishery Regulations on Christmas Island will require the Minister to consult with the '*Christmas Island Fishery Advisory Council*.' The Minister may populate this group with whomever she deems fit.

### POLICY IMPLICATIONS

There are no significant policy implications arising from this matter.

**FINANCIAL IMPLICATIONS**

There are no significant financial policy implications arising from this matter.

**STRATEGIC IMPLICATIONS & MILESTONES**

There are no significant strategic implications arising from this matter.

**VOTING REQUIREMENTS**

A simple majority is required.

**ATTACHMENTS**

9.2.1 Confirmed minutes of Special Meeting of February 16<sup>th</sup> 2022

9.2.2 Unconfirmed minutes of 24<sup>th</sup> March 2022

## **CONFIRMED MINUTES – Special Meeting of the Fishery Management Committee**

Date: 4.15pm, Wednesday 16<sup>th</sup> February 2022  
Location: George Fam Council Chambers

### **1. Declaration of Opening**

- 1.1 Chairperson Azmi YON was nominated to chair the meeting. Cr YON declared the meeting open at 4.30pm

### **2. Record of Attendance / Apologies / Leave of Absence / Declaration of Financial, Proximity or Impartiality Interest**

#### Attendees:

Azmi YON	FMC Chair
Gordon THOMSON	Committee Member
Chris SU	Committee Member
Rosnah PAL	Committee Member
Mark ROCHFORD	Committee Member
Brady COLLETT	Committee Member
Abas OMAR	Committee Member
Gregory MCINTOSH	Committee Member
Shahrin JAMIL	Committee Member (arrived 5.30pm)

#### Apologies:

Michael PRIDE	Committee Member
David PRICE	Committee Member

Minute Taker    Karin LINES-LWIN                      Research and Grants Officer

### **3. Agenda Business**

- 3.1 **Presentation by Harriet Davies and Kendra Travaille of Sea Country Solutions and Christabel Mitchell of the Pew Charitable Trusts regarding a proposal for a Fisheries Ordinance.**

Ms Mitchell, Ms Travaille and Ms Davies presented the 2022 *Exposure Draft Ordinance* drafted by the Department of Infrastructure, Transport, Regional Development and Communications for the consideration of the Fisheries Management Committee.

## Fishery Management Committee 2022

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### **Resolution:**

The Honourable Nola Marino MP, Assistant Minister for Regional Development and Territories, be advised that the *2022 Exposure Draft Ordinance* presented to the meeting provides rules for fish bag limits and processes that are agreeable to the Committee. Accordingly the committee supports the adoption of the *Exposure Draft Ordinance* as the fishing rules for Christmas Island and recommends the Minister proceed to make the Ordinance.

**Moved:** Gordon THOMSON

**Seconded:** Gregory MCINTOSH

**Carried:** 8/0

**Resolution:** FMC1/2022

At 4.48pm Cr Hafiz Masli entered the meeting.

At 5.30pm Mr Shahrin Jamil entered the meeting.

**4. General Business**

**5. Closure of Meeting**

Cr YON closed the meeting at 17:45

**6. Date of Next Meeting**

Wednesday 16<sup>th</sup> March 2022, 4.15pm at Council Chambers

## **Draft Minutes of Fishery Management Committee 24<sup>th</sup> March 2022 Meeting**

Date: 4.30pm, 24/03/2022  
Location: George Fam Council Chambers

- 1. Declaration of Opening**
- 1.1 Acting Chairperson Gordon THOMSON opens meeting at 4.25pm
- 2. Record of Attendance / Apologies / Leave of Absence / Declaration of Financial, Proximity or Impartiality Interest**

Attendees: Mr David PRICE  
Mr Gordon THOMSON  
Ms Rosnah PAL  
Mr Chris SU  
Mr Mark ROCHFORT  
Mr Brady COLLETT  
Mr Kelana ARSHAD  
Mr Kelvin LEE  
Mr Shahrin JAMIL entered 4.35pm

Community Consultative Committee Members attending  
Cr Hafiz MASLI entered 4.24pm  
Ms Joy WICKENDON

National Parks Australia  
Mr Michael MISSO (by video conference)

Pew Foundation and Sea Country Solutions  
Christabel MITCHELL (by video conference)  
Kendra TRAVAILLE (by video conference)

Apologies: Michael PRIDE  
Minute Taker Karin LINES-LWIN

### 3. Confirmation of Previous Minutes

- 3.1 That the minutes of the 14<sup>th</sup> April 2021, 13<sup>th</sup> September 2021 and 17<sup>th</sup> February 2022 be confirmed as true and accurate records.

**Moved:** David PRICE

**Seconded:** Chris SU

**Carried:** 8/0

**Resolution:** FMC2/2022

### 4. Action Items/Business Arising

- 4.1 FMC wrote to the Minister on 18/2/2022 to advise the Minister of the FMC's endorsement of her *2022 Draft Exposure Christmas Island Fishery Ordinance*.

FMC yet to receive a response from Minister on 18/02/2022 letter to announce the new draft exposure. The draft exposure is not listed on the APH website under the 'tabled papers' page yet.

### 5. Agenda Business

#### 5.1 Presentation by Pew Foundation and Sea Country Solutions

Christabel MITCHELL and Kendra TRAVAILLE appeared by video conference for Pew Foundation and Sea Country solutions respectively.

Updated the FMC that the outcomes of the fisheries ordinance ballot and views of the Island community have been taken into consideration by the Minister and inserted into the draft 2022 Ordinance.

Christabel MITCHELL and Kendra TRAVAILLE advise that the proposed local 'Fishery Advisory Committee' that the Minister must consult with under the new ordinance is not the 'Shire of Christmas Island Fishery Management Committee.' The Minister must declare the members of the ordinance's 'Fishery Management Committee' by name; the convention will be that the Minister will name all the Fishery Management Committee members as the ordinance's 'Fishery Advisory Committee.'

Action Item:

FMC members to provide a short self-introduction bio to Kendra TRAVAILLE for the purposes of being declared by the Minister as the Ordinance passes.

## Fishery Management Committee 2022

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Gordon THOMSON reminds committee that the Terms of Reference for the Ordinance's 'Fishery Advisory Committee' is still yet to be developed. THOMSON asked for the recirculation of a governance diagram proposed by Sea Country Solutions in 2021 that put forward a model under which an Ordinance 'Fishery Advisory Committee' may work.

Action Item:

Sea Country Solutions to forward governance diagram to the FMC members.

Kendra TRAVAILLE said the focus has been on delivering the Ordinance. Now that this is coming to an end, the formalisation of the operational responsibilities needs to be addressed, starting with the Terms of Reference and the governance arrangements under the Ordinance.

FMC agreed to provide input into the Terms of Reference.

### **5.2 Presentation by National Parks Australia**

Mike MISSO appeared by video conference.

Mike MISSO congratulated the FMC on their progress on the fisheries matter. Advised that Commonwealth Environment Minister Sussan LEY proclaimed the Christmas Island Marine Park on the 20<sup>th</sup> March 2022.

Mike MISSO informed the FMC that the future 10 Year Management Plan for the Marine Park will require a Community Reference Group, or similar. Noted that this was the requirement for all National Parks.

Discussion in the meeting about the FMC's ability to fulfil this role as the Community Reference Group for the CI Marine Park.

Members noted that the FMC was formed under its own charter regarding the application of state fishing laws, a separate matter.

Chris SU noted that he was a member of the terrestrial Christmas Island National Park's Community Reference Group and that Mike MISSO could consult Parks Manager Kerrie BENNISON on developing or working together with the terrestrial Community Reference Group.

Mike MISSO provided an overview of the upcoming Indian Ocean Territories Marine Park Grant Program 2022. It is a \$2.2m grant program opening on 29<sup>th</sup> March to mark the opening of the CKI and CI Marine Parks.

## Fishery Management Committee 2022

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The IOT Marine Park Grant Program will be open for IOT and non-IOT entities in the not-for-profit and private sector to conduct a range of projects in the IOT Marine Parks.

Mike MISSO advised that the Grant Guidelines will be released on the 29<sup>th</sup> March and would be able to provide further details.

FMC further discussed its ability to participate in the new CI Marine Park Community Reference Group. David PRICE requested that Mike MISSO provide a Terms of Reference for the Community Reference Group so that members can better understand what the involvement and expectations may be.

Mike MISSO advised that every National Park requires the development of a 10 Year Management Plan and that this document would take two years to develop.

Action Item:

Mike MISSO to return with Terms of Reference for Marine Park Community Reference Group when its finalised.

### 6. General Business

Nil

**Meeting Closed:** 5.35pm

**Next Meeting:** 27<sup>th</sup> April 2022

No.	Action Items from 24/3/2022 FMC Meeting	Person
1	FMC members to provide a short self-introduction bio to Kendra TRAVAILLE for the purposes of being declared by the Minister as the Ordinance passes.	All FMC
2	Sea Country Solutions to forward governance diagram to the FMC members.	Sea Country Solutions
3	Mike MISSO to return with Terms of Reference for Marine Park Community Reference Group when its finalised.	Mike MISSO



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 April 2022
AGENDA REFERENCE	9.3
SUBJECT	Meeting Minutes of Audit Committee
LOCATION/ADDRESS/APPLICANT	Nil
FILE REFERENCE	2.4.6
INTEREST DISCLOSURE	None
DATE OF REPORT	9 <sup>th</sup> April 2022
AUTHOR	Chris Su, GRPG Manager
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO (ACTING)	SIGNED

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### RECOMMENDATION

**That the Unconfirmed Minutes of the Audit Committee Meeting of March 22<sup>nd</sup> 2022 be received**

### BACKGROUND

The Audit Committee comprises of the full membership of Council and is convened to receive reports from the Shire's auditors and initiates actions stemming from them through the CEO.

### COMMENT

The RSM Group and the Office of the Auditor General WA provided Council with an unqualified audit. They were satisfied with the audit and made two recommendations for additional policy development to improve internal administration. One was for an IT Security Policy and the other an Asset Management Policy separate to the statutory Long Term Financial Plan to document Council's current acceptable processes. An earlier recommendation from RSM was for Council to formalise its Petty Cash practice, which was acceptable, into a separate Policy in itself outside the Financial Administration Policies.

### STATUTORY ENVIRONMENT

#### POLICY IMPLICATIONS

There are no significant policy implications arising from this matter.

#### FINANCIAL IMPLICATIONS

There are no significant financial policy implications arising from this matter.

#### STRATEGIC IMPLICATIONS & MILESTONES

There are no significant strategic implications arising from this matter.

#### VOTING REQUIREMENTS

A simple majority is required.

#### ATTACHMENTS

9.2.1 Unconfirmed minutes of March 22<sup>nd</sup> 2022



### **UNCONFIRMED MINUTES**

#### **Audit Committee Meeting of the Shire of Christmas Island held at the George Fam Chambers at 6.15pm on Tuesday 22<sup>nd</sup> March 2022**

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

The Shire President declared the meeting open at 6.20pm.

#### **2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE/DECLARATIONS OF FINANCIAL INTEREST**

##### **2.1 Record of Attendance**

Shire President  
Deputy President  
Councillor  
Councillor  
Councillor  
Councillor

Cr Gordon **THOMSON**  
Cr Kee Heng **FOO**  
Cr Philip **WOO**  
Cr Kelvin Kok Bin **LEE**  
Cr Hafiz **MASLI**  
Cr Vincent Cheng-Siew **SAW**

Chief Executive Officer  
Acting Manager of Finance  
Manager Research, Policy, Governance & Grants/Minute Taker

David **PRICE**  
Kevin **WILSON**  
Chris **SU**

##### **2.2 Leave of Absence**

##### **2.3 Apologies**

Cr Morgan Boon Hwa **SOH**  
Cr Azmi **YON**  
Cr Farzian **ZAINAL**

##### **2.4 Declarations of Financial/Impartiality/Proximity Interest**

#### **3 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

#### **4 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS/BUSINESS ARISING FROM THE MINUTES OF PREVIOUS MEETINGS**

##### **4.1 Minutes of Audit Committee Meeting held on 24 May 2021**

Members considered the unconfirmed minutes.

##### **Council Resolution**

**Moved: Cr SAW**

**Seconded: Cr WOO**

**Res. No: 1/22**

The minutes of the Audit Committee Meeting held on 24 May 2021 a true and accurate record of the meeting.

**Carried: 6/0**

##### **4.2 Business Arising from the Minutes of Previous Meetings**

## **5 BUSINESS OF THE MEETING**

### **5.1 Audit Report for 20/21 (in 22/3/2022 Council Meeting Agenda)**

CEO David **PRICE** presented the Audit Report to Councillors. Noted that the *Own Service Recovery Ratio* and *Asset Sustainability Ratio* are two items that will require reporting to the Minister. These are to do with considering Rates against Expenditure. CEO David **PRICE** advises that all small, remote local governments face the same challenge in the reporting of these ratios because of the size of their ratepayer base versus the expense of road assets remote local governments are usually responsible for,

These ratios are currently in review with the review of the current Local Government Act underway. CEO David **PRICE** advises that a report as required to the Minister will be an agenda item at the next Ordinary Council Meeting.

The Audit required the Council to create additional policies in two sections – IT and Asset Management to keep Council up to date with best practices in IT security and accounting for assets respectively. These either have or are being addressed; Office of the Auditor General is satisfied with this.

CEO David **PRICE** advises that in the debrief on the 20/21 Audit, both the Audit team and CEO considered the three day visit (Tues to Friday) to be too short. Both parties amenable to a longer onsite visit which would reduce the need for further following up post visit as was the case this year.

### **5.2 Compliance Audit Return**

CEO David **PRICE** tabled the annual CAR report required and submitted under legislation.

### **5.3 Draft Budget Tabled**

CEO David **PRICE** tabled the first Draft Budget for the 2022/2023 year. Advised that Councillors input is needed in order to refine the Budget for the new financial year.

## **6 CLOSURE OF MEETING**

The Shire President closed the meeting at 6.54 pm.

## **7 DATE OF NEXT MEETING: TBA**



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Council meeting 26 April 2022
AGENDA REFERENCE	10.1.1
SUBJECT	CEO Report on the 20/21 Auditors Report
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.4
INTEREST DISCLOSURE	NIL
DATE OF REPORT	15 April 2022
AUTHOR	David Price CEO
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATION

**Council endorses the CEOs Report and directs the CEO to forward a copy of the Report to the Minister and to place on the Shire's Web Site in accordance with the Act.**

### BACKGROUND

**In the 20/21 Audit Report the auditor made the following comments.**

### Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

(i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Shire:

a) The Operating Surplus ratio as reported in Note 32 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI's) standard of 0.90 for the last three financial years; and

b) The Own Source Revenue Coverage ratio as reported in Note 32 of the annual financial report is below the DLGSCI's standard of 0.40 for the last three financial years.

(ii) The following material matter indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:

a) Significant weaknesses were identified in the Shire's general computer controls over user access and change management relating to the financial system. These weaknesses increase the risk of inappropriate or unauthorized access to the system and undermine the confidentiality, integrity and availability of the entity's financial system and information.

(iii) All required information and explanations were obtained by me.

(iv) All audit procedures were satisfactorily completed.

(v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio

included in the financial report were supported by verifiable information and reasonable assumptions

These matters were reported at a meeting of the Shire's Audit Committee on 22 March 2022, and the follow-up actions will be reported to the Shire's Audit Committee.

**The following Report outlines:**

1. The reasons for the situation
2. What the Shire has done
3. What it intends to do to mitigate the adverse trend and when.

**1. The reasons for the situation**

**1. Own Source Revenue Coverage Ratio**

"In Western Australia, the State has used the Financial Health Indicator (FHI) as a means of measuring the financial health of a local government and is published on the MyCouncil website. A result of 70 and above indicates sound financial health. The maximum result achievable is 100. The FHI is one factor to consider in assessing overall performance.

In presenting this information the integrity of the base indicators and the weighting between indicators plays a critical role.

The current calculation suffers from the flaws in the existing data and construction of the raw scores.

Serious consideration, in consultation with the industry and stakeholders, of the weightings needs to be undertaken."

**2. Operating Surplus Ratio**

"Results are also subject to fluctuations by using own source revenue as the denominator in the calculations. Own source income used to calculate this ratio is not transparent and has little application for non-metropolitan local governments.

This ratio does not provide an accurate picture of operating results year on year. The volatility in the results is not a true reflection of the industries performance."

Both the Own Source Revenue Coverage and Operating Surplus ratios in their current form will always have a negative result with small Shires that have a small rate income within their total revenue base. The review of these ratios and their application to Shires with small rate based revenue will provide a more realistic ratio application to such Shires.

The adoption of the Report\Model Financial Statements will assist all small Shires on the Own Source Revenue Coverage and Operating Surplus ratios (Attachment 1)

### 3. SynergySoft Financial Application – User Access Management

#### Finding

During our audit we identified the following issues relating to user management of the SynergySoft financial application:

- The Shire does not have a formal policy or procedure in place to manage user access (i.e., new user provisioning, de-provisioning and management of generic user accounts) or to perform periodic user access reviews for active SynergySoft administrator and user accounts
- The generic “Administrator” user account is shared between the finance manager and IT officer
- There is a segregation of duties (SoD) conflict where the finance manager has SynergySoft administration access, performs day-to-day operational activities and provides approval for and can provision new user access in the SynergySoft finance application.
- User activity logs are not reviewed to detect inappropriate access.
- No process is defined to maintain segregation of duties within the financial application, including a security matrix that provides visibility of roles assigned to each user with object level access to the application.

We acknowledge that during the audit period there was no onboarding or offboarding of user accounts.

#### Rating: Significant Implication

Without effective segregation of duties and user access management processes in place, there is an increased risk of unauthorised access to the finance system. This could impact the confidentiality, integrity of data, availability of the Shire systems and increases the risk of unauthorised and fraudulent transactions.

#### Recommendation

The Shire should:

- Develop a policy and implement a process to ensure named, generic and privileged accounts are appropriately requested, approved and de-provisioned (when required). Maintain audit trail of all account requested and approved.
- Ensure accounts are not shared between multiple employees
- Implement separate privileged and business as usual accounts for employees who need privileged accounts
- Segregation of duties controls are appropriately defined and implemented for the SynergySoft application and business users should not have “Administrator” privileges.

#### Management comment:

*Develop a policy and implement a process to ensure named, generic and privileged accounts are appropriately requested, approved and de-provisioned (when required). Maintain audit trail of all account requested and approved.*

*Manager of Governance will develop a policy on named, generic and privileged accounts for IT Manager to execute. This will capture the list of current users, and training they have been provided to utilise the Synergy system.*

*Ensure accounts are not shared between multiple employees*

*The sole account on Synergy that has more than one person accessing it is the Administrator account. This is shared by the IT Manager and the IT Officer. The IT Officer knows the password to be able to access the Administration functions on Synergy should the IT Manager be unable to do so*

*Implement separate privileged and business as usual accounts for employees who need privileged accounts*

*In analysing the BAU accounts and the Privileged (Administration) accounts, the Shire notes that it is only the IT Manager and the IT Officer that share the Administration account access. The Shire considers it an acceptable risk for the IT Manager and the IT Officer to have access to the same Administration Account as the ability to verify whom made a systems Administrative level change between the two is easy.*

*Segregation of duties controls are appropriately defined and implemented for the SynergySoft application and business users should not have "Administrator" privileges.*

*The sole employee/business user with Administrator privileges is the IT Officer. The Shire considers this an acceptable risk. The Shire considers the practical benefits of having a second person with the ability to have Administrator access on remote Christmas Island as being more practical than having total Administrator access siloed to one person.*

*The Shire will investigate with Synergy vendor if there is a 'log function' on the platform that can record when the Administrator access has been used. It is noted that the IT Manager is the only person that would use this with any regularity. Any unusual log-ins will be easily identifiable. A Shire Register of Synergy Users will be prepared to ensure accounts are documented as to when they were requested, approved and de-commissioned.*

#### **4. IT Governance - Standards, Policies & Procedures**

##### **Finding**

We identified that there are no formal policies, procedures, guidelines or governance documents defined for the following key IT functional areas or processes:

- IT Security Acceptable Use;
- Identify and Access Management; and
- Business Continuity Plan.

Further, we noted that the IT strategy has not been defined and planning is performed on an ad hoc basis informally.

**Rating: Significant  
Implication**

Without appropriate and defined IT governance structures and processes the Shire may not be able to:

- Effectively align IT with business strategies, increasing the risk of sub-optimal achievement in relation to business plans and initiatives
- Efficiently manage, monitor, and ensure effective outsourced IT systems requirements, functionality, and availability.

### **Recommendation**

The Shire should develop, document, review, approve, and publish missing policies, procedures, guidelines and governance documents as required and ensure that these documents are appropriately governed

- Periodically review and update policies, procedures, guidelines and Governance documents following any relevant internal or external changes
- Developing IT strategy and document decisions made in the IT planning meetings.

### **Management comment**

*Periodically review and update policies, procedures, guidelines and Governance documents following any relevant internal or external changes*

*The IT Officer and Governance, Research, Policy and Grants Manager will develop policies and guidelines to promote sounder approach to IT Security Acceptable Use.*

*Developing IT strategy and document decisions made in the IT planning meetings*

*The Manager for IT and IT Officer will document decisions made in IT planning meetings and file these with the Records Officer on a pro-forma form. There are three main areas that the pro-forms IT Planning Meeting forms will cover:*

- 1.) Identification of ICT problem/opportunity*
- 2.) Explanation of options available to address problem/opportunity*
- 3.) Recommendation to IT Manager for course of action*

*Any acquisition of new ICT equipment will be conducted through the Shire's Procurement Policy. Any disposal of ICT equipment will be recorded with IT/Finance Manager.*

## **STATUTORY ENVIRONMENT**

The Local Government Act 1995 requires the Shire to report on the actions taken to address those issues

### **7.12A. Duties of local government with respect to audits**

(4) A local government must —

(a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and

(b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

(5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**STRATEGIC IMPLICATIONS & MILESTONES**

NIL

**CONSULTATION**

None required.

**VOTING REQUIREMENTS**

Simple majority

**ATTACHMENTS**

10.1.1.1 – Report Model Financial Statements



Department of  
**Local Government, Sport  
and Cultural Industries**

# **Model Financial Statements for Local Governments**

## **Project outline and timeframes**



# Background – reasons for the change

- **OAG – Audit Results Report 2019-20 & 2018-19 Financial Audits of Local Government Entities recommended:**
  - DLGSC should re-assess the amount of detail required to be included in annual financial reports, in particular for small and medium sized entities.
- **WALGA Letter to the Minister of Local Government 14<sup>th</sup> May 2021 – Presented WALGA State Council resolutions as follows:**
  - Requests the Minister for Local Government to direct the Department of Local Government to prepare a Model set of Financial Statements and Annual Budget Statements Reports for the Local Government sector, in consultation with the Office of the Auditor General;
  - Requests the Department of Local Government to re-assess the amount of detail required to be included in annual financial reports, in particular for small and medium sized entities as suggested by the Office of Auditor General.”
  - Advocate to prescribe the four ratios identified by WALGA
  - Recommend including the asset management ratios in the Annual Report
  - Recommend DLGSC review the asset management ratios in consultation with the sector
  - Continue the LG Financial Ratio Working Group as a reference group.



# Key changes proposed

Element	Benefit / Features
Nature and type prescribed for reporting	<ul style="list-style-type: none"><li>• Consistent format that community understands</li><li>• No requirement for LG's to change chart of accounts or cost centres</li><li>• New MFS format will be familiar to majority of LGs</li><li>• Grants Commission program information can still be provided</li></ul>
Reductions in size and complexity of reports	<ul style="list-style-type: none"><li>• 2021 optional model - 63 pages, new draft model - 49 pages</li><li>• Reduction in notes for Bands 3 and 4 - can reduce by a further 10 pages</li><li>• Not every note applicable to every LG - can reduce size even further</li></ul>
Reduction in disclosures	<ul style="list-style-type: none"><li>• Attestation of asset ratios and financial ratios removed from scope</li><li>• Information not required by Australian Accounting Standards (AAS) reduced and simplified</li></ul>
Financial Reserves	<ul style="list-style-type: none"><li>• Notes report sub-totals for restricted and unrestricted reserves</li></ul>
Annual Report – unaudited section	<ul style="list-style-type: none"><li>• Data moved from audited section, e.g., asset ratios, fees for council members, major land transaction and trading undertakings</li></ul>
Future Years	<ul style="list-style-type: none"><li>• Annual review / update required</li></ul>



## Implementation timeline

Milestone	Timeframe	Status
Moore Australia engaged to develop Model Financial Statement (MFS) templates	Sept 21	Complete
MFS reform flagged with sector - LG Alert and LG Reform Package	Sept-Nov 21	Complete
Draft MFS templates for Band 1 & 2 provided to DLGSC	Oct 2021	Complete
DLGSC proposed reductions for Band 3 & 4 draft template	Oct 2021	Complete
DLGSC consultation with OAG	Nov 2021	Ongoing
WA Treasury Corporation to be engaged to review FHI methodology	Feb-Mch 22	
Consultation with sector on draft templates, consideration of feedback*	Feb-Mch 22	Starting
Liaison with PCO for drafting of amendments to LG Financial Regulations	Feb-April 22	
Minister approval of proposed amendments to regulations	April 22	
Executive Council meeting: 17 May (preferred) or 31 May	May 22	
Gazettal and implementation by LGs - DLGSC information and guidance	May/June 22	
DLGSC advice and support to sector – Accounting Helpdesk, LG Hotline, etc	Ongoing	



# Other Factors

- **Asset valuations**
  - Simplification of asset values would require further asset classes to use cost model which are not proposed
  - Asset management related to IPR – not covered in MFS project
  - AASB Fair Value Project for Not-for-Profits being monitored
- **Financial Health Indicator (FHI)**
  - Plan is to engage WATC to review methodology with sector consultation
  - Not locked into prescribed ratios – clean slate
  - Information from other sources like Grants commission can be used
  - Standards can be set for each LG Band if appropriate



## Feedback process

Milestone	Timeframe	Status
DLGSC consultation with OAG	Nov 2021	Ongoing
Consultation on draft MFS template with WALGA and LG Pro.	Feb-Mch 22	Starting
• Show stopper feedback	28 Feb 22	
• Detailed feedback	31 Mch 22	
Minister approval to proceed with drafting regulation amendments	Feb 22	
Liaison with PCO for drafting of amendments to LG Financial Management Regulations and LG Administration Regulations	Feb-Apr 22	
Partnership Agreement and OAG consultation on regulation changes	Apr – May 22	
Executive Council meeting: 17 May (preferred) or 31 May	May 22	
Gazettal and implementation by LGs - DLGSC information and guidance	May/June 22	
DLGSC advice and support to sector – Accounting Helpdesk, LG Hotline, etc	Ongoing	



Department of  
**Local Government, Sport  
and Cultural Industries**

# Questions and discussion



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 <sup>th</sup> April 2022
AGENDA REFERENCE	10.1.2
SUBJECT	PROPOSAL TO REVOKE MANAGEMENT ORDER OVER RESERVE 46644, CANCEL RESERVE AND ISSUE A LEASE FOR TOURIST ACCOMODATION
LOCATION/ADDRESS/APPLICANT	
FILE REFERENCE	6.1.13
INTEREST DISCLOSURE	Nil
DATE OF REPORT	21 April 2022
AUTHOR	David Price
SIGNATURE OF CEO	SIGNED

---

### RECOMMENDATION

**Council is of the opinion that the Cocos Padang under a management order to the Shire and leased to Amicable Holdings Pty Ltd should not be transferred to Free Hold via a 50 year lease and does not agree to the relinquishment of the Cocos Padang Management Order as requested.**

### BACKGROUND

- On the 24<sup>th</sup> August 2001 the Shire advised of the Council's acceptance of a Management Order for the Cocos Padang.
- At the Ordinary Council meeting held 27 September 2011, the Council called for expressions of interest for the leasing of floor space at the Cocos Padang.
- At the Ordinary Council meeting held 22 November 2011, Council passed the following motion

That Council:

1. Accepts the Expression of Interest submission from Amicable Holdings Pty Ltd for the development of Cocos Padang as a site for Short Term accommodation.
  2. Invites Amicable Holdings Pty Ltd to lodge a planning application for the proposed development in accordance with the provisions of the Town Planning Scheme No 1.
  3. Advises Amicable Holdings Pty Ltd that the planning application for the proposal must be received no later than 1 March 2012 and after that time Council will again seek public Expressions of Interest for the development of the site.
  4. Authorises the CEO to seek from the Commonwealth an amendment to the management order for the Cocos Padang (Reserve No 4664) to amend the designated purpose from "Recreation Only" to "Tourism" and delegates authority to the CEO to authorise such an amendment.
  5. Authorises the CEO to prepare a lease agreement subject to the proponent agreeing in writing to meet all legal costs associated with the preparation of a lease agreement.
- At the Special Council meeting held 27 July 2012 Council passed the following motion.

That Council

1. "Approves the lease agreement as attached to this report between the Shire of Christmas Island and Amicable Holdings for the lease of an area of Cocos Padang;
  2. Invites Amicable Holdings to execute the lease where required;
  3. Authorises the CEO submit the lease to the Commonwealth for written approval as required under the Management Order for the reserve;
  4. Authorises the CEO to negotiate any matters associated with obtaining final Commonwealth approval; and
  5. Authorises the CEO to execute the lease on behalf of the Shire of Christmas Island and attach the Common Seal."
- Council at a Special Meeting held 29 May 2018 in reply to a previous request for the Shire to relinquish the management orders over the Golf Course and Cocos Padang passed the following resolution.

"Council agrees to relinquish the Management Order over the Christmas Island Golf Course provided that land remains available for public use as a Golf Course.

Council does not agree to relinquish the Management Order over the Cocos Padang."

### **COMMENT**

Since the identification of the Cocos Padang being available for free hold sale or lease by the Commonwealth Amicable Holdings Pty Ltd have been in discussions with the Commonwealth.

Those discussions have now resulted in a request for the Shire to relinquish the Management Order for the Cocos Padang for the purpose of a 50 year lease arrangement with an option to freehold.

The Shire has also had discussions with Amicable Holdings Pty Ltd where the Shire indicated it was open to Amicable Holdings Pty Ltd to apply through a development application to further develop the Cocos Padang area within their current lease with the Shire

### **POLICY IMPLICATIONS**

### **FINANCIAL IMPLICATIONS**

The current annual rent Council receives from the Cocos Padang lease is \$32,533

### **STRATEGIC IMPLICATIONS & MILESTONES**

### **VOTING REQUIREMENTS**

Simple Majority

### **ATTACHMENTS**

- 10.1.2.1 - Email from Rebecca Roberts requesting the relinquishment the Management Order over the Cocos Padang."
- 10.1.2.2 - Copy of the Shire's management order
- 10.1.2.3 – Copy of Deposit Plan
- 101.2..4 – Registration of interest

**From:** Rebecca Roberts [<mailto:Rebecca.Roberts@dplh.wa.gov.au>]  
**Sent:** Monday, 28 March 2022 4:01 PM  
**To:** general Mailbox  
**Subject:** 181164 - Referral - Proposal to Lease Lot 560 on Deposited Plan 26420

The Chief Executive Officer  
The Shire of Christmas Island  
PO Box 863  
Christmas Island 6798

**PROPOSAL TO REVOKE MANAGEMENT ORDER OVER RESERVE 46644, CANCEL RESERVE  
AND ISSUE A LEASE FOR TOURIST ACCOMMODATION**

The Department of Planning, Lands and Heritage (the Department) is considering a proposal from the Commonwealth Department of Infrastructure, Transport, Cities and Regional Development and Communication to lease Lot 560 on Deposited Plan 26420 for the purpose of "Tourism Accommodation and Ancillary Facility".

The proposal involves the surrender of the current management order lease Lot 560 on DP 26420, being Reserve 46644, revocation of the current management order the cancellation of Reserve 46644, and the issue of a new lease pursuant to section 79 of the *Land Administration Act 1997 (WA)(C.I.)* for a term of 50 years, with the option to freehold. Please note that this proposal has been previously referred to you in June 2018. In relation to this referral:

1. your consent is sought as to whether as management body you are willing to revoke the Management Order over Reserve 46644; and
2. your comments are sought on the cancellation of the Reserve and lease the property for a term of 50 years.

A copy of the application, plan and title are attached for your convenience. For further enquiries please contact me on the above details.

Yours sincerely

**Rebecca Roberts** | A/Assistant Manager | Land Management North  
140 William Street, Perth WA 6000  
6552 4628  
[www.dplh.wa.gov.au](http://www.dplh.wa.gov.au)



*The Department acknowledges the Aboriginal peoples of Western Australia as the traditional custodians of this land and we pay our respects to their Elders, past and present.*

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**INSTRUCTIONS**

1. If insufficient space in any section, additional Sheet Form B1, should be used with appropriate headings. The boxed sections should only contain the words "see page....."
2. Additional Sheets shall be numbered consecutively and bound to this document by staples along the left margin prior to execution by parties.
3. No alteration should be made by erasure. The words rejected should be scored through and those substituted typed or written above them, the alteration being initialled by the person signing this document and their witnesses.

**NOTES**

1. **RESERVE DESCRIPTION**  
Reserve Number and details to be stated.  
The Volume and Folio number to be stated.
2. **MANAGEMENT BODY**  
State the full name of the Management Body.
3. **CONDITIONS**  
Specify all the conditions under which the Management Body may manage the Reserve.

**H 866577 XE**

11 Sep, 2001 14:24:00 Midland



**MANAGEMENT ORDER (XE)**

LODGED BY George Poppas

ADDRESS DOLA

PHONE No. 9273 7239

FAX No. 9273 7052

REFERENCE No. 01685-2000-01RO

ISSUING BOX No.

PREPARED BY George Poppas

ADDRESS LAS

PHONE No. 9273 7239 FAX No. 9273 7052

INSTRUCT IF ANY DOCUMENTS ARE TO ISSUE TO OTHER THAN LODGING PARTY

TITLES, LEASES, DECLARATIONS ETC LODGED HERewith

1. Dup 1	Received Items
2.	Nos. 3/3
3.	
4.	Receiving Clerk
5.	DAF
6.	

Registered pursuant to the provisions of the TRANSFER OF LAND ACT 1893 (WA)(CI) as amended on the day and time shown above and particulars entered in the Register Book.

EXAMINED

NE 126

*[Signature]*



FORM

WESTERN AUSTRALIA  
LAND ADMINISTRATION ACT 1997(WA)(CI)  
TRANSFER OF LAND ACT 1893 (WA)(CI) as amended

**ORIGINAL**

SECTION 46

## MANAGEMENT ORDER (XE)

### RESERVE DESCRIPTION (NOTE 1)

	VOLUME	FOLIO
Reserve 46644	3121	259

### MANAGEMENT BODY (NOTE 2)

Shire of Christmas Island of PO Box 863, Christmas Island, Indian Ocean

### CONDITIONS (NOTE 3)

(i) To be utilised for the designated purpose of "Recreation" only.

(ii) Power to lease (or sub-lease or licence) for the designated purpose is granted for the whole or any portion thereof subject to the approval in writing of the Minister for Lands being first obtained to each and every lease or assignment of lease, pursuant also to the provisions of section 18 of the Land Administration Act 1997.

THE MINISTER FOR REGIONAL DEVELOPMENT, TERRITORIES AND LOCAL GOVERNMENT ORDERS THAT THE CARE, CONTROL AND MANAGEMENT OF THE ABOVE RESERVE BE PLACED WITH THE ABOVE DESCRIBED MANAGEMENT BODY FOR THE PURPOSE FOR WHICH THE LAND IS RESERVED UNDER SECTION 41 OF THE LAND ADMINISTRATION ACT 1997 (WA)(CI), AND FOR PURPOSES ANCILLARY OR BENEFICIAL TO THAT PURPOSE SUBJECT TO THE CONDITIONS STATED ABOVE

Dated this 10<sup>th</sup> day of September 2001

### ATTESTATION

*R J L*

Signed for on behalf of the Minister for Regional Development, Territories and Local Government.



COMPILED FROM CP's 18131, 18132, 18167,  
18293, 18297, 19039 & CP MISC 1767 &  
CD 92118 & FIELD BOOK 82266

CHRISTMAS ISLAND SURVEY CO  
LICENSED SURVEYORS  
P. O. BOX 428  
CHRISTMAS ISLAND  
INDIAN OCEAN 6798  
PH - (08) 91648311  
FAX - (08) 91648311

DP 26420

# Registration of Interest

## Coco Padang Resort

Lot 560 Gaze Road, Christmas Island



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**Attachment 1** – Proposed lease area

**Attachment 2** – Concept plans

## 1.0 Introduction

Halsall and Associates have been engaged by the lease holder of the Cocos Padang Resort, Christmas Island to prepare this application for a Registration of Interest in extending the existing lease over Lot 560 Gaze Road, Christmas Island which is clearly identified as ‘potentially Available Crown Land’ under the Christmas Island Crown Land Management Plan. The purpose of the extended lease would be to accommodate further tourist accommodation and a restaurant in association with this which will be restricted to guest use. The proposal will be developed to address an anticipated increase in tourism numbers and is therefore likely to be constructed in a staged manner in response to market demand.

Prior to the formation of this proposal this concept was presented to the relevant authorities and tactic support was achieved to consider the acquisition of further lease area to accommodate the development.

Factors that have been taken into conservation include development criteria that are relevant to the construction of such a proposal and also heritage considerations which are particular to the site. The resultant proposal will utilise modern and high quality building design approaches that are considered to compare favorably with the existing heritage building on site, and contribute to the heritage value overall.

Review has also been undertaken of the following documents to inform this registration of interest:

- *Guidelines for the Registration of Interest in the Purchase or Lease of Crown Plan on Christmas Island;*
- *Christmas Island Crown Land Management Plan*
- *Maps identifying potentially available Crown Land on Christmas Island, and*
- *Registration of Interest form.*

The issues relevant to such a proposal are carefully considered with the proposal carefully formulated to address the Australian Government’s objective to support economic growth and sustainable development for Christmas Island and will represent a sustainable high quality development complementary to the natural attributes of the site that is respectful of heritage considerations and an asset to the community and therefore the economy of Christmas Island. As

such it is respectfully anticipated that the proposal will be well received and further information can be provided if considered necessary.

## 2.0 The Site

The subject site is identified as Lot 560 Gaze Road, Christmas Island ('the Site'), and currently incorporates an existing short stay accommodation development identified as the 'Coco's Padang Lodge'. The development is located on Crown land, however is under a Management Order to the Shire of Christmas Island. The site is currently the subject of a lease agreement between the Shire of Christmas Island and the proponent that commenced on the 1<sup>st</sup> September 2013 and expires on the 1<sup>st</sup> September 2023.

Lot 560 Gaze Road currently occupies an area of approximately 1.51 hectares. The site has direct road frontage to the east to Gaze road which is a significant access road that extends the periphery of the island. The site is located to the north of the island between Rocky Point and Flying Fish Cove and is orientated towards the coast with extensive ocean views in the 'Gaze Road Settlement' area as identified under relevant guiding statutory documentation and heritage guidelines.

The location of the site in the locality is evident in Figure 1 below.

**Figure 1** – Location of the subject site



## Registration of Interest – Lease Coco Padang Resort – Lot 560 Gaze Road, Christmas Island

The characteristics of the subject site are evident in Figure 2 below.

**Figure 2** – Characteristics of the subject site.



Source: Australian Government GIS

The site testifies to the strong historical linkage and bond between Cocos (Keeling) Islands and Christmas Island as it is heritage listed. The original development is typical of post-World War II accommodation that was provided by the Christmas Island Phosphate Mine for the native Cocos Malay workers until the 1960's.

In 2012, the existing development was also subject of a planning approval in 2012 to provide for refurbishment (Shire ref. 01/2012) to provide for four (4) three (3) bedroom self-contained apartments and operated as the Coco's Padang Lodge. This also includes the distribution of 15 car parking bays situated to the south of the resort. The details of the existing development are detailed on the plans attached. Management activities are currently undertaken from an office in proximity to the site in a cohesive arrangement with the V.Q.3 and The Sunset accommodation options in the Gaze Road Precinct.

Images of the existing resort facilities are provided below.

Figure 3 – site images



The refurbishment of the buildings provided new opportunity for tourism and commercial purposes and it is also noted within the Gaze Road Tourism and Commercial Precinct Urban Design Master Plan that *‘the land around and behind the Padang also provides great tourism accommodation prospects that warrant further investigation’*.

The site characteristics provide that the gradient rises steeply to the rear of the site which incorporates dense tropical vegetation. Development options are therefore logically restricted to the west of the site. Access to Gaze Road is from the south and the driveway alignment is characterised by two rows of palm trees which are an important environmental characteristic. The balance lot area is maintained in a landscaped, lawn state and there is a small children’s play area to the north.

Adjoining land use is primarily commercial in nature and commiserate with operations on site, including restaurant bar and cafes and commiserate accommodation options.

It is noted from literature such as the Christmas Island Development Report 2008 that there is a high percentage of business visitors and that accommodation can be difficult to obtain. The proposal seeks to provide a high quality addition to the site that is integrated with the historical characterises of the site address increasing tourism to the island.

### **3.0 The Concept Proposal**

The proposal to extend the lease area associated with the current operation of the Coco's Padang on the subject site to provide sufficient area for consideration of additions to the existing resort accommodation that will complement the existing development and heritage considerations applicable to the site. The lease area proposed is depicted on Attachment 1.

The development proposal is currently being finalised however concept plans are attached at Attachment 2 that depict the intended 'footprint' of the proposal overall. It is anticipated that the proposed development will be located to the west of the site in a cohesive arrangement with the existing access and accommodation options. This will likely include three two storey apartment blocks that will be situated in the norther parts of the site. It is noted that these may be constructed in a staged manner reflective of the market demand for accommodation as follows:

#### **3.1 Proposed Apartment Blocks (1 – 3)**

The apartment blocks will be identical in form and function. These may accommodate six (6) suites in the ground floor each provided with en-suite, sink and cooking facilities and an external verandah. One of the suites would be constructed to facilitate universal access. A downstairs storeroom may be provided and access provided through a porch arrangement that may be located on the southern aspect which adjoins the location of an internal corridor for access and also a stairwell to access to first floor. The first floor may accommodate a further six (6) suites with a layout identical to that below however with a larger storage area provided. Externally the accommodation would likely be clad in weatherboard cladding and colourbond roofing in colour and hue that is consistent with the existing development on site.

The accommodation may ultimately provide for a further 36 accommodation units at the site and may provide for an additional 72 guests at full capacity. The total accommodation capacity at the site will therefore provide for 96 guests at the site.

The external façade of the apartments would likely be of weatherboard cladding with colour bond roof material. Extensive verandah and balcony area may be provided for in a manner consistent with built form in the locality and complement with the existing heritage character associated with the existing development on site.

### **3.2 Proposed Restaurant**

To complement the resort accommodation, a restaurant is also proposed which may be located towards the central west.

The restaurant would likely provide seating for 100 patrons and provided with the general facilities as required to support such an operation, including kitchen and office facilities and necessary ablution areas.

The restaurant would likely include an extensive outdoor area and internal area to cater for the climatic conditions. This will be a single storey structure and provided for the exclusive use of guests at the Cocos Padang Resort, The Sunset and V,Q,3.

### **3.3 Car parking and access**

Access will be facilitated by the existing arrangement in a one way arrangement providing a loop road towards a likely distribution of car parking bays that will be situated to the rear of the structure, in including a disabled access bay in direct proximity of the restaurant access. The location of the car parking may require some modification to the retaining at the rear as depicted on the site plan attached. No modification to the existing access road or distribution of palm trees would be triggered by the proposal.

There would be an extensive balcony to provide for outdoor dining in a manner of traditional tropical dining. The restaurant will only be available to guests staying at the Padang Coco's resort.

The development would be designed to marry in with the existing resort on site to provide for a quality accommodation option is available for visitors to Christmas Island. The site is obviously well suited to this by way of the existing operation on site which is noted as an important tourism node for the island where it is a key development site for the purposes of tourism to which this proposal is catered.

The proposal will also provide employment opportunity and supports economic sustainability objectives for Christmas Island.

The statutory implications for the proposal are detailed in the following section.

## 4.0 Statutory Environment

### 4.1 Shire of Christmas Island Local Planning Scheme No. 2 ('LPS 2')

The subject site is zoned 'Tourism' under the Local Planning Scheme No. 2 and on the relevant Scheme map as depicted in Figure 4 below.

**Figure 4** – Excerpt from Scheme Map



Source: WAPC

With regard to the development proposal, the Scheme provides the following relevant uses class interpretations are relevant as follows:

**'Restaurant'** - means premises where the predominant use is the sale and consumption of food and drinks on the premises and where seating is provided for patrons, and includes a restaurant licensed under the Liquor Licensing Act 1988 (WA)(CI);

**'Tourist resort'** - means integrated, purpose-built luxury or experiential premises for short-stay guests comprising accommodation units and on-site tourism facilities such as reception,

*restaurant and leisure facilities like swimming pool, gymnasium, tennis courts, and where occupation by any person is limited to a maximum of three months in any 12-month period’.*

*‘Short stay accommodation - means a building, or group of buildings forming a complex, designed for the accommodation of short-stay guests and which provides on-site facilities for the convenience of guests and for management of the development, where occupation by any person is limited to a maximum of three months in any 12-month period and excludes those uses more specifically defined elsewhere’.*

The above short stay and tourism resort uses are identified as an ‘A’ use class under Table 1 of the Scheme which provides that they may be considered at the discretion of the shire following a notification period. The Restaurant use is a ‘P’ use class which provides that the use is permitted providing the use complies with the relevant development standards and requirements of the scheme.

The objective of the zone is to provide for quality tourism accommodation and associated facilities in suitable areas that complement the surrounding land uses and that are designed in such a way as to take advantage of the natural attributes of the site, this is reflected in the context of this tourism proposal. Clause 5.9 provides for consideration of development within the tourism zone. This provided that in certain instances a Structure Plan may be required as a pre-requisite to submission of a development application. Preamble held with the Director of Planning at the shire confirmed that in this instance a Structure Plan would not be necessary given the uncomplicated nature of the proposal. As such a development application has been prepared for the proposal to be submitted to Council and the following detail (as applicable) has been addressed as required under clause 5.9.3 of the Scheme.

- ***Details of the lot including site area, dimensions, easements and caveats;***

The concept site plan as prepared includes detail in relation to the lot area, dimensions and distribution of existing and proposed development.

- ***Details of the site including landform, topography, hydrology, landscape, vegetation, soils, conservation and heritage values, land ownership, land use, roads and utility services;***

Detail in relation site characteristics detailed above have been contained within the context of this proposal. There will be a minor modification to the vegetation to the rear of the existing development to provide adequate retaining to accommodation the development in an appropriate

manner in regard to topography. An important factor of the proposal is retention of the palm trees in the property frontage as these have recognised environmental significance. Other aspects as relevant will be incorporated within the context of the development proposal.

- ***The planning context for the development including relevant strategies, scheme provisions and policies, neighbourhood structure and (where appropriate) indicate how the proposed subdivision and development proposed by the Structure Plan is to be integrated into the surrounding area;***

This criteria is detailed within the context of this report and will accompany the development application.

- ***Proposed uses including public open space, commercial, accommodation, mixed uses and any other existing uses;***

As detailed within the context of this proposal the development will provided for a quality addition to the existing resort facilities and consists of accommodation and ancillary restaurant.

- ***Plans at a scale of not less than 1:200 showing the proposed location, orientation and elevation of all buildings;***

Concept development plans are attached for review. These provide a snapshot of the overall vision for the property and development as associated. Formal plans will be prepared if this proposal for 'Registration of Interest' over additional lease area is supported and will form part of a formal application for consideration of planning approval the Shire of Christmas Island.

- ***Number of beds and retail/commercial floor space.***

The proposal may provide for an additional 36 beds. The apartment blocks will likely be constructed in a staged manner to account for demand.

- ***Details of major infrastructure including drainage, sewerage, water supply, and other key infrastructure services;***

The site is fully serviced with reticulated water, sewer underground power and telecommunications. The site adjoins Gaze Road which is a major connector road about the island. Servicing currently services existing development on site and it is anticipated that this can be reconfigured to service the proposed development in an uncomplicated manner.

- *Details of the road network, bicycle and pedestrian networks, vehicular access and parking; and*

Car parking is depicted on the plans as well as proximity to the road frontage. Vehicular access to the site is existing and the configuration of this is also depicted on the plans attached.

Table 2 of the Scheme sets out the development standards in regard to consideration of tourism use at the site as follows:

Use	Front	Rear Average	Sides	Maximum Plot ratio	Minimum Landscape area %	Minimum number of car bays
Residential building	4	*	6	*	20	1 for every 2 rooms.
Restaurant	4	*	3	*	*	1 for every 10m <sup>2</sup> of floor area or 1 for every 4 seats provided, whichever is the greater.

**Note**

- \*means 'to be determined in the Council' in each instance.
- Landscaping to be generally in the street frontage.

As evident on the concept plans attached the total resort may cater for 48 rooms, as such a total of 24 car parking bays would be required. The restaurant component as proposed would be ancillary to the accommodation on site and not available to the general public as such the car parking calculations are calculated on the accommodation component.

The accommodation may ultimately provide for a further 36 accommodation units at the site and a total of 48 rooms which could provide for an additional 72 guests at full capacity. The total accommodation capacity at the site could therefore potentially provide for 96 guests at the site.

As evident on the concept site plan attached, the development would be compliant with side and front setback requirements. Retaining is proposed to the north east at a distance of 5m however this will be inconsequential in the landscape.

Landscaping area is retained given the vegetated nature of the site and also the distribution of plan trees about the property frontage will be retained as required.

## 4.2 Heritage Protection

Part 7 of the Scheme provides for consideration of buildings of cultural heritage significance. The purpose and intent of this is to ensure that development or redevelopment within the site in places of cultural heritage significance has due regard for the heritage value of the place and is sympathetically designed to respect the character of a locality.

Heritage precincts on Christmas Island are identified through the Commonwealth Heritage List (reference 105315), this identifies that that site is located in the 'Settlement Christmas Island' area and that the residential area dates from 1949 when the island was controlled by the British Phosphate Commission. As previously stated the site incorporates existing structures previously utilised for workers associated with the excavation of phosphate for the phosphate deficient soils of Australia, which allowed agricultural expansion and supported the food production boom of the 1950s and 1960's and is therefore an important heritage site. It was also the only area on the island where the Cocos Malays were permitted to live. The existing development has been the subject of refurbishing and fit out to create four (4) x 3 bedroom self-contained apartments by the Shire of Christmas Island, February 2012 (Shire reference: 01/2012).

The proposal will be referred to the Department of Environment and Heritage as required to determine whether the work constitutes a controlled action pursuant to the Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act), further the proposal will also be submitted to the Heritage Branch for assessment as is required under Clause 7.7 of the Scheme, as it is a requirement that the views of the Australian Heritage Commission and any other relevant bodies are to be considered when determining an application for consideration of planning consent.

Further to the general development requirements as specified under the Scheme it is noted that Council may require further detail as per the following to guide assessment when a development is proposed in a heritage precinct:

- *Street elevations to demonstrate consistency with the built form in the immediate locality*
- *Side and rear elevations*
- *Plan of the development site showing existing and proposed site levels over the whole are applicable. All structures and vegetation over 2m in height and vegetation to be removed.*
- *Details of all finishes, materials and colours.*

In regard to the above the development proposal will include detailed perspectives that will show how the development will assimilate with the existing development on site. Details of materials and colours will also be provided for. Site levels are indicatively depicted as are all elevations of development proposed. The intent is to demonstrate that the site is capable of accommodating such a development which would ultimately be in keeping with the streetscape and built form as such the majority of these elements will be built into the context of the proposal at planning stage to guide assessment without complication.

A review of the *Godden Mackay Logan report*, Christmas Island: *Heritage Review, DCPs and Development Guidelines (Vol 3)* has also been undertaken. This report was produced in 1998 and is somewhat antiquated, however provides for design guidelines on modifying heritage places and is therefore a relevant consideration.

Criteria provided to demonstrate that infill design will satisfy the following to be considered compatible with heritage buildings in the precinct:

- *‘Retention and enhancement of the characteristics which contribute to the heritage value of the precinct in which it is located;*
- *Appropriateness of the setbacks;*
- *Compatibility with the existing scale, form and character, and*
- *Sympathy with existing materials and details’.*

The proposal will utilise modern and high quality building design approaches that is considered to compare favorably with the existing heritage building on site, and contribute to the overall heritage value of the site.

The site is further identified under the plan as located within the CI Heritage DCP, Part B2, and Settlement Service Precinct. This is identified as the former railway siding now the Cocos Padang with the building type is identified as Cocos Malay Kampong. The DCP also identifies that all landscaping should be retained with particular note retention of palm trees in the site frontage which has been factored into the project.

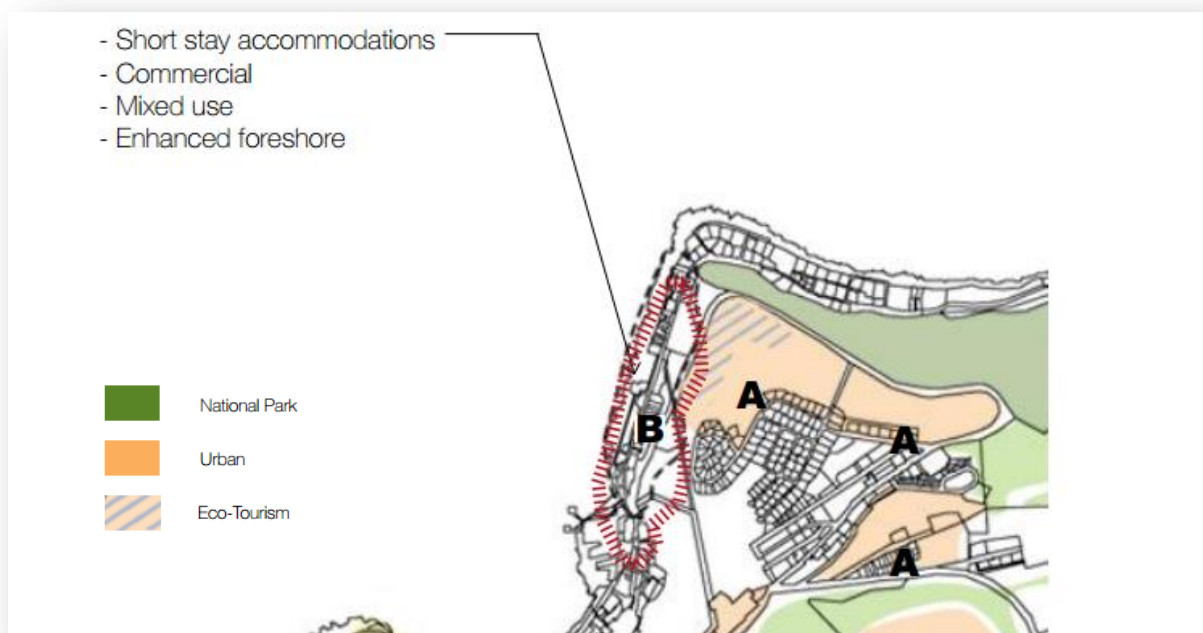
The infill proposal will be structured with regard to the development criteria as specified in the report and are considered to complement the existing heritage building and will contribute to the streetscape as such the proposal has due regard to the development criteria as specified for the Gaze road settlement area.

#### 4.3 Shire of Christmas Island Local Planning Strategy ('LPS')

The LPS provides background and strategic foundation for planning, land use and development on the island. The LPS identifies that there is currently a lack of adequate tourism infrastructure, including beds and quality accommodation, further that the increasing affordability of airfares needs to be accompanied by a substantial investment in tourism infrastructure to evolve as a mainstream tourism destination.

The subject site is located within Gaze Road Tourism and Commercial Precinct under the LPS where promotion of short stay accommodation, commercial and mixed uses and enhanced foreshore are the objectives for the precinct area, together with facilitating the maintenance of heritage values, to provide a functional, attractive and desirable destination for the community and tourists. The LPS identifies that from a tourism perspective, there is a lack of tourism facilities and also that it is necessary to enhance the precinct area with a strategic response to promote new tourism facilities and short stay accommodation, to cater for desired increase in tourism numbers. The LPS identifies that there is a number of sites within the precinct that can be utilised for this purpose, and that such uses should be limited to the eastern site of Gaze Road. Future economic activities are also orientated towards alternative sectors such as tourism to provide economic diversification. The Strategic Plan North (Figure 13) also identifies that land tenure immediate to the site is also identified for eco-tourism such that the location of the proposal is commiserate with the long term strategic direction for the locality.

**Figure 5** – Excerpt from Strategic Plan North



Importantly, the LPS specifically identifies that the Coco's Padang is considered a key development site within the precinct area. The LPS identifies *'that tourism accommodation could be located on either side of the existing building at the base of the slope to take advantage of the ocean views and provide a unique setting that recognises the historic characteristics of the site. This would enhance and expand the current tourism and commercial precinct and provide a greater range of attractions and facilities to visitors'*.

The LPS also identifies that development would need to enhance the heritage values of the existing building, and this has been undertaken by way of planning approval to fit out and refurbish the existing structures to provide for four self-contained apartments. Works to achieve this have concluded such that this objective has been affected. The proposal has been designed in such a manner that it will complement the heritage values of the existing development in both form and function.

The proposal is considered to address the long term strategic direction of the LPS. The shire has also prepared the 'Gaze Road Tourism & Commercial Precinct Urban Design Master Plan' as a guide for future development within the area.

#### **4.4 Gaze Road Tourism & Commercial Precinct Urban Design Master Plan (December 2011)**

The Plan reflects the LPS in that it specifically identifies the Coco's Padang site as a location of future development within the precinct area. This also identifies that from a tourism accommodation investment perspective, the single most significant land asset is the Coco's Padang and that new leases will have to acknowledge and not preclude the general re-development of the entire site. The Master Plan also incorporates concept design for redevelopment of a site to accommodate tourism accommodation opportunity and the proposal clearly aligns with the future intended improvements and enhancements of the precinct area and the subject site specifically.

Built form objectives are specified under item 7.1 which provides that height should be limited to a maximum of 4 storeys, and new development should respect the historical footprint in terms of size and scale. New developments should complement existing building style and material. The design of the proposal will be such that design aspects reflect the existing historical development to ensure a continuation of the current building vernacular and character of the site and precinct overall.

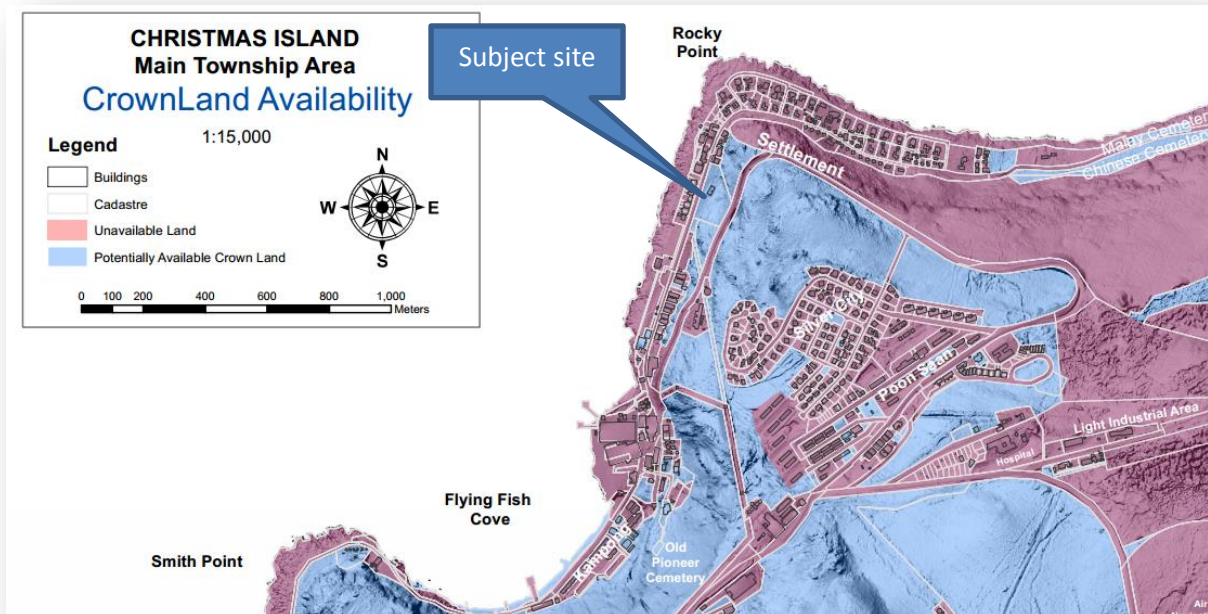
The proposal also addresses that Crown land adjustments will be required to accommodate re-development of the site, to provide sufficient area to accommodate proposed tourist development. This formal land process has been undertaken with the WA Government by way of this application via 'Registration of Interest' process to register interest in leasing further crown land in association with the proposal.

Further guidelines such as the Indian Ocean Territories Economic Development Strategic Plan 2010 – 2015, the Christmas Island Destination Development Strategy 2013-2018 and also Our Future Plan Final Draft also identify that the site has been identified from a strategic viewpoint as suitable for expansion of the existing short term accommodation use to bolster tourism opportunity for Christmas Island. Further that economic diversification is vital to sustainable of the island. Further; developing the tourism industry with an emphasis on low impact, high yield tourism.

#### **4.4 Christmas Island Crown Land Management Plan**

The Crown Land Plan guides future development proposals to align with the government's strategic direction for land on Christmas Island. The Land Administration Act 1997 (WA) (CI) provides for land tenure options for Crown Land. The overarching objectives that underpin this are the timely development of land and include releasing land for tourism and commercial development. The site is clearly identified in an area where Crown land is available for consideration of proposals that are in keeping with the strategic direction for the locality, as evident in Figure 6 below.

Figure 6 – Availability of crown land



The site is also immediately adjacent to the location of a proposed pedestrian linkage which would ultimately provide a pedestrian thoroughfare from the site to inland areas and such that a point of connectivity will ultimately be provided in direct association to the site.

The objectives of the plan include supporting economic sustainability, employment opportunities, business and economic diversity, also one of the overarching objectives is releasing land for consideration of tourism. The site is clearly considered suitable for this given current operations as the Coco's Padang resort. The proponent seeks to supplement this existing operation by way of additional accommodation options that complement heritage considerations at the site.

## 5.0 Servicing

The site is well serviced with power, water and wastewater infrastructure and power. It is acknowledged that the proposal will be subject to standard procedures associated with the service infrastructure providers in determining appropriate capacities and any required upgrades as a result of the development.

Solid waste will be appropriately managed by SOCI as is standard practice and telecommunications is provided by conventional landline and NBN (via satellite).

## **6.0 Conclusion**

This report and associated development concept plans as attached. Economic diversification is considered vital to the sustainability of this island, and the proposal seeks address this by way of providing quality tourist accommodation in the part of the island and associated employment that this will general contributed to the tourism objectives and economy of the island in the northern parts in a manner that is complementary and respectful of the existing development, heritage obligations and streetscape. The proposal reflects the overall vision for the locality and demonstrates compliance with the relevant statutory and relevant guiding documentation for consideration of a development of this nature as such it is requested that this 'Registration of Interest' over additional lease area for Lot 560 Gaze Road, Christmas Island be supported to provide that sustainable quality development can be undertaken on the site.



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Meeting 26 April 2022
AGENDA REFERENCE	10.1.3
SUBJECT	ALGA National Conference Attendance
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	2.6.1
INTEREST DISCLOSURE	None
DATE OF REPORT	19 April 2022
AUTHOR	David Price, CEO
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATION

#### That Council –

1. confirm registration to attend the 2022 Australian Local Government Association National Assembly conference scheduled for 19 to 22 June 2022 in Canberra,
2. nominates the Shire President, the CEO and Councillors \_\_\_\_\_ and \_\_\_\_\_ to attend the conference for the purpose of registration, travel and accommodation arrangements,
3. advise the CEO of any Motions by 29 March 2018 that Council may want to have included in the Conference Agenda Papers and,
4. confirm the voting (x 1) and proxy (x 1) delegates for the conference.

### BACKGROUND

Council nominated the Shire President, Crs LEE, MASLI, YON, KOH and PAL and the CEO to attend the Australian Local Government Association (ALGA) National Assembly conference held in Canberra 2019 the last 2 years Council has not attended the Conference due to COVID cancellations. Details of the 2022 conference have now been made available on the ALGA website with printed brochure's being sent to Council shortly.

### COMMENT

The 2022 ALGA conference is scheduled for 19 to 22 June 2022 at the Canberra National Convention Centre. Cost details of conference registration, accommodation, travel etc are provided in 'Financial Implications' below based on the 2022 conference cost. This year's theme of the conference is *Partners in Progress* and the program will be focused on how councils can work in partnership with the Australian Government in particular to meet current and future needs of local communities.

In accordance with practice last year, Council merely has to nominate 1 x voting delegate (and 1 x proxy) per Council and is not required to provide the voting delegate's name. Therefore presuming Councils endorsement of attendance to the conference, the registration of one voting delegate and one proxy delegate is all that is required.

As in previous years, there is also an opportunity to meet with various Ministers and Government Departments while in Canberra who have portfolio responsibilities relevant to Christmas Island. The CEO can arrange these meetings for Thursday 22/6/22.

**STATUTORY ENVIRONMENT**

Registration of voting delegate x 1 and proxy x 1 as part of the ALGA conference registration process.

**POLICY IMPLICATIONS**

There are no significant policy implications arising from this matter.

**FINANCIAL IMPLICATIONS**

Conference registration, travel and accommodation provided for in the 2017/18 budget for 3 x elected members and 1 x staff member. Indicative cost to attend conference would be –

1. Full conference Early Bird Registration (before 20/5/18) @ \$989.00 p/person with additional \$225.00 p/person to attend Regional Development Forum on Sunday 19/6/22, when also registering for full conference. Full standard registration cost (after 20/5/18) is \$1099.00.
2. The CEO has already pre booked for 4 x rooms at the Waldorf Apartments near the conference venue to ensure availability.
3. Airfare cost p/person Christmas Island to Canberra return and,
4. Applicable travel allowance p/person in accordance with Council Policy.

**STRATEGIC IMPLICATIONS**

There are no significant strategic implications arising from this matter.

**VOTING REQUIREMENTS**

A simple majority is required.

**ATTACHMENTS**



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 April 2022
AGENDA REFERENCE	10.1.4
SUBJECT	Budget Variations
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.4
INTEREST DISCLOSURE	None
DATE OF REPORT	18 April 2022
AUTHOR	David Price – Chief Executive Officer
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATION

**That Council approves the budget variation for the following to cover the costs associated with recruitment of new Finance & Administration Manager.:**

• Reduce GL 0713150 Consultants Fees	<b>\$15,000</b>
• Reduce GL 0423200 Valuation Expense	<b>\$10,000</b>
• Reduce GL 0422800 Vehicle Running Expense	<b>\$10,000</b>
• Increase GL 0423150 Consultants Fees & Expense	<b>\$35,000</b>

### BACKGROUND

Budget variations are required for items of an important nature that have not been provided for in the 2021/22 budget and also not considered as part of the Mid-Year Review.

### COMMENT

The incumbent Manager Finance & Administration has formally offered her retirement to the Shire and the formal recruitment process is to be undertaken over the coming two months and is anticipated to be finalised by mid to late June.

### STATUTORY ENVIRONMENT

The Local Government Act 1995 Part 5, Division 4 S5.37 (3) &(4) applies

### POLICY IMPLICATIONS

There are no significant policy implications arising from this matter.

### FINANCIAL IMPLICATIONS

Total amount of budget variations is \$35,000.

### STRATEGIC IMPLICATIONS & MILESTONES

Objective 4 of the same Environment is to “Effectively manage the resources of the Shire in line with the objectives of the Strategic Plan”.

### VOTING REQUIREMENTS

A simple majority is required.

### ATTACHMENTS

Nil



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 April 2022
AGENDA REFERENCE	10.1.5
SUBJECT	<b>Australian Local Power Agency Bill 2021</b>
LOCATION/ADDRESS/APPLICANT	
FILE REFERENCE	6.4.1
INTEREST DISCLOSURE	
DATE OF REPORT	19/04/22
AUTHOR	David Price
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATION

Council supports that the **Australian Local Power Agency Bill 2021** be referenced and acknowledged as a strategic aim of the forthcoming Draft Local Planning Strategy.

### BACKGROUND

Introduced and read a first time on the 22 Feb. 2021 in the Australian Parliament Lower House, with the Australian Local Power Agency (Consequential Amendments) Bill 2021, the bill: establishes the **Australian Local Power Agency** (ALPA) to support the development of community energy projects in Australia, increase the competitiveness of renewable energy supplied by community energy projects and ensure that regional communities share in the benefits of renewable energy; provides for ALPA's functions and powers; establishes the Board of ALPA and provides for its functions, members, meetings and committees; and provides for the appointment of a Chief Executive Officer, staff and consultants.

### COMMENT

The object of this Bill is to:

- (a) Increase the number of community energy projects in Australia;
- (b) Increase the competitiveness of renewable energy supplied by community energy projects in Australia; and
- (c) Ensure that regional communities share in the benefits of renewable energy.

The continuation of the provision of public power on CI is considered a fundamental right afforded to the Islanders to be maintained.

The Bill has benefited from bi-partisan support so far and its foreseeable enactment would provide a funding vehicle (ALPA) to assist the Shire, as eligible funding recipient, in reducing the island's dependency on the import of fossil fuel and facilitate the local production of community-controlled affordable renewable electricity.

### STATUTORY ENVIRONMENT

The SOCI, with agreement from the WA Planning Commission, is reviewing its **Local Planning Scheme No.2** and the **May 2015 Local Planning Strategy** pursuant to the requirements of the **Planning & Development (Local Planning Schemes) Regulations 2015(WA)(CI) (LPS Regulations)**

### POLICY IMPLICATIONS

The Draft Local Planning Strategy is designed to consolidate the review of the 2015 Planning Strategy and maintain (as much as feasible) alignment with the Christmas Island Strategic Assessment (CISA) process.

The Energy section of the 25 August 2020 SOCI endorsed ***Strategic Directions August 2020*** stipulates:

*“The nature of power generation on CI is highly reliant on imported fuel. Investigation into renewable sources on the Island has reached a critical stage (refer to Climate Change section)”*

Making reference and acknowledging the ***Australian Local Power Agency Bill 2021*** as a strategic aim of the forthcoming Draft Local Planning Strategy is the appropriate strategic response to facilitate the required transition from fossil fuel to renewables on CI.

## **FINANCIAL IMPLICATIONS**

This item can be executed within the current budget allowance to review the Local Planning Strategy.

## **STRATEGIC IMPLICATIONS & MILESTONES**

Reference to the ***Australian Local Power Agency Bill 2021*** in the forthcoming Draft Local Planning Strategy due for completion end of June 2022.

## **VOTING REQUIREMENTS**

Simple Majority

## **ATTACHMENTS**

10.1.5.1. ***Australian Local Power Agency Bill 2021***

2019-2020-2021

The Parliament of the  
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

*Presented and read a first time*

## **Australian Local Power Agency Bill 2021**

**No.     , 2021**

*(Dr Haines)*

**A Bill for an Act to establish the Australian Local  
Power Agency, and for related purposes**

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1     **A Bill for an Act to establish the Australian Local**  
2     **Power Agency, and for related purposes**

3     The Parliament of Australia enacts:

4     **Part 1—Preliminary**  
5

6     **1 Short title**

7                     This Act is the *Australian Local Power Agency Act 2021*.

Section 2

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this Act	<p>The later of:</p> <p>(a) the day after this Act receives the Royal Assent; and</p> <p>(b) the day the Consolidated Revenue Fund is appropriated under an Act to the Department in which this Act is administered for payment to the Australian Local Power Agency.</p> <p>However, the provisions do not commence at all if the event mentioned in paragraph (b) does not occur.</p>	

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Object

The object of this Act is to:

- (a) increase the number of community energy projects in Australia; and
- (b) increase the competitiveness of renewable energy supplied by community energy projects in Australia; and

- (c) ensure that regional communities share in the benefits of renewable energy.

#### **4 Definitions**

In this Act:

***acquire*** includes acquire by way of issue.

***agreement*** includes a contract or deed.

***ALPA*** is short for ***Australian Local Power Agency***.

***appointed member*** means a Board member appointed under section 46.

***asset*** means:

- (a) any kind of real or personal property; or
- (b) any legal or equitable estate or interest in real or personal property; or
- (c) any legal or equitable right.

***Australia***, when used in a geographical sense, includes the external Territories.

***Board*** means the Board of the Australian Local Power Agency.

***Board member*** means a member of the Board.

***CEO*** means the Chief Executive Officer of the Australian Local Power Agency.

***Chair*** means the Chair of the Board.

***Chief Financial Officer*** means the person employed under section 77.

***Climate Change Convention*** means the United Nations Framework Convention on Climate Change done at New York on 9 May 1992, as in force for Australia from time to time.

## Section 4

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- 1                   Note:       The Climate Change Convention is in Australian Treaty Series 1994  
2                               No. 2 ([1994] ATS 2) and could in 2021 be viewed in the Australian  
3                               Treaty Library on the AustLII website ([www.austlii.edu.au](http://www.austlii.edu.au)).
- 4                   **community energy project:** see section 5.
- 5                   **community organisation:** see section 5.
- 6                   **complying investment:** see section 21.
- 7                   **derivative** means a derivative (within the meaning of Chapter 7 of  
8                               the *Corporations Act 2001*) that is a financial asset.
- 9                   **energy** means electricity.
- 10                  **Finance Minister** means the Minister who administers the *Public*  
11                               *Governance, Performance and Accountability Act 2013*.
- 12                  **financial asset:** see section 24.
- 13                  **financial assistance** means:  
14                      (a) grants; or  
15                      (b) any other kinds of assistance specified under section 6.
- 16                  **financial assistance function:** see section 15.
- 17                  **GFS Australia** means the publication of the Australian Bureau of  
18                               Statistics known as Australian System of Government Finance  
19                               Statistics: Concepts, Sources and Methods, as updated from time to  
20                               time. This updating takes 2 forms:  
21                      (a) from time to time, a new version of the publication is  
22                               produced; and  
23                      (b) from time to time, material in the current version of the  
24                               publication is updated by other publications of the Australian  
25                               Bureau of Statistics.
- 26                  **GFS system** has the same meaning as in GFS Australia.
- 27                  **investment** means:  
28                      (a) any mode of application of money or financial assets for the  
29                               purpose of gaining a return (whether by way of income,  
30                               capital gain or any other form of return); or
-

## Section 5

- 1 (b) without limiting paragraph (a)—giving a guarantee.
- 2 *investment function*: see section 20.
- 3 *Investment Mandate*: see section 25.
- 4 *large renewable energy generation facility*: see section 30.
- 5 *prohibited technology*: see section 23.
- 6 *quarter*: see subsection 81(2).
- 7 *realise* includes redeem or dispose of.
- 8 *renewable energy* means energy produced using renewable energy
- 9 technologies.
- 10 *renewable energy technologies* has the same meaning as in the
- 11 *Australian Renewable Energy Agency Act 2011*.
- 12 *responsible Ministers* means:
- 13 (a) the Minister administering this Act; and
- 14 (b) the Finance Minister.
- 15 *Secretary* means the Secretary of the Department.
- 16 *section 24 investments*: see section 24.
- 17 *solely or mainly Australian-based*: see section 22.
- 18 *subsidiary* of ALPA means a subsidiary of ALPA for the purposes
- 19 of the *Public Governance, Performance and Accountability Act*
- 20 *2013*.
- 21 *vacancy*, in relation to the office of an appointed member, has a
- 22 meaning affected by subsection 49(3).

**5 Meaning of community energy project**

- 24 (1) A project is a *community energy project* if ALPA is satisfied, in
- 25 accordance with guidelines made under subsection (4), that:
- 26 (a) the main activity of the project is:

Section 5

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- 1 (i) generating renewable energy; or  
2 (ii) storing energy; or  
3 (iii) increasing energy efficiency;  
4 in a local community in Australia; and  
5 (b) the project is carried out mainly by the community or by  
6 community organisations; and  
7 (c) the main purpose of the project is to benefit the community  
8 or community organisations; and  
9 (d) the community has a significant role in decision-making on  
10 the project.
- 11 (2) **Community organisation** includes the following:  
12 (a) a not-for-profit body corporate or unincorporated association;  
13 (b) a local council;  
14 (c) a for-profit body corporate or unincorporated association if  
15 the main purpose of the body or association is to profit:  
16 (i) one or more other community organisations; or  
17 (ii) a wide membership consisting exclusively or  
18 predominantly of other community organisations or  
19 members of the community;  
20 (d) any entity or business arrangement (including a partnership  
21 or joint venture) controlled (whether directly or indirectly)  
22 by:  
23 (i) one or more other community organisations; or  
24 (ii) a large number of persons, all or most of whom are  
25 other community organisations or members of the  
26 community.
- 27 (3) For the purposes of determining whether a project is a **community**  
28 **energy project**, ALPA must disregard any investment in the project  
29 under Division 3 of Part 2 (ALPA's investment function).
- 30 *Guidelines*
- 31 (4) The Board must, by writing, make guidelines setting out  
32 circumstances, conditions or other matters to which ALPA will  
33 have regard in satisfying itself that:
-

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Section 6

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- 1 (a) paragraph (1)(a), (b), (c) or (d) apply to a project; or  
2 (b) an entity is a community organisation.
- 3 (5) The Board must publish guidelines made under subsection (4) on  
4 ALPA's website.
- 5 (6) Guidelines made under subsection (4) are not a legislative  
6 instrument.

7 **6 Financial assistance**

8 For the purposes of paragraph (b) of the definition of *financial*  
9 *assistance* in section 4, the Minister may, by legislative instrument,  
10 specify kinds of assistance.

Section 7

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**Part 2—Australian Local Power Agency**

**Division 1—Establishment, functions, powers etc.**

**7 Establishment**

(1) The Australian Local Power Agency is established by this section.

(2) The ALPA:

- (a) is a body corporate; and
- (b) must have a seal; and
- (c) may sue and be sued.

Note: The *Public Governance, Performance and Accountability Act 2013* applies to ALPA. That Act deals with matters relating to corporate Commonwealth entities, including reporting and the use and management of public resources.

(3) ALPA's seal is to be kept in such custody as the Board directs and must not be used except as authorised by the Board.

**8 ALPA's functions**

ALPA has the following functions:

- (a) ALPA's financial assistance function (see Division 2);
- (b) ALPA's investment function (see Division 3);
- (c) to give advice to the Minister under regulations made for the purposes of subsection 30(1) (community investment in large renewable energy projects);
- (d) to provide technical expertise (including to governments, community organisations and the public) for the purposes of developing community energy projects;
- (e) to enter into agreements for the purpose of performing its financial assistance function and to administer such agreements;
- (f) to collect, analyse, interpret and disseminate information and knowledge relating to community energy projects;

- 1 (g) to provide advice to the Minister relating to community  
2 energy projects, including advice about the following:  
3 (i) increasing the number of community energy projects in  
4 Australia;  
5 (ii) increasing the competitiveness of renewable energy  
6 supplied by community energy projects in Australia;  
7 (iii) ensuring that regional communities share in the benefits  
8 of renewable energy;  
9 (h) to liaise with relevant persons and bodies, including the  
10 Australian Renewable Energy Agency, the Clean Energy  
11 Finance Corporation, the Clean Energy Regulator, other  
12 Commonwealth agencies and State and Territory  
13 governments, for the purposes of facilitating:  
14 (i) its financial assistance function; or  
15 (i) its investment function; or  
16 (iii) its function under paragraph (c);  
17 (i) any other functions that are prescribed by the regulations;  
18 (j) any other functions conferred on ALPA by this Act or any  
19 other Commonwealth law;  
20 (k) to do anything incidental to, or conducive to, the performance  
21 of the above functions.

## 22 **9 General rules about performance of functions**

- 23 In performing its functions, ALPA must:  
24 (a) act in a proper, efficient and effective manner; and  
25 (b) if appropriate:  
26 (i) act collaboratively with other persons, organisations and  
27 governments (including international organisations and  
28 foreign governments); and  
29 (ii) promote the sharing of information and knowledge  
30 about community energy projects.

Section 10

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**10 Minister may direct ALPA to provide advice**

- (1) The Minister may, in writing, direct ALPA to provide advice to the Minister in relation to a matter mentioned in paragraph 8(g).
- (2) ALPA must comply with the direction.

**11 Constitutional limits**

- (1) ALPA may perform its functions only:
- (a) for purposes relating to a corporation to which paragraph 51(xx) of the Constitution applies; or
  - (b) for purposes related to external affairs, including:
    - (i) giving effect to the Climate Change Convention, including by performing functions in relation to renewable energy technologies that could reasonably be expected to control, reduce or prevent anthropogenic emissions of greenhouse gases; or
    - (ii) giving effect to another international agreement to which Australia is a party; or
    - (iii) addressing matters of international concern; or
    - (iv) by way of the performance of its functions in a place outside Australia; or
  - (c) for purposes relating to the collection of statistics; or
  - (d) for purposes relating to trade and commerce:
    - (i) between Australia and places outside Australia; or
    - (ii) among the States; or
    - (iii) within a Territory, between a State and a Territory or between 2 Territories; or
  - (e) by way of the use of a postal, telegraphic, telephonic or other like service within the meaning of paragraph 51(v) of the Constitution; or
  - (f) by way of the provision of service, or financial assistance, to:
    - (i) the Commonwealth; or
    - (ii) an authority of the Commonwealth;for a purpose of the Commonwealth; or

Section 12

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- 1 (g) for purposes relating to the granting of financial assistance to  
2 a State; or  
3 (h) in, or for purposes relating to, a Territory; or  
4 (i) in or with respect to a Commonwealth place (within the  
5 meaning of the *Commonwealth Places (Application of Laws)*  
6 *Act 1970*); or  
7 (j) for purposes relating to the implied power of the Parliament  
8 to make laws with respect to nationhood; or  
9 (k) for purposes relating to the executive power of the  
10 Commonwealth; or  
11 (l) for purposes relating to matters incidental to the execution of  
12 any of the legislative powers of the Parliament or the  
13 executive power of the Commonwealth.
- 14 (2) This section does not apply in relation to ALPA's function of  
15 giving advice to the Minister under regulations made for the  
16 purposes of subsection 30(1) (community investment in large  
17 renewable energy projects).
- 18 Note: See section 31 (constitutional basis of Division 4).

19 **12 Powers**

- 20 (1) ALPA has power to do all things necessary or convenient to be  
21 done for or in connection with the performance of its functions.
- 22 (2) ALPA's powers include, but are not limited to, the following  
23 powers:  
24 (a) the power to enter contracts;  
25 (c) the power to acquire, hold and dispose of real and personal  
26 property; and  
27 (c) the power to accept gifts, grants, bequests and devises made  
28 to it.

29 **13 ALPA does not have privileges and immunities of the Crown**

- 30 ALPA does not have the privileges and immunities of the Crown in  
31 right of the Commonwealth.

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1     **14 Taxation**

2                     ALPA is not subject to taxation under a law of the Commonwealth  
3                     or of a State or Territory.

1 **Division 2—ALPA's financial assistance function**

2 **15 ALPA's financial assistance function**

3 ALPA's *financial assistance function* is to provide financial  
4 assistance for:

- 5 (a) research into community energy projects; or  
6 (b) the development, commercialisation or deployment of  
7 community energy projects; or  
8 (c) the storage and sharing of information and knowledge about  
9 community energy projects.

10 **16 General rule about performance of financial assistance function**

11 In performing its financial assistance function, ALPA must ensure  
12 that decisions about the provision of financial assistance are based  
13 on merit.

14 **17 Provision of financial assistance to be in accordance with general  
15 strategy**

16 ALPA must not enter into an agreement for the provision of  
17 financial assistance unless the financial assistance provided for is  
18 in accordance with the general strategy that is in force under  
19 Subdivision A of Division 2 of Part 3 at the time when the  
20 agreement is entered into.

21 **18 Minister may request ALPA to consider funding for specified  
22 projects**

- 23 (1) The Minister may, in writing, request ALPA to consider providing  
24 financial assistance for a particular project specified in the request.  
25 (2) ALPA must consider the request.

Section 19

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1       **19 Ministerial approval where grants exceed \$50 million**

2                       ALPA must not, without the written approval of the Minister, make  
3                       grants totalling more than \$50 million for a particular project.

4                       Note:       Guidelines for grant programs enabling grants exceeding \$15 million  
5                       for a particular project must be approved by the Minister under  
6                       section 40.

1     **Division 3—ALPA's investment function**

2     **Subdivision A—ALPA's investment function**

3     **20 Investment function**

- 4             (1) ALPA's *investment function* is to invest, directly and indirectly, in  
5                 community energy projects.
- 6             (2) Without limiting subsection (1), ALPA may perform its investment  
7                 function by doing any or all of the following:
- 8                 (a) investing in businesses or projects for the development or  
9                     commercialisation of community energy projects;
- 10                (b) investing in businesses that supply goods or services needed  
11                    to develop or commercialise, or needed for use in,  
12                    community energy projects.
- 13             (3) ALPA may perform its investment function by making investments  
14                 itself (including as a participant in partnerships, trusts, joint  
15                 ventures or similar arrangements), through subsidiaries or other  
16                 investment vehicles or by any combination of these means.
- 17             (4) An investment may be an investment for the purposes of ALPA's  
18                 investment function, regardless of the means by which it is made.

19     **21 Complying investments**

- 20             (1) The Board must take all reasonable steps to ensure that investments  
21                 for the purposes (or purportedly for the purposes) of ALPA's  
22                 investment function are at all times complying investments.
- 23             (2) *Complying investments* are investments that are:
- 24                 (a) in community energy projects (see section 5); and  
25                 (b) solely or mainly Australian based (see section 22); and  
26                 (c) not in a prohibited technology (see section 23).
- 27             (3) As soon as practicable after the Board becomes aware that an  
28                 investment for the purposes (or purportedly for the purposes) of

## Section 22

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- 1 ALPA's investment function has ceased to be, or never was, a  
2 complying investment, the Board must give the responsible  
3 Ministers a written statement:
- 4 (a) informing the responsible Ministers; and  
5 (b) setting out the action that the Board proposes to take in order  
6 to ensure that all investments made for the purposes of  
7 ALPA's investment function are complying investments.
- 8 (4) If the responsible Ministers are satisfied that an investment has  
9 ceased to be, or was never, a complying investment, the  
10 responsible Ministers may (whether or not the Board has given the  
11 Minister a statement under subsection (3)), by written notice given  
12 to the Board, direct the Board:
- 13 (a) to give the responsible Ministers, within a period specified in  
14 the notice, a written explanation; and  
15 (b) to take action specified in the notice, within a period  
16 specified in the notice, in order to ensure that all investments  
17 for the purposes of ALPA's investment function are  
18 complying investments.
- 19 (5) The Board must comply with a direction under subsection (4).
- 20 (6) The fact that an investment has ceased to be, or never was, a  
21 complying investment, does not affect the validity of any  
22 transaction.
- 23 (7) A direction under subsection (4) is not a legislative instrument.

## 22 Australian based investments

- 25 (1) An investment for the purposes of ALPA's investment function is  
26 *solely or mainly Australian based* if the Board is satisfied, in  
27 accordance with guidelines made under subsection (2), that the  
28 investment is solely or mainly Australian based.
- 29 (2) The Board must, by writing, make guidelines setting out  
30 circumstances, conditions or other matters to which the Board will  
31 have regard in satisfying itself that an investment is solely or  
32 mainly Australian based.

- 1 (3) The guidelines must not be inconsistent with the Investment  
2 Mandate.
- 3 (4) The Board must publish guidelines made under subsection (2) on  
4 ALPA's website.
- 5 (5) Guidelines made under subsection (2) are not a legislative  
6 instrument.

7 **23 Prohibited technology**

8 An investment for the purposes of ALPA's investment function is  
9 an investment in a *prohibited technology* if it is an investment in a  
10 project involving:

- 11 (a) carbon capture and storage (within the meaning of the  
12 *National Greenhouse and Energy Reporting Act 2007*); or  
13 (b) nuclear technology; or  
14 (c) nuclear power; or  
15 (d) coal or gas power.

16 **Subdivision B—Performance of investment function**

17 **24 Financial assets**

- 18 (1) Investments for the purposes of ALPA's investment function,  
19 made directly by ALPA or directly by a subsidiary of ALPA  
20 (*section 24 investments*), must only be made by way of acquisition  
21 of financial assets.
- 22 (2) A reference in this Act to a *financial asset* is a reference to:  
23 (a) an asset that, in accordance with GFS Australia, is treated as  
24 a financial asset for the purposes of the GFS system in  
25 Australia; or  
26 (b) an asset specified in regulations made for the purposes of this  
27 paragraph;  
28 but does not include a reference to an asset that, under the  
29 regulations, is taken to be a non-financial asset for the purposes of  
30 this Act.

## Section 25

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1                               Note:       For specification by class, see subsection 13(3) of the *Legislation Act*  
2   2003.

- 3                               (3) If an asset held by ALPA for the purposes of ALPA's investment  
4   function ceases to be, or never was, a financial asset:
- 5   (a) ALPA must realise the asset as soon as practicable after  
6   ALPA becomes aware that the asset has ceased to be, or  
7   never was, a financial asset; and
- 8   (b) this Act (other than this subsection) applies in relation to the  
9   asset (including in relation to the realisation of the asset) as if  
10    the asset had been, or had remained, a financial asset, and an  
11    investment for the purposes of ALPA's investment function,  
12    at all times until the realisation.
- 13                               (4) Subsection (3) applies to a subsidiary of ALPA in the same way as  
14   it applies to ALPA.

## 15       **25 Investment Mandate**

- 16                               (1) The responsible Ministers may, by legislative instrument, give the  
17   Board directions about the performance of ALPA's investment  
18   function, and must give at least one such direction. The directions  
19   together constitute the ***Investment Mandate***.

20                               Note:       For variation and revocation, see subsection 33(3) of the *Acts*  
21   *Interpretation Act 1901*.

- 22                               (2) In giving a direction, the responsible Minister must have regard to  
23   the object of this Act and any other matters the responsible  
24   Ministers consider relevant.
- 25                               (3) Without limiting subsection (1), a direction may set out the policies  
26   to be pursued by ALPA in relation to any or all of the following:
- 27   (a) matters of risk and return;
- 28   (b) technologies, projects and businesses that are eligible for  
29    investment;
- 30   (c) the allocation of investments between the various classes of  
31    community energy projects;
- 32   (d) making investments on concessional terms;

- 1 (e) the types of financial instruments in which ALPA may
- 2 invest;
- 3 (f) the types of derivatives which ALPA may acquire;
- 4 (g) the nature of the guarantees ALPA may give and the
- 5 circumstances in which they may be given;
- 6 (h) broad operational matters relating to ALPA's investment
- 7 function;
- 8 (i) other matters the responsible Ministers consider appropriate
- 9 to deal with in a direction under subsection (1).

## 10 **26 Limits on Investment Mandate**

11 The responsible Ministers must not give a direction under  
12 subsection 25(1):

- 13 (a) that has the purpose, or has or is likely to have the effect, of
- 14 directly or indirectly requiring the Board to, or not to, make a
- 15 particular investment; or
- 16 (b) that is inconsistent with this Act (including the object of this
- 17 Act).

## 18 **27 Board to be consulted on Investment Mandate**

19 (1) Before giving the Board a direction under subsection 25(1), the  
20 responsible Ministers must:

- 21 (a) send a draft of the direction to the Board; and
- 22 (b) invite the Board to make a submission to the responsible
- 23 Ministers on the draft direction within a reasonable time limit
- 24 specified by the responsible Ministers; and
- 25 (c) consider any submission that is received from the Board
- 26 within that time limit.

27 (2) If:

- 28 (a) the responsible Ministers give the Board a direction under
- 29 subsection 25(1); and
- 30 (b) the Board made a submission to the responsible Ministers on
- 31 a draft of the direction within the time limit specified by the
- 32 responsible Ministers;

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1 the submission is to be tabled in each House of the Parliament with  
2 the direction.

3 Note: For tabling of the direction, see section 38 of the *Legislation Act 2003*.

4 **28 Compliance with Investment Mandate**

5 (1) The Board must take all reasonable steps to ensure that ALPA and  
6 its subsidiaries comply with the Investment Mandate.

7 (2) As soon as practicable after the Board becomes aware that ALPA  
8 or one of its subsidiaries has failed to comply with the Investment  
9 Mandate, the Board must give the responsible Ministers a written  
10 statement:

11 (a) informing the responsible Ministers; and

12 (b) setting out the action that the Board proposes to take in order  
13 to ensure that ALPA or subsidiary complies with the  
14 Investment Mandate.

15 (3) If the responsible Ministers are satisfied that ALPA or one of its  
16 subsidiaries has failed to comply with the Investment Mandate, the  
17 responsible Ministers may (whether or not the Board has given the  
18 Minister a statement under subsection (2)), by written notice given  
19 to the Board, direct the Board:

20 (a) to give the responsible Ministers, within a period specified in  
21 the notice, a written explanation; and

22 (b) to take action specified in the notice, within a period  
23 specified in the notice, in order to ensure that ALPA or  
24 subsidiary complies with the Investment Mandate.

25 (4) The Board must comply with a direction under subsection (3).

26 (5) A failure to comply with:

27 (a) the Investment Mandate; or

28 (b) a direction under subsection (3);

29 does not affect the validity of any transaction.

30 (6) A direction under subsection (3) is not a legislative instrument.

**29 Derivatives**

(1) ALPA may only acquire a derivative for the purpose of:

- (a) protecting the value of an investment of ALPA (other than a derivative); or
- (b) protecting the return on an investment of ALPA (other than a derivative); or
- (c) achieving indirect exposure to financial assets (other than derivatives) for a purpose in connection with ALPA's investment function; or
- (d) achieving transactional efficiency for a purpose in connection with ALPA's investment function;

but must not acquire a derivative for the purpose of:

- (e) speculation; or
- (f) leverage.

(2) The acquisition of a derivative under subsection (1) must be consistent with the investment strategy embodied in a policy formulated by the Board under subsection 44(1).

**Division 4—Community investment in large renewable energy projects**

**30 Community investment in large renewable energy projects**

- (1) The regulations must establish a scheme under which:
- (a) a project involving the construction, modification or expansion of a large renewable energy generation facility in Australia must not be carried out without the approval of the Minister; and
  - (b) such approval must be granted if, and only if, the Minister is satisfied, on the basis of advice given to the Minister by ALPA, that all individuals living within 30 km of the facility (the *locals*) have been given a reasonable opportunity to invest in the project in accordance with subsection (3).
- (2) A **large renewable energy generation facility** is a renewable energy generation facility that has a maximum capacity of 10 MW or more; and
- (3) For the purposes of paragraph (1)(b), the opportunity must involve:
- (a) rights to at least 20% of the profits from the project being offered to the locals; and
  - (b) the locals having been given a reasonable opportunity to consider and respond to the offer; and
  - (c) the consideration (if any) payable in exchange for the rights being reasonable, having regard to the market value of the rights; and
  - (d) the offer being structured in a way that is intended to ensure that the rights are acquired by a large number of locals rather than by just a few individuals.
- (4) Subsection (3) does not prevent the rights mentioned in paragraph (3)(a) being offered to anyone else, after the offer mentioned in that subsection closes, to the extent the locals do not accept the offer.

- 1 (5) Without limiting subsection (1), the regulations may provide for  
2 any of the following:  
3 (a) the matters that ALPA must take into account in giving the  
4 advice mentioned in paragraph (1)(b);  
5 (b) delegation of the Minister's power to approve a project;  
6 (c) review of a decision not to approve a project;  
7 (d) penalties, not exceeding 1,000 penalty units, for offences  
8 against regulations made for the purposes of that subsection;  
9 (e) pecuniary penalties, not exceeding 10,000 penalty units, for  
10 contravening civil penalty provisions in regulations made for  
11 the purposes of that subsection.

12 *Approval required from 1 July 2023*

- 13 (6) This section applies to a project if the project starts to be carried  
14 out on or after 1 July 2023.  
15 (7) The first regulations establishing a scheme for the purposes of  
16 subsection (1) must be made on or before 1 July 2022.

17 **31 Constitutional basis of this Division**

18 This Division applies to a project involving the construction,  
19 modification or expansion of a large renewable energy generation  
20 facility if:

- 21 (a) the project is carried out by a corporation to which  
22 paragraph 51(xx) of the Constitution applies; or  
23 (b) the facility is located in:  
24 (i) a place that is external to Australia for the purposes of  
25 paragraph 51(xxix) of the Constitution; or  
26 (ii) a Commonwealth place (within the meaning of the  
27 *Commonwealth Places (Application of Laws) Act 1970*);  
28 or  
29 (iii) a Territory; or  
30 (c) energy generated by the facility is intended to be supplied in  
31 trade or commerce:  
32 (i) among the States; or

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- 1 (ii) within a Territory, between a State and a Territory or  
2 between 2 Territories.

**Part 3—Board of ALPA**

**Division 1—Establishment and functions**

**32 Establishment**

There is to be a Board of the Australian Local Power Agency.

**33 Functions of the Board**

- (1) The functions of the Board are:
  - (a) the functions the Board has under Division 2 relating to general strategies, guidelines, work plans and investment policies; and
  - (b) to decide the other strategies, objectives and policies to be followed by ALPA; and
  - (c) to ensure that ALPA complies with this Act.
- (2) The Board has the power to do all things necessary or convenient to be done for or in connection with the performance of its functions.
- (3) Anything done in the name of, or on behalf of, ALPA by the Board, or with the authority of the Board, is taken to have been done by ALPA.

1       **Division 2—General strategy, guidelines and work plans**

2       **Subdivision A—General strategy**

3       **34 General strategy**

- 4               (1) The Board must, for the 2021-2022 financial year and each later  
5               financial year, develop a strategy for:
- 6                     (a) the provision of financial assistance under this Act; and  
7                     (b) the collection, analysis, interpretation and dissemination of  
8                     information and knowledge relating to community energy  
9                     projects by ALPA; and  
10                  (c) the provision of technical expertise by ALPA for the  
11                  purposes of developing community energy projects; and  
12                  (d) anything else prescribed by the regulations.
- 13               (2) The general strategy for the 2021-2022 financial year must be  
14               developed as soon as practicable after the start of that year. A  
15               general strategy for a later financial year must be developed during  
16               the previous financial year.
- 17               (3) A general strategy must:
- 18                     (a) be in writing; and  
19                     (b) be expressed to relate to the financial year for which the  
20                     strategy is developed and the next 2 financial years; and  
21                     (c) state ALPA's principal objectives and priorities for the  
22                     matters mentioned in subsection (1) during the financial year  
23                     for which the strategy is developed and the next 2 financial  
24                     years.
- 25               (4) A general strategy must not require financial assistance,  
26               information or technical expertise to be provided to a particular  
27               person, or for a particular project.

1     **35 Approval of general strategy**

2             (1) As soon as practicable after developing a general strategy for a  
3                 financial year, the Board must give a copy of the strategy to the  
4                 Minister for approval.

5             (2) A general strategy developed by the Board and approved by the  
6                 Minister is a legislative instrument made by the Minister on the  
7                 day on which the strategy is approved, but section 42  
8                 (disallowance) of the *Legislation Act 2003* does not apply to a  
9                 general strategy.

10    **36 When a general strategy for a year is in force**

11            (1) A general strategy for a financial year comes into force at the later  
12               of the following times:

- 13               (a) the time when the Minister approves the strategy;  
14               (b) the start of the financial year.

15            (2) A general strategy for a financial year ceases to be in force when  
16               the general strategy for the next financial year comes into force.

17    **37 Variation of general strategy**

18            (1) The Board must, during a financial year, regularly review the  
19               general strategy that is in force for the year and consider if any  
20               variations should be made to the strategy.

21            (2) The Board may vary a general strategy.

22            (3) A variation must be in writing.

23            (4) As soon as practicable after developing a variation, the Board must  
24               give a copy of the variation to the Minister for approval.

25            (5) A variation comes into force at the later of the following times:

- 26               (a) the time when the Minister approves the variation;  
27               (b) the commencement time specified in the instrument of  
28               variation (not being a time before the instrument is made).

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- 1                   (6) A variation developed by the Board and approved by the Minister  
2                   is a legislative instrument made by the Minister on the day on  
3                   which the variation is approved, but section 42 (disallowance) of  
4                   the *Legislation Act 2003* does not apply to a variation.

5                   **38 General strategy to be published on ALPA’s website**

- 6                   The Board must ensure that the general strategy that is in force  
7                   from time-to-time under this Subdivision is published on ALPA’s  
8                   website.

9                   **Subdivision B—Guidelines**

10                  **39 Guidelines**

- 11                  (1) Subject to subsection (2), the Board may:  
12                      (a) develop guidelines for the provision of financial assistance  
13                      under this Act; and  
14                      (b) vary or revoke such guidelines.
- 15                  (2) The Board must develop guidelines for a grant program if, under  
16                      the program, the total of all grants for a particular project could  
17                      exceed \$15 million.
- 18                  (3) Guidelines, or a variation or revocation of guidelines, must be in  
19                      writing.
- 20                  (4) Unless section 40 applies, guidelines, or a variation or revocation  
21                      of guidelines, come into force at the commencement time specified  
22                      in the instrument making, varying or revoking the guidelines (not  
23                      being a time before the instrument is made).
- 24                  (5) None of the following are legislative instruments:  
25                      (a) guidelines;  
26                      (b) a variation or revocation of guidelines.

**40 Approval of guidelines for financial assistance in excess of \$15 million**

- (1) The Board must give to the Minister, for his or her approval:
- (a) guidelines for a grant program referred to in subsection 39(2); and
  - (b) any variation of such guidelines, unless the variation is of a minor nature (a *minor variation*); and
  - (c) any revocation of such guidelines.

Note: Grants totalling more than \$50 million for a particular project must be approved by the Minister under section 19.

- (2) If the Board makes a minor variation, the Board must inform the Minister of the variation.
- (3) Guidelines, or a variation or revocation, referred to in subsection (1) come into force at the later of the following times:
- (a) the time when the Minister approves the guidelines, or the variation or revocation (unless the variation is a minor variation);
  - (b) the commencement time specified in the instrument making, varying or revoking the guidelines (not being a time before the instrument is made).

**41 Guidelines to be published on ALPA's website**

The Board must ensure that guidelines that are in force from time-to-time under this Subdivision are published on ALPA's website.

**Subdivision C—Work plans**

**42 Work plan**

- (1) The Board must, for the 2021-2022 financial year and each later financial year, develop a work plan and give it to the Minister.
- (2) The work plan for the 2021-2022 financial year must be developed as soon as practicable after the start of that year. A work plan for a later financial year must be developed during the previous financial year.
- (3) Subject to subsection (4), a work plan for a financial year must set out details of:
  - (a) how the general strategy in force under Subdivision A of this Division for the year is proposed to be implemented during the year; and
  - (b) without limiting paragraph (a)—the main activities proposed to be undertaken by ALPA and the Board during the year, and how they are proposed to be undertaken.
- (4) A work plan must not deal with carrying out ALPA's investment function.
- (5) The Board may, in writing, vary a work plan.
- (6) Before finalising a work plan, or a variation of a work plan, the Board must:
  - (a) prepare a draft of the plan or variation and give it to the Minister; and
  - (b) have regard to any comments or requests made by the Minister in relation to the draft.
- (7) A work plan, or a variation of a work plan, comes into force at the commencement time specified in the instrument making or varying the work plan (not being a time before the instrument is made).
- (8) A work plan is not a legislative instrument.

**43 Work plan to be taken into account**

- (1) When performing functions and exercising powers in a financial year, ALPA, the Board and the CEO must take into account the work plan for that financial year.
- (2) Subsection (1) does not apply in relation to ALPA's investment function.

**Subdivision D—Investment policies**

**44 Investment policies**

- (1) The Board must formulate written policies to be complied with by ALPA in relation to the following matters:
- (a) the investment strategy of ALPA;
  - (b) benchmarks and standards for assessing the performance of ALPA's investments and of ALPA itself;
  - (c) risk management for:
    - (i) ALPA's investments; and
    - (ii) ALPA itself, in relation to ALPA's investment function;
  - (d) a matter specified in the regulations.

Note: For variation and revocation, see subsection 33(3) of the *Acts Interpretation Act 1901*.

- (2) The Board must ensure that the policies are consistent with the Investment Mandate.
- (3) The Board must cause copies of the policies to be published on ALPA's website.
- (4) The Board must ensure that the first policies are published as soon as practicable and in any event no later than 1 July 2022.
- (5) The Board must conduct periodic reviews of the policies.
- (6) If there is a change in the Investment Mandate, the Board must review any affected policies.
- (7) ALPA must comply with the policies.

**Part 3** Board of ALPA

**Division 2** General strategy, guidelines and work plans

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- 1                   (8) A failure to comply with a policy does not affect the validity of any  
2                   transaction.
- 3                   (9) A policy formulated under subsection (1) is not a legislative  
4                   instrument.

**Division 3—Board members**

**45 Membership**

The Board consists of:

- (a) up to 6 appointed members; and
- (b) the Secretary.

**46 Appointment of Board members**

(1) Board members (other than the Secretary) are to be appointed:

- (a) by the Minister by written instrument; and
- (b) on a part-time basis.

(2) In appointing the members (other than the Secretary), the Minister must ensure that the Board (taken as a whole) has experience or knowledge of the following:

- (a) community energy projects;
- (b) regional development;
- (c) Indigenous community development;
- (d) development or commercialisation of renewable energy businesses;
- (e) environmental and natural resource management.

**47 Chair**

The Minister must, by written instrument, appoint one Board member to be the Chair.

**48 Term of appointment**

(1) An appointed member holds office for the period specified in the instrument of appointment. The period must not exceed 2 years.

Note: An appointed member is eligible for reappointment: see section 33AA of the *Acts Interpretation Act 1901*.

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- 1 (2) A person must not hold office as an appointed member for a  
2 continuous period of more than 6 years.

3 **49 Acting appointments**

- 4 (1) The Minister may, by written instrument, appoint a Board member  
5 to act as the Chair:  
6 (a) during a vacancy in the office of Chair (whether or not an  
7 appointment has previously been made to the office); or  
8 (b) during any period, or during all periods, when the Chair:  
9 (i) is absent from duty or from Australia; or  
10 (ii) is, for any reason, unable to perform the duties of the  
11 office.
- 12 (2) The Minister may, by written instrument, appoint a person to act as  
13 an appointed member:  
14 (a) during a vacancy in the office of an appointed member  
15 (whether or not an appointment has previously been made to  
16 the office); or  
17 (b) during any period, or during all periods, when an appointed  
18 member:  
19 (i) is absent from duty or from Australia; or  
20 (ii) is, for any reason, unable to perform the duties of the  
21 office.
- 22 Note: For rules that apply to acting appointments, see sections 33AB and  
23 33A of the *Acts Interpretation Act 1901*.
- 24 (3) For the purposes of a reference in:  
25 (a) this Act to a **vacancy** in the office of appointed member; or  
26 (b) the *Acts Interpretation Act 1901* to a **vacancy** in the  
27 membership of a body;  
28 there are taken to be 6 offices of appointed member.

29 **50 Remuneration**

- 30 (1) An appointed member is to be paid, by the Commonwealth, the  
31 remuneration that is determined by the Remuneration Tribunal. If

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Section 51

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1 no determination of that remuneration by the Tribunal is in  
2 operation, the member is to be paid, by the Commonwealth, the  
3 remuneration that is prescribed by the regulations.

4 (2) An appointed member is to be paid, by the Commonwealth, the  
5 allowances that are prescribed by the regulations.

6 (3) Subsections 7(9) and (13) of the *Remuneration Tribunal Act 1973*  
7 do not apply in relation to the office of an appointed member.

8 Note: The effect of this subsection is that remuneration or allowances of an  
9 appointed member will be paid out of money appropriated by an Act  
10 other than the *Remuneration Tribunal Act 1973*.

11 (4) This section has effect subject to the *Remuneration Tribunal Act*  
12 *1973* (except as provided by subsection (3)).

13 **51 Leave of absence**

14 *Chair*

15 (1) If the Chair is an appointed member, the Minister may grant leave  
16 of absence to the Chair on the terms and conditions that the  
17 Minister determines.

18 *Other appointed members*

19 (2) The Chair may grant leave of absence to any other appointed  
20 member on the terms and conditions that the Chair determines.

21 (3) The Chair must notify the Minister if the Chair grants an appointed  
22 member leave of absence for a period that exceeds 3 months.

23 **52 Disclosure of interests to the Minister**

24 (1) A disclosure by a Board member under section 29 of the *Public*  
25 *Governance, Performance and Accountability Act 2013* (which  
26 deals with the duty to disclose interests) must be made to the  
27 Minister.

28 (2) Subsection (1) applies in addition to any rules made for the  
29 purposes of that section.

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Section 53

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- 1 (3) For the purposes of this Act and the *Public Governance,*  
2 *Performance and Accountability Act 2013*, the Board member is  
3 taken not to have complied with section 29 of that Act if the  
4 member does not comply with subsection (1) of this section.

5 **53 Resignation of appointed members**

- 6 (1) An appointed member may resign his or her appointment by giving  
7 the Minister a written resignation.
- 8 (2) The resignation takes effect on the day it is received by the  
9 Minister or, if a later day is specified in the resignation, on that  
10 later day.

11 **54 Termination of appointment of appointed members**

- 12 (1) The Minister may terminate the appointment of an appointed  
13 member:  
14 (a) for misbehaviour; or  
15 (b) if the member is unable to perform the duties of his or her  
16 office because of physical or mental incapacity.
- 17 (2) The Minister may terminate the appointment of an appointed  
18 member if:  
19 (a) the member:  
20 (i) becomes bankrupt; or  
21 (ii) applies to take the benefit of any law for the relief of  
22 bankrupt or insolvent debtors; or  
23 (iii) compounds with his or her creditors; or  
24 (iv) makes an assignment of his or her remuneration for the  
25 benefit of his or her creditors; or  
26 (b) the member is absent, except on leave of absence, from 3  
27 consecutive meetings of the Board.

28 Note: The appointment of an appointed member may also be terminated  
29 under section 30 of the *Public Governance, Performance and*  
30 *Accountability Act 2013* (which deals with terminating the  
31 appointment of an accountable authority, or a member of an  
32 accountable authority, for contravening general duties of officials).

1     **55 Other terms and conditions of appointed members**

2                     An appointed member holds office on the terms and conditions (if  
3                     any) in relation to matters not covered by this Act that are  
4                     determined by the Minister.

**Division 4—Meetings of the Board**

**56 Convening meetings**

(1) The Board must hold such meetings as are necessary for the efficient performance of its functions.

(2) Meetings are to be held at the times and places that the Board determines.

Note: See also section 33B of the *Acts Interpretation Act 1901*, which contains extra rules about meetings by telephone etc.

(3) The Chair:

(a) may convene a meeting at any time; and

(b) must convene at least 6 meetings each calendar year; and

(c) must convene a meeting within 30 days after receiving a written request to do so from:

(i) 3 or more other Board members; or

(ii) the Minister.

**57 Secretary may nominate alternate to attend Board meetings**

(1) The Secretary may, by writing, nominate a specified person who is an SES employee or acting SES employee in the Department to attend a particular meeting, or all meetings, of the Board at which the Secretary is not present.

(2) A person so nominated may attend a meeting to which the nomination applies and, if the person does so, he or she is taken to be a Board member.

**58 Presiding at meetings**

(1) The Chair must preside at all meetings at which he or she is present.

(2) If the Chair is not present at a meeting, the other Board members present must appoint one of themselves to preside.

1     **59 Quorum**

- 2             (1) At a meeting of the Board, a quorum is constituted by a majority of  
3             the members of the Board.
- 4             (2) However, if:
- 5                 (a) a Board member is required by rules made for the purposes  
6                 of section 29 of the *Public Governance, Performance and*  
7                 *Accountability Act 2013* not to be present during the  
8                 deliberations, or to take part in any decision, of the Board  
9                 with respect to a particular matter; and
- 10                (b) when the member leaves the meeting concerned there is no  
11                longer a quorum present;
- 12             the remaining members at the meeting constitute a quorum for the  
13             purpose of any deliberation or decision at that meeting with respect  
14             to that matter.

15     **60 Voting at meetings**

- 16             (1) A question arising at a meeting is to be determined by a majority of  
17             the votes of the Board members present and voting.
- 18             (2) The person presiding at a meeting has a deliberative vote and, in  
19             the event of an equality of votes, a casting vote.

20     **61 Conduct of meetings**

21             The Board may, subject to this Division, regulate proceedings at its  
22             meetings as it considers appropriate.

23     **62 Minutes**

24             The Board must keep minutes of its meetings.

25     **63 Decisions without meetings**

- 26             (1) The Board is taken to have made a decision at a meeting if:

**Section 63**

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- 1 (a) without meeting, a majority of the Board members entitled to  
2 vote on the proposed decision indicate agreement with the  
3 decision; and  
4 (b) that agreement is indicated in accordance with the method  
5 determined by the Board under subsection (2); and  
6 (c) all the Board members were informed of the proposed  
7 decision, or reasonable efforts were made to inform all the  
8 members of the proposed decision.
- 9 (2) Subsection (1) applies only if the Board:  
10 (a) has determined that it may make decisions of that kind  
11 without meeting; and  
12 (b) has determined the method by which Board members are to  
13 indicate agreement with proposed decisions.
- 14 (3) For the purposes of paragraph (1)(a), a Board member is not  
15 entitled to vote on a proposed decision if the member would not  
16 have been entitled to vote on that proposal if the matter had been  
17 considered at a meeting of the Board.
- 18 (4) The Board must keep a record of decisions made in accordance  
19 with this section.

**Division 5—Committees**

**64 Committees**

- (1) The Board may establish committees to advise or assist in the performance of ALPA's functions or the Board's functions.
- (2) A committee may be constituted:
  - (a) wholly by Board members; or
  - (b) wholly by persons who are not Board members; or
  - (c) partly by Board members and partly by other persons.
- (3) The Board may determine, in relation to a committee established under this section:
  - (a) the committee's terms of reference; and
  - (b) the terms and conditions of appointment of the members of the committee; and
  - (c) the procedures to be followed by the committee.

**65 Remuneration and allowances**

- (1) This section applies if a committee is established under section 64.
- (2) A committee member is to be paid, by the Commonwealth, the remuneration that is determined by the Remuneration Tribunal. If no determination of that remuneration by the Tribunal is in operation, the member is to be paid, by the Commonwealth, the remuneration that is prescribed by the regulations.
- (3) A committee member is to be paid, by the Commonwealth, the allowances that are prescribed by the regulations.
- (3) Subsections 7(9) and (13) of the *Remuneration Tribunal Act 1973* do not apply in relation to the office of a committee member.

Note: The effect of this subsection is that remuneration or allowances of a committee member will be paid out of money appropriated by an Act other than the *Remuneration Tribunal Act 1973*.

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- 1                   (4) This section has effect subject to the *Remuneration Tribunal Act*  
2                    1973 (except as provided by subsection (3)).

**Part 4—Chief Executive Officer, staff and consultants**

**Division 1—Chief Executive Officer of ALPA**

**66 Establishment**

There is to be a Chief Executive Officer of the Australian Local Power Agency.

**67 Role**

- (1) The CEO is responsible for the day-to-day administration of ALPA.
- (2) The CEO has power to do all things necessary or convenient to be done for or in connection with the performance of his or her duties.
- (3) The CEO is to act in accordance with policies determined by the Board.
- (4) The Board may give written directions to the CEO about the performance of the CEO's responsibilities.
- (5) The CEO must comply with a direction under subsection (4).
- (6) A direction under subsection (4) is not a legislative instrument.

**68 Appointment**

- (1) The CEO is to be appointed by the Minister on the recommendation of the Board.
- (2) The CEO is to be appointed:
  - (a) by written instrument; and
  - (b) on a full-time basis.

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- 1 (3) The CEO holds office for the period specified in the instrument of  
2 appointment. The period must not exceed 3 years.

3 Note: A CEO is eligible for re-appointment: see section 33AA of the *Acts*  
4 *Interpretation Act 1901*.

- 5 (4) The Minister must not appoint a Board member as the CEO.

6 **69 Acting appointments**

- 7 (1) The Minister may, by written instrument, appoint a person  
8 (including an appointed member) to act as the CEO:

9 (a) during a vacancy in the office of the CEO (whether or not an  
10 appointment has previously been made to the office); or

11 (b) during any period, or during all periods, when the CEO:

12 (i) is absent from duty or from Australia; or

13 (ii) is, for any reason, unable to perform the duties of the  
14 office.

- 15 (2) If the Minister appoints an appointed member to act as the CEO,  
16 the member is to be appointed to act on a part-time basis.

17 Note: Sections 33AB and 33A of the *Acts Interpretation Act 1901* have rules  
18 that apply to acting appointments.

19 **70 Outside employment**

20 The CEO must not engage in paid work outside the duties of his or  
21 her office without the Minister's approval.

22 **71 Remuneration**

- 23 (1) The CEO is to be paid, by the Commonwealth, the remuneration  
24 that is determined by the Remuneration Tribunal. If no  
25 determination of that remuneration by the Tribunal is in operation,  
26 the CEO is to be paid, by the Commonwealth, the remuneration  
27 that is prescribed by the regulations.

- 28 (2) The CEO is to be paid, by the Commonwealth, the allowances that  
29 are prescribed by the regulations.

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**Section 72**

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- 1 (3) Subsections 7(9) and (13) of the *Remuneration Tribunal Act 1973*  
 2 do not apply in relation to the office of an appointed member.

3 Note: The effect of this subsection is that remuneration or allowances of the  
 4 CEO will be paid out of money appropriated by an Act other than the  
 5 *Remuneration Tribunal Act 1973*.

- 6 (4) This section has effect subject to the *Remuneration Tribunal Act*  
 7 *1973* (except as provided by subsection (3)).

**72 Leave**

- 9 (1) The CEO has the recreation leave entitlements that are determined  
 10 by the Remuneration Tribunal.
- 11 (2) The Minister may grant the CEO leave of absence, other than  
 12 recreation leave, on the terms and conditions as to remuneration or  
 13 otherwise that the Minister determines.

**73 Disclosure of interests to the Minister**

- 15 (1) A disclosure by the CEO under section 29 of the *Public*  
 16 *Governance, Performance and Accountability Act 2013* (which  
 17 deals with the duty to disclose interests) must be made to the  
 18 Minister.
- 19 (2) Subsection (1) applies in addition to any rules made for the  
 20 purposes of that section.
- 21 (3) For the purposes of this Act and the *Public Governance,*  
 22 *Performance and Accountability Act 2013*, the CEO is taken not to  
 23 have complied with section 29 of that Act if the CEO does not  
 24 comply with subsection (1) of this section.

**74 Resignation**

- 26 (1) The CEO may resign his or her appointment by giving the Minister  
 27 a written resignation.

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- 1                   (2) The resignation takes effect on the day it is received by the  
2                   Minister or, if a later day is specified in the resignation, on that  
3                   later day.

4                   **75 Termination of appointment**

- 5                   (1) The Minister may terminate the appointment of the CEO:  
6                   (a) for misbehaviour; or  
7                   (b) if the CEO is unable to perform the duties of his or her office  
8                   because of physical or mental incapacity.
- 9                   (2) Before the Minister terminates the appointment of the CEO under  
10                  subsection (1) the Minister must consult the Board.
- 11                  (3) The Minister may terminate the appointment of the CEO if:  
12                  (a) the CEO:  
13                      (i) becomes bankrupt; or  
14                      (ii) applies to take the benefit of any law for the relief of  
15                      bankrupt or insolvent debtors; or  
16                      (iii) compounds with his or her creditors; or  
17                      (iv) makes an assignment of his or her remuneration for the  
18                      benefit of his or her creditors; or  
19                  (b) the CEO is absent, except on leave of absence, for 14  
20                  consecutive days or for 28 days in any 12 months; or  
21                  (c) the CEO fails, without reasonable excuse, to comply with  
22                  section 29 of the *Public Governance, Performance and*  
23                  *Accountability Act 2013* (which deals with the duty to  
24                  disclose interests) or rules made for the purposes of that  
25                  section; or  
26                  (d) the CEO engages, except with the Minister's approval, in  
27                  paid work outside the duties of his or her office (see  
28                  section 70).

29                  **76 Other terms and conditions**

- 30                               The CEO holds office on the terms and conditions (if any) in  
31                               relation to matters not covered by this Act that are determined by  
32                               the Minister.
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**Division 2—Staff and consultants**

**77 Chief Financial Officer**

- (1) ALPA may employ a person to perform chief financial officer functions in ALPA.
- (2) The person is to be employed on the terms and conditions that ALPA determines in writing.

**78 Other staff**

- (1) The other staff necessary to assist ALPA are to be persons engaged under the *Public Service Act 1999* who are:
  - (a) employed in the Department; and
  - (b) made available for the purpose by the Secretary.
- (2) ALPA must not otherwise engage or employ such staff.
- (3) The Secretary must make available persons employed in the Department to assist ALPA.

**79 Consultants**

- (1) ALPA may engage consultants to provide technical and specialist advisory services to assist ALPA in the performance of its functions.
- (2) The consultants are to be engaged on the terms and conditions that ALPA determines.
- (3) A person must not be engaged as a consultant to perform operational or administrative duties of a kind that are performed, or are capable of being performed, by the staff referred to in section 78.

**Part 5—Miscellaneous**

**80 Matters relating to subsidiaries**

- (1) ALPA must not incorporate or otherwise form a subsidiary:
  - (a) for purposes other than the purposes of ALPA's investment function; or
  - (b) in a place other than Australia.
- (2) In making investments for the purposes of ALPA's investment function, a subsidiary of ALPA must:
  - (a) only make complying investments; and
  - (b) take all reasonable steps to comply with the Investment Mandate, to the extent to which the Investment Mandate is capable of applying to the activities of the subsidiary; and
  - (c) comply with policies formulated by the Board under section 44, to the extent to which the policies are capable of applying to the activities of the subsidiary; and
  - (d) only acquire derivatives for a purpose for which ALPA may do so under section 29.

**81 Publication of investment reports**

- (1) ALPA must, within one month after the end of each quarter, publish a report on its website for the quarter:
  - (a) containing a general summary of each investment made in that quarter for the purposes of ALPA's investment function, including at least the following:
    - (i) the form of the investment;
    - (ii) the value of the investment or the amount invested;
    - (iii) when the investment was made; and
    - (iv) the length and expected rate of return of the investment; and
  - (v) for a guarantee—the fee for the guarantee; and

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- 1 (vi) the place or places where the main activities to which  
 2 the investment relates are carried out; and

- 3 (c) setting out any other matters ALPA considers appropriate.

4 Note: ALPA must also publish these reports about investments made by its  
 5 subsidiaries: see subsection 80(2).

- 6 (2) A **quarter** is a period of 3 months ending on:

- 7 (a) 31 March; and  
 8 (b) 30 June; and  
 9 (c) 30 September; and  
 10 (d) 31 December.

## 11 **82 Publication of reports etc.**

- 12 (1) Either of the responsible Ministers may publish, on the internet or  
 13 in any other way the Minister considers appropriate, a report,  
 14 document or information given to the responsible Ministers, or to  
 15 the Finance Minister in his or her capacity as Finance Minister,  
 16 under paragraph 19(1)(b) of the *Public Governance, Performance*  
 17 *and Accountability Act 2013*.

- 18 (2) The Minister must omit from the published report, document or  
 19 information any information that the Board is satisfied in  
 20 accordance with subsection (3) is commercial-in-confidence.

- 21 (3) The Board may be satisfied that information is  
 22 commercial-in-confidence if a person demonstrates to the Board  
 23 that:  
 24 (a) release of the information would cause competitive detriment  
 25 to the person; and  
 26 (b) the information is not in the public domain; and  
 27 (c) the information is not required to be disclosed under another  
 28 law of the Commonwealth, a State or a Territory; and  
 29 (d) the information is not readily discoverable.

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**83 Extra matters to be included in annual report**

- (1) The annual report prepared by the Board and given to the Minister under section 46 of the *Public Governance, Performance and Accountability Act 2013* for a period must include the following:
- (a) particulars of each request given to ALPA by the Minister under section 18, during the period;
  - (b) particulars of each direction given to ALPA by the Minister under section 10, during the period;
  - (c) for each person to whom financial assistance has been provided, or committed, under an agreement during the period, particulars of:
    - (i) the name of the person; and
    - (ii) the nature and amount of the financial assistance provided or committed; and
    - (iii) the clean energy projects to which the assistance relates;
  - (d) an assessment of the extent to which agreements for the provision of financial assistance entered into during the period have progressed, or are expected to progress, the principal objectives and priorities as stated in the general strategy in force under Subdivision A of Division 2 of Part 3 for the period;
  - (e) state the total value of section 24 investments as at the end of the period, by reference to the class of community energy projects to which the investments relate;
  - (f) set out details of the realisation of any section 24 investments in the period;
  - (g) state the total value of concessions given by ALPA in the period;
  - (h) include a balance sheet setting out, as at the end of the period, the assets and liabilities of ALPA and a statement of cash flows;
  - (i) set out the remuneration and allowances of Board members and senior staff of ALPA for the period;
  - (j) set out ALPA's operating costs and expenses for the period;

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- 1 (k) benchmark ALPA's operating costs and expenses for the
- 2 period against the operating costs and expenses of other
- 3 comparable entities for that period;
- 4 (l) set out details of any procurement contracts to which ALPA
- 5 is party that are in force at any time in the period and have a
- 6 value of more than \$80,000.
- 7 (2) An annual report must also do the things referred to in
- 8 paragraphs (1)(e) to (h) in relation to each subsidiary of ALPA in
- 9 existence at the end of the period.

**84 Delegation by ALPA**

- 11 (1) ALPA may, in writing under its seal, delegate all or any of its
- 12 powers or functions under this Act to:
- 13 (a) a Board member; or
- 14 (b) the CEO.
- 15 (2) In exercising any powers or performing any functions under the
- 16 delegation, the delegate must comply with any directions of ALPA.

**85 Delegation by Board**

- 18 (1) The Board may, in writing, delegate to a Board member or the
- 19 CEO any of its powers or functions under this Act, other than
- 20 Subdivision A of Division 2 of Part 3 (general strategy).
- 21 (2) In exercising any powers or performing any functions under the
- 22 delegation, the delegate must comply with any directions of the
- 23 Board.
- 24 (3) A delegation under this section:
- 25 (a) may be revoked by the Board (whether or not constituted by
- 26 the Board members who constituted the Board when the
- 27 power was delegated); and
- 28 (b) continues in force even if the membership of the Board
- 29 changes.

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**86 Subdelegation by CEO**

- (1) If ALPA or the Board delegates a power or function under subsection 84(1) or 85(1) to the CEO, the CEO may, in writing, subdelegate the power or function to:
- (a) the Chief Financial Officer; or
  - (b) a member of staff referred to in section 78 who:
    - (i) is an SES employee or acting SES employee in the Department; or
    - (ii) is an APS employee in the Department who is classified as Executive Level 2, or is acting in a position usually occupied by an APS employee who is so classified.
- (2) In exercising any powers or performing any functions under the subdelegation, the subdelegate must comply with any directions of the CEO.
- (3) Sections 34AA, 34AB and 34A of the *Acts Interpretation Act 1901* apply in relation to the subdelegation in a corresponding way to the way in which they apply in relation to a delegation.

**87 Disclosure of information to Australian Renewable Energy Agency or Clean Energy Finance Corporation**

ALPA may disclose information to the Australian Renewable Energy Agency or the Clean Energy Finance Corporation if the disclosure will enable or assist the Australian Renewable Energy Agency or the Clean Energy Finance Corporation to perform or exercise any of its functions or powers.

**88 Review of operation of Act**

- (1) The Minister must arrange for an independent review of the operation of this Act to be undertaken as soon as practicable after 1 July 2025 by an appropriately qualified person or persons.
- (2) The review must include a review of the effectiveness of ALPA in facilitating increased flows of finance into the community energy sector.

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- 1           (3) The review must make provision for public consultation.
- 2           (4) The person or persons who undertake the review must give the
- 3           Minister a written report of the review.
- 4           (5) The Minister must cause a copy of the report to be tabled in each
- 5           House of the Parliament within 15 sitting days of the day the report
- 6           is given to the nominated Minister.

7           **89 Regulations**

- 8           The Governor-General may make regulations prescribing matters:
- 9           (a) required or permitted by this Act to be prescribed; or
- 10          (b) necessary or convenient to be prescribed for carrying out or
- 11          giving effect to this Act.



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 April 2022
AGENDA REFERENCE	10.2.1
SUBJECT	Schedule of Accounts - March 2022
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.14
INTEREST DISCLOSURE	None
DATE OF REPORT	5 April 2022
AUTHOR	Kevin Wilson, Acting Manager Finance & Admin
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATION

**That Council approves the expenditure as presented in March 2022 Schedule of Accounts**

### BACKGROUND

The Local Government Act 1995 (WA)(CI) requires Council to maintain a Municipal Fund, a Reserve Fund and a Trust Fund and to manage and report on these accounts in accordance with this Act and Regulations.

Outstanding creditors as at 31 March 2022: **\$110,044.63**

### COMMENT

A schedule of accounts is attached to this report, setting out expenditure from the Municipal and Trust Funds. This report is provided in compliance with the Act and Regulations.

### STATUTORY ENVIRONMENT

Section 6.10 of the Local Government Act 1995 (WA)(CI) authorizes payment from Municipal and Trust Funds.

Regulation 12 of the Local Government (Financial Management) Regulations 1996 requires a local government to compile a list of Creditors each month.

Regulation 13 of the Local Government (Financial Management) Regulations 1996 requires that if a Local Government has delegated to the CEO the exercise of its power to make payments from the Municipal Fund or the Trust Fund, the CEO is to compile each month a list of accounts paid since the last payment such list was prepared.

### POLICY IMPLICATIONS

There are no significant policy implications arising from this matter. The CEO is to ensure that all expenditure incurred is in accordance with the Annual Budget and any approved variations.

**FINANCIAL IMPLICATIONS**

The financial implications arising from expenditure from the Municipal, Reserve and Trust funds are reported on a monthly/quarterly basis to Council via Financial and cash flow statements in accordance with the Act and Regulations.

**STRATEGIC IMPLICATIONS & MILESTONES**

Objective 1 of the Government Environment is to “Provide good governance in line with the requirements of the Local Government Act and the culture of the Island”. Objective 4 of the same Environment is to “Effectively manage the resources of the Shire in line with the objectives of the Strategic Plan”.

**VOTING REQUIREMENTS**

A simple majority is required.

**ATTACHMENTS**

10.2.1.1 Certification of CEO and Chairperson of the Meeting.

10.2.1.2 Schedule of Accounts - March 2022

“Pursuant to s 5.25 (j) of the Local Government Act, and Regulation 14 (2) of the Local Government (Administration) Regulations, this attachment is not available to the public.”



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 April 2022
AGENDA REFERENCE	10.2.2
SUBJECT	Financial Statements – March 2022
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.14
INTEREST DISCLOSURE	None
DATE OF REPORT	4 April 2022
AUTHOR	Kevin Wilson, Acting Manager Finance & Admin
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATION

**That Council receives the Financial Statements of March 2022 for the Municipal Fund.**

### BACKGROUND

The Local Government Act 1995 (WA)(CI) requires the local government to prepare a monthly or a quarterly financial report in accordance with this Act, Financial Regulations and other relevant legislation.

### COMMENT

A monthly or a quarterly financial report is attached to this report, setting out expenditure from the Municipal and Trust Funds. This report is provided in compliance with the Act and Regulations. Also included is a status report on Asset Acquisition expenditure for the period.

### STATUTORY ENVIRONMENT

Section 6.4 of the Local Government Act 1995 (WA)(CI) requires a local government to prepare a financial report.

Regulation 34 of the Local Government (Financial Management) Regulations 1996 requires a local government to prepare a monthly or a quarterly financial report.

Regulation 35 of the Local Government (Financial Management) Regulations 1996 requires the local government to prepare the quarterly report in the form as set out.

### POLICY IMPLICATIONS

There are no significant policy implications arising from this matter. Each Manager and the CEO are to ensure that the expenditure is incurred in accordance with the Annual Budget and or any variations as approved.

### FINANCIAL IMPLICATIONS

The financial implications arising from expenditure from the Municipal and Trust funds are reported on a monthly/quarterly basis to Council via Financial and cash flow statements in accordance with the Act and Regulations.

**STRATEGIC IMPLICATIONS & MILESTONES**

Objective 1 of the Government environment is to “Provide good governance in line with the requirements of the Local Government Act and the culture of the Island”. Objective 4 of the same Environment is to “Effectively manage the resources of the Shire in line with the objectives of the Strategic Plan”.

**VOTING REQUIREMENTS**

A simple majority is required.

**ATTACHMENTS**

- 10.2.2.1 Financial Statements - Municipal Fund 31 March 2022.
- 10.2.2.2 Asset Acquisition Statement

## SHIRE OF CHRISTMAS ISLAND

## STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2021 TO 31 March 2022

FM Reg 34  
FM Reg 22 (1)(d)

		NOTE	31 March 2022 Y-T-D Actual \$	31 March 2022 Y-T-D Budget \$	2021/22 Amended Budget \$	Variances Budget to Actual Y-T-D %
<b>Operating</b>						
<b>Revenues/Sources</b>						
	3	1	6,461,505	5,331,367	7,108,489	21.2%
General Purpose Funding		2	46,478	28,200	37,600	64.8%
Governance		3	456	675	900	
Law, Order, Public Safety		4	13,525	14,250	19,000	
Health		5	1,815	1,500	2,000	
Welfare		6	23,250	52,875	70,500	
Housing		7	848,855	576,221	768,294	47.3%
Community Amenities		8	(89,536)	135,075	180,100	
Recreation and Culture		9	791,410	582,000	776,000	
Transport		10	24,271	24,000	32,000	
Economic Services		11	10,045	10,500	14,000	
Other Property and Services			8,132,075	6,756,662	9,008,883	
<b>(Expenses)/(Applications)</b>						
General Purpose Funding	3	12	(87,403)	(111,990.75)	(149,321)	-10.1%
Governance		13	(663,854)	(738,369.00)	(984,492)	
Law, Order, Public Safety		14	(138,093)	(180,924.75)	(241,233)	
Health		15	(89,365)	(139,036.50)	(185,382)	
Welfare		16	(389,363)	(510,532.50)	(680,710)	
Housing		17	(118,200)	(138,161.25)	(184,215)	
Community Amenities		18	(1,136,740)	(1,551,826.50)	(2,069,102)	
Recreation & Culture		19	(1,490,623)	(1,952,925.75)	(2,603,901)	
Transport		20	(2,626,324)	(3,370,842.75)	(4,494,457)	
Economic Services		21	(103,842)	(190,708.50)	(254,278)	
Other Property and Services		22	(380,008)	(402,562.50)	(536,750)	
			(7,223,816)	(9,287,880.75)	(12,383,841)	
<b>Adjustments for Non-Cash</b>						
<b>(Revenue) and Expenditure</b>						
Profit/(Loss) on Asset Disposals	3	23	0	0	0	
Leave Accruals		24	0	0	0	
Movement in accrual interests			0	0	0	
Depreciation on Assets		25	835,697	1,862,475	2,483,300	
<b>Capital Revenue and (Expenditure)</b>						
Purchase Property, Plant & Equipment	3	26	(279,276)	(539,250)	(719,000)	
Purchase Infrastructure Assets - Roads		27	(755,228)	(1,343,813)	(1,791,751)	
Proceeds from Disposal of Assets		28	0	-	0	
Transfers to Reserves (Restricted Assets)		29	0	(469,210)	(625,613)	
Transfers from Reserves (Restricted Assets)		30	0	331,500	442,000	
Grants		31	1,045,836	833,813	1,111,751	25.4%
			-	-	-	
ADD Net Current Assets July 1 B/Fwd	1		791,057	751,602	1,002,136	
LESS Net Current Assets Year to Date	1		3,349,397	-	0	
<b>Amount Raised from Rates</b>			(1,483,568)	(1,104,101)	(1,472,135)	

FM Reg 32(d)

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF CHRISTMAS ISLAND**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2021 TO 31 March 2022**

**31 March**  
**2022**  
**Actual**  
**\$**

**Brought**  
**Forward**  
**01-Jul**  
**\$**

**Note 1.**

**NET CURRENT ASSETS**

FM Reg 34 (2)(a) **Composition of Estimated Net Current Asset Position**

**CURRENT ASSETS**

Cash - Unrestricted	3,950,667	1,005,729
Cash - Restricted	4,585,316	4,585,316
Receivables	154,665	677,304
Inventories	567,469	832,279
Other Financial Assets	20,922	31,610
	9,279,038	7,132,238

**LESS: CURRENT LIABILITIES**

Payables and Provisions	(1,344,274)	(1,755,865)
	7,934,764	5,376,373
Less: Cash - Reserves - Restricted	(4,585,316)	(4,585,316)
Less: Cash - Restricted/Committed	(51)	0
<b>NET CURRENT ASSET POSITION</b>	3,349,397	791,057

**Note 2.**

**CURRENT RATIO**

Current Assets	9,279,038	<b>6.90 : 1</b>
Current Liabilities	1,344,274	

**QUICK RATIO**

Current Assets - (Restricted Assets + Inventories)		
Current Liabilities		
9,279,038 - ( 4,585,316 + 567,469 )		<b>3.07 : 1</b>
1,344,274		

Ratios greater than one indicates that Council has sufficient current assets to meet its short term current liabilities.

**SHIRE OF CHRISTMAS ISLAND**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2021 TO 31 March 2022**

**Note 3.**

**VARIANCES**

FM Reg 34 (2)(b) **Variances greater than 10% and \$ 10,000 were due to:**

<b>General Purpose</b>		<b>OPERATING REVENUE</b>	
<b>Comm Amenities</b>		21.2% above budget estimate	due to final FAG payment.
<b>Governance</b>		47.3% above budget estimate	due to Commercial Garbage Quarterly Charges For DOIRC
		64.8% above budget estimate	Reimbursement for Employee Incentive training scheme & apprentice subsidy grant
		<b>OPERATING EXPNDITURE</b>	
<b>Governance</b>		All Programs Under Budget	
<b>Other Property Services</b>			

**SHIRE OF CHRITMAS ISLAND  
ASSET ACQUISITION**

**FOR THE PERIOD ENDED 31 March 2022**

	2021/22 Budget \$	Actual to 31/03/22	Variance
LGA S6.2 (4)			
GOVERNANCE			
Plant & machinery	60000	12000	48000
Furniture & equipment	120000	125450	-5450
HOUSING			
Buildings	32500	29650	2850 28 Seaview Drive
COMMUNITY AMENITIES			
Plant & machinery	10000	18448	-8448 Freight for Isuzu truck
Furniture & equipment	5000	0	5000
RECREATION & CULTURE			
Plant and machinery	15000	0	15000
Furniture & equipment	52000	0	52000
Buildings	72000	71169	831 Poon San Basketball/5
TRANSPORT			
Buildings	35000	0	35000
Roads and transport - infrastructure	1511751	705210	806541
Plant & machinery	125000	12189	112811
Furniture & equipment	120000	37828	82172
ECONOMIC SERVICES			
Buildings	10000	6187	3813
Plant & machinery	55000	0	55000
Furniture & equipment	20000	14172	5828
OTHER PROPERTY & SERVICES			
Furniture & equipment	10000	2200	7800
<b>Total</b>	<b>2253251</b>	<b>1034503</b>	<b>1218748</b>

**By Class**

Buildings	149500	107006	42494
Roads and transport - infrastructure	1511751	705210	806541
Plant and machinery	265000	42637	222363
Furniture and equipment	327000	179650	147350
<b>Total</b>	<b>2253251</b>	<b>1034503</b>	<b>1218748</b>



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Meeting of Council 26 <sup>th</sup> April 2022
AGENDA REFERENCE	10.4.1
SUBJECT	Tender for Sale of Surplus Trailers
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	
INTEREST DISCLOSURE	NIL
DATE OF REPORT	19 <sup>th</sup> April 2022
AUTHOR	Graeme Hedditch, Works & Services Manager
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATION

**That Council call tenders for the sale of surplus Trailers**

### BACKGROUND

In the last twelve months a number of plant items have been purchased or are currently on order. A stock and take and review of assets have also been undertaken which has identified a number of items that are now surplus to requirements.

It is recommended that public tenders be called for the sale of these surplus trailers as follows:

Description	Plant No/ Asset No	Year	Approx Km/Hrs	Comment
Single Axle Trailer (Blue) 6' x 4'	P0547	N/A	N/A	Sale of surplus item
Single Axle Trailer (Light Blue) 6' x 4'	P60152	N/A	N/A	Sale of surplus item
Plant Trailer (Yellow)	P0644	N/A	N/A	Sale of surplus item

### STATUTORY ENVIRONMENT

Section 3.57 Local Government Act 1995 (WA) (CI) and Section 4 Local Government (Functions and General) Regulations 1996 apply.

### POLICY IMPLICATIONS

The Council Purchasing & Tendering Policy applies.

### FINANCIAL IMPLICATIONS

The estimated value of the plant and equipment is very difficult to ascertain due to there being a limited market on the island.

### STRATEGIC IMPLICATIONS & MILESTONES

NIL

### CONSULTATION

NIL

### VOTING REQUIREMENTS

Simple majority.



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 April 2022
AGENDA REFERENCE	10.5.1
SUBJECT	ICT and Asset Management Policy
LOCATION/ADDRESS/APPLICANT	
FILE REFERENCE	
INTEREST DISCLOSURE	Nil
DATE OF REPORT	7 April 2022
AUTHOR	Chris Su, GRPG Manager
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATIONS

**That Council adopts the proposed *ICT Systems Security and Asset Management Policy 2022*.**

### BACKGROUND

RSM Auditors under the Office of the Auditor General performed the statutory annual audit for the Shire of Christmas Island in 2021.

A new addition to the audit process was an IT security check. This is not part of the statutory financial elements of the audit. RSM recommended that Shire adopt an Information and Communication Technology policy to follow best practice in security.

RSM also recommended an Asset Management Policy separate to the existing Long Term Financial Plan which currently contains the modelling for depreciation and replacement spending.

### COMMENT

Acting Manager for Finance and Administration Kevin WILSON assisted in the research for developing these two new policies. Several phone meetings with RSM auditors were also had.

### STATUTORY ENVIRONMENT

Local Government Audit Regulations 1996 (WA)(CI)

Local Government Financial Management Regulations 1996 (WA)(CI)

### FINANCIAL IMPLICATIONS

N/A

### STRATEGIC IMPLICATIONS & MILESTONES

### VOTING REQUIREMENTS

A simple majority is required.

### ATTACHMENTS

10.5.1.1 F18 Asset Management Policy

10.5.1.2 Information and Communication Technology Policy

## **F18– Asset Management Policy**

### **Objective**

To give effect to the Shire of Christmas Island's obligations under legislation and auditing requirements to

- Ensure that assets service the community for current and future generations;
- Ensure that assets provide a level of service and risk the community is willing to support;
- Ensure the sustainable management of assets and;
- Allow informed decision making incorporating life cycle costing principles

### **Policy**

This policy applies to all Council infrastructure assets, which are required to be managed by the Shire and where their components have a useful life of more than one year and a replacement cost greater than +\$5,000, including;

- Road and street network including pathways
- Parks and recreation facilities
- Community facilities and civic buildings
- Associated asset groups to be managed also include plant and equipment, IT equipment and vehicles

Adopting asset management principles will assist the Council in achieving its Strategic Plan and Long Term Financial objectives. A strategic approach to asset management will ensure that Council delivers the highest appropriate level of service through its assets.

Systematic reviews will be applied to all asset classes and are to ensure that assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Accounting Standards.

The Shire will adhere to the following core principles in planning and decision making relating to the selection, creation/acquisition operation, maintenance and renewal/disposal of all infrastructure assets.

- Service delivery drives asset management practices and decisions
- Asset planning and management has a direct link with the Councils corporate and business plan including the Long Term Financial Plan
- Application of Renewal or Upgrade for assets is appropriate
- As a principle asset depreciation is to be used to fund renewal and/or rehabilitation of assets
- New or upgrade projects funded by grants are to include full lifecycle (whole of life costs) as part of project evaluation

- Asset management plans are to be developed for the Shire's assets and will be informed by community needs

Asset management requires a whole of organisation approach and involves the participation of and is the responsibility of the Council, Executive and Council staff.

Administration will implement procedures that ensure the asset database is maintained and updated and provide required reports to Council to meet their statutory responsibilities.

Key Performance Indicators	
Keywords	
Related Policies	Nil
Related Procedures/ Documents	
Delegation Level	CEO
First endorsed by Council	
Resolution No.	
Consultation	Nil required
Reviewed by Council	/
Resolution No.	/
Date Document Updated	/
Next Review Date	
File Reference	/

## **F18– Information and Communication Technology Systems Security**

### **Objective**

This policy provides guidelines for the protection and use of information technology assets and resources within the Shire to ensure integrity, confidentiality and availability of data and assets.

This policy applies to all staff, elected members, contractors and others that are granted system access.

### **Policy**

#### **Physical Security**

For all servers, mainframes and other network assets, the area must be secured with adequate ventilation and appropriate access through a secure locked door with approved access.

It is the responsibility of Manager Finance & Administration that this requirement is followed at all times.

All security and safety of all portable technology such as laptops, notepads, iPad, mobile phones, etc will be the responsibility of the employees who has been issued with the asset. The employee is required to use locks or passwords and to ensure the asset is kept safely at all times.

In the event of loss or damage, the Manager Finance & Administration will assess the security measures undertaken to determine if the employee will be required to reimburse the Shire for loss or damage.

#### **Information Security**

All significant records of the Shire that has an administrative, fiscal, legal value and includes records that relate to Shire business is to be backed up.

It is the responsibility of the Manager Finance & Administration to ensure that data back-ups are conducted daily for server back up and weekly tape backups and the backed up data is as follows:

##### **Daily server Backups**

- Backups are done on LTO8 tapes and Veem backup software
- Data on tapes are encrypted
- The most recent tape is taken off site- by Manager Finance & Administration
- Backup tapes that are onsite are kept in secure safe

## Network Intrusion

- Antivirus update monthly
- Antivirus logs checked daily
- Antivirus updates pushed out to computers when applicable
- WIFI network logs checked daily
- Firewall logs checked daily
- All servers and UPS have login notification when login in to backend
- Active directory logs checked weekly

## Technology Access

IT Officer is responsible for the issuing of initial password for all employees; this will be a temporary password which will be required to be change at first login.

Where an employee forgets the password or is locked out after three attempts, than contact the IT Officer to initiate new password.

## Password Set up

Maximum password duration – 90 days (System will force password change after 90 days)

Password must meet the following conditions, these cannot be changed

- Be at least seven characters in length
- Contain characters from three of the following four categories
  - 1 English uppercase characters (A to Z)
  - 2 English lower case
  - 3 Base digits (0-10)
- Non alphabetic characters (for example !,\$,#,%)

Staff are not to allow the use of their password to other staff members or external parties to ensure privacy of data is maintained.

Remote access to Shire corporate systems is to be approved by the CEO

Key Performance Indicators	
Keywords	
Related Policies	Nil
Related Procedures/ Documents	
Delegation Level	CEO
First endorsed by Council	
Resolution No.	
Consultation	Nil required
Reviewed by Council	/
Resolution No.	/
Date Document Updated	/
Next Review Date	
File Reference	/



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 April 2022
AGENDA REFERENCE	10.5.2
SUBJECT	Rating Strategy Report
LOCATION/ADDRESS/APPLICANT	
FILE REFERENCE	
INTEREST DISCLOSURE	Nil
DATE OF REPORT	7 April 2022
AUTHOR	Chris Su
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATIONS

**That Council receives the *Moore Australia Shire of Christmas Island Strategic Rating Review April 2022* and request the CEO to develop recommendations based on the Review for budgetary consideration.**

### BACKGROUND

Council Resolution 128/20 in the December 2020 Ordinary Council Meeting was to engage a consultant to assist in the rating area of the mandatory Local Planning Strategy review. Moore Australia were selected in 2021 and have submitted their final report in April 2022.

### COMMENT

The Local Planning Strategy, Local Planning Scheme and Strategic Community Plan review of 2021/2022 presented the opportune time to have an independent consultant study the ratings matrix on Christmas Island. The ratings matrix was set in 1992/1993 by Landgate (then Dept. of Land Administration-DOLA) and has not been reviewed since. Unlike the former three documents, it is not a statutory item that needs to be reviewed periodically.

Moore Australia studied the aforementioned documents, the Shire's *Long Term Financial Plan 2013-2028*, a decade worth of Synergy records pertaining to particular road projects and five years of Annual Audited Reports in their rating review.

Moore Australia notes the need to address management of unimproved value lands more equitably and the possibility of a differential rating practice applied to Christmas Island that aligns with the Dept. of Local Government's five principles of Objectivity, Fairness and Equity, Consistency, Transparency and Administrative Efficiency in this area.

*Consideration should be given to the significant cost impact of mining operations on the island network when making rating decisions. To minimize the current subsidization of mining operations by other ratepayers, the UV rate yield should be at a level to produce a fair and equitable contribution to general Shire operations in addition to considering the cost of the rural road maintenance by mining traffic. This would achieve a far higher level of fairness and equity in rating than the current rating structure. More equitable apportioning of the burden of mine operations on the Shire may be achieved.*

Moore Australia provides examples of other comparable local governments that contain differential rating programs created under 6.33 of the Local Government Act 1995 (WA)(CI) with categories such as Airport Strategic Industry, Tourist Holiday

Accommodation, Transient Worker Accommodation and Vacant for GRV and Agricultural, Commercial/Industrial, Mining and Pastoral for UV rates.

*Rates should be applied fairly and equitably resulting in each property making a fair contribution to rates revenue based on the method of valuation. The rating principles should be applied, and determinations made, in a consistent way and should be clearly documented and available for public inspection, while the rating structure should also be cost effective.*

*When differential rating structures are applied the local government should identify the predominant use of the land by means of an objective assessment. Transparency in differential rating practices should also be supported by the annual publication of clearly articulated objects and reasons for differential rates, the adoption of a rating strategy and clearly defined links to the long-term financial plan and other strategic plans.*

### **STATUTORY ENVIRONMENT**

The power to raise local government rates is set out in the Local Government Act 1995 (WA)(CI). Sections 6.2(2), 6.28 and 6.33 apply.

### **FINANCIAL IMPLICATIONS**

Council Rates form the minor part of Council's revenue per year due to the small number of residents on the Island. The major revenue component is the annual Federal Assistance Grants.

### **STRATEGIC IMPLICATIONS & MILESTONES**

### **VOTING REQUIREMENTS**

A simple majority is required.

### **ATTACHMENTS**

10.5.2.1        Moore Australia Strategic Rating Review April 2022

# Strategic Rating Review Final Report

Shire of Christmas Island

April 2022



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# 1.0 ENGAGEMENT OVERVIEW

## 1.1 Scope of Services

In July 2021 Moore Australia was engaged to assist to create a new rating strategy for the Shire of Christmas Island, including the following services:

- Examine the Shire of Christmas Island's UV and GRV Rates Schedules against similar remote local governments in Western Australia;
- Engage with the Shire management team to ascertain works costings in road management, waste management, parks/gardens and the administrative wing of Council;
- Refer to the Long Term Financial Plan, Corporate Business Plan, Audits and other Council strategic and financial documents to understand the contributions that rates make in service delivery;
- Liaise with Landgate and the Department of Planning, Lands and Heritage as necessary to obtain any additional information that may be needed for the project.

The intent is the new Rating Strategy should work with the Shire's Long Term Financial Plan, Corporate Business Plan and other strategic documents to provide the ability for Council to sustainably deliver on the needs that ratepayers have in the district whilst providing the best value for ratepayers.

This is a desktop project, with the Shire's management team supporting Moore Australia on the mainland.

## 1.2 Introduction

The Shire of Christmas Island (the Island) is located 2,700km from Perth, with a population of approximately 1,200 persons. It is an external territory of the Commonwealth of Australia and the laws of Western Australia apply, even though not formally part of the State of Western Australia. Hence, *the Local Government Act 1995* applies to the Shire of Christmas Island through the *Local Government Act 1995 (WA) (CI)*, along with all its regulations and other Western Australian Acts. The Western Australian Acts began to apply on the Island in 1992; known locally as the WA Applied Laws Regime.

Accordingly, Landgate appraised the UV and GRV rates in the early 1990s on the Island. It is from these valuations that Council has applied annual percentage increases to the rates for ratepayers.

The district of Christmas Island is unique in many ways and the differences relevant to rating are worth noting as they should be considered when comparing rating strategies with other WA Local Governments. The key distinctions to note are:

- District land area 136.1 km<sup>2</sup>;
- Predominant land use is Federal National Park comprising 85 km<sup>2</sup>. This land is all exempt from rating;
- Phosphorous mining is a dominant historical economic driver;
- Rapid fluctuation in economic activity due to events beyond the Shire's control;
- Stable tropical weather with rain throughout the year; and
- Outside of the townsite road use is dominated by mine traffic and detention centre traffic.

No other WA local government has such a limited land use outside of the townsite, and this creates unique challenges when determining a rating strategy.

## 2.0 EXECUTIVE SUMMARY

### 2.1 Rating Principles

The conceptual framework within which the Shire may apply its discretionary rating powers, is based on five established rating principles:

- Objectivity;
- Fairness and Equity;
- Consistency;
- Transparency; and
- Administrative efficiency.

These rating principles are published by the Department of Local Government, Sport and Cultural Industries for local governments to adhere to.

Rates should be applied fairly and equitably resulting in each property making a fair contribution to rates revenue based on the method of valuation. The rating principles should be applied, and determinations made, in a consistent way and should be clearly documented and available for public inspection, while the rating structure should also be cost effective.

Where differential rating structures are applied the local government should identify the predominant use of the land by means of an objective assessment.

Transparency in differential rating practices should also be supported by the annual publication of clearly articulated objects and reasons for differential rates, the adoption of a rating strategy and clearly defined links to the long-term financial plan and other strategic plans.

### 2.2 Future Considerations

From our analysis of the Shire's 2021-22 rating structure we noted the following matters:

- The current structure is simple with a uniform GRV and UV rate.
- Separate rating categories are provided yet these are charged a uniform rate in the dollar.
- There is scope and justification for a differential rate for GRV mining/industrial properties given the impact of mining operations on the Shires expenditure.
- There are two primary users of the unsealed road network namely the Federal Government and the mine. Whilst the Federal Government directly covers the cost of maintenance of roads within the nature reserve the mine makes no direct contribution to road maintenance.
- Minimum payment levels are low as compared to the comparison group. The comparison group of WA local governments is listed at section 6.0.
- It is not apparent why the minimum payment for UV properties is substantially lower than for GRV properties, it is not apparent how this aligns to the rating principles.
- The basis of valuation of all properties on the island does not always appear to align to the predominant land use.
- Currently no rating category exists for rural land use on the island.
- Total rate revenue in 2020-21 was lower than in any other year since 2015-16.

## 2.0 EXECUTIVE SUMMARY (CONTINUED)

### 2.3 Rating Outcome Opportunities

The following opportunities to improve rating outcomes for the district should be considered:

- Observe and pursue a rating structure meeting legislative compliance without the need for ministerial approval;
- Consideration should be given to the significant cost impact of mining operations on the island road network when making rating decisions.
- To minimise the current subsidisation of mining operations by other ratepayers the UV mining rate yield should be at a level to provide a fair and equitable contribution to general Shire operations in addition to considering the cost of the rural road maintenance impacted by mining traffic. This would achieve a far higher level of fairness and equity in rating than the current rating structure.
- More equitable apportioning of the burden of mine operations on the Shire may be achieved. Opportunities exist for the creation of a road use agreement with the mine operator or through increasing the UV mining rate yield. This should be at a level to at the least recover the budgeted road maintenance costs for the roads utilised by the mine each year.
- Creation of a differential GRV mining/industrial rate.
- Consider raising the UV minimum payment to at least the same level as the GRV minimum payment level provided statutory limits are complied with.
- Consideration creation of a UV Rural rate for any non-mining rural land use occurring on the island.
- Implement procedures to ensure the basis of valuation of all properties on the island is aligned to current land use.
- Review the basis of valuation for properties to ensure the basis of valuation for all properties is aligned to the current land use.

## 3.0 LEGISLATIVE FRAMEWORK

### 3.1 Legislative Framework

The power to raise local government property rates is set out under the *Local Government Act 1995 (WA) (CI)* (the Act). The Shire, using a defined process outlined within the Act, determines the level of rates to be raised annually and adopts the rate levies to be imposed.

In adopting the annual budget each year, Section 6.2(2) of the Act requires the Shire to consider the current Plan for the Future (comprised of the Strategic Community Plan and Corporate Business Plan), prepared under section 5.56 of the Act.

Subject to the provisions of the Act, the Shire is free to use the rating powers to raise rate revenue at the level it determines appropriate.

### 3.2 Valuation Methods

There are two valuation methods available for use by local government under Section 6.28 of the Act, namely Gross Rental Value (GRV) and Unimproved Value (UV).

GRV assessments are valued based on the following:

The gross annual rental the land might reasonably be expected to realise if let on a tenancy from year to year upon condition the landlord is liable for all rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land.

UV assessments are valued based on the following:

The property is valued as if it has had no improvements (as though) it remains in its original, natural state, with any land degradation considered.

### 3.3 Changing Valuation Methods

Changing the valuation method applicable to any separately identifiable portion of land requires the Minister responsible for local government (the Minister) to decide as to the appropriate basis of valuation based on the predominant land use. A technical description of the relevant land and a notice of the change in valuation must be published in the Western Australia Government Gazette following the Minister's determination.

The State government department responsible for local government (the Department) administers the process for the Minister and publishes guidance to provide information on the process involved in making an application.

### 3.4 Review of Predominant Land Use

It is important for local governments to closely monitor changes in land use from rural to non-rural, including use for industrial purposes, and any other land use changes occurring within the district, and subsequently apply to the Minister for a change of valuation method to ensure the rating principles are consistently applied throughout the district.

### 3.5 Consultation

A change in the valuation method can result in a change in the level of rates levied against a property assessment. For this reason, it is a requirement of the Minister for consultation to occur with the owner(s) prior to any application to the Minister.

## 2.0 LEGISLATIVE FRAMEWORK (CONTINUED)

### 3.6 Uniform General Rates

The Shire may set a single rate in the dollar for each valuation type (GRV and UV). This is known as a uniform general rate and is applied to all assessments within a valuation type regardless of zoning, land use or whether the land is vacant.

Uniform rates are considered the most appropriate rating method by many local governments as they best reflect the five fundamental principles of rating being objective, fair and equitable, consistent, transparent and administratively efficient.

### 3.7 Differential General Rates

The Shire may apply different rates in the dollar within each basis of valuation (GRV or UV). A differential rate may be applied using the following property characteristics, or combination thereof:

- The zoning of the land;
- The predominant use;
- If the land is vacant or not; and
- Any characteristics prescribed.

### 3.8 Restrictions on Differential Rates

Due to the potential for a differential rate to single out ratepayers for a higher average rate contribution than would otherwise be the case, restrictions apply to the highest differential rate not being allowed to be more than twice the lowest differential rate, unless Ministerial approval is obtained before imposing the rate.

Before imposing a differential rate, the Shire must provide local public notice (no earlier than the 1st May each year and for a minimum period of twenty-one days) of its intention to do so and consider any resulting submissions.

Section 6.36(3) (c) of the Act requires a document describing the objects and the reasons for each proposed differential rate and minimum payment to be available for public inspection.

### 3.9 Minimum Payments

The Shire may impose a general minimum payment to each valuation method (and within each differential rate category). This results in all property assessments being levied at least a minimum contribution in rates regardless of the valuation. A lesser minimum may also be imposed on any portion of the district subject to certain requirements.

The Act restricts the maximum number of property assessments attracting a minimum payment to no more than 50% of the total rated assessments. In addition, the number of assessments with a minimum payment within each valuation category cannot be greater than 50% of the number of rated assessments within the category. If differential rates are applied, the number of assessments attracting a minimum payment within each differential rate category can be no more than 50% of the total rated assessments within the differential category.

There are exceptions to this general rule. If the basis of applying the differential rate is for vacant land, the Minister (upon application) may approve a level of minimum payment assessments greater than 50% of the number of assessments. The 50% rule does not apply in any case where the level of minimum payment is \$200 or less.

## 2.0 LEGISLATIVE FRAMEWORK (CONTINUED)

### 3.10 Exemptions from Rates

All land in the district is rateable unless exempted under Section 6.26 of the Act. Aside from land owned by the Shire, the most common categories of exemptions under the Act are:

- Land owned or controlled by the Crown;
- Land held by a religious body as a place of worship, a related purpose or a school; and
- Land used exclusively for charitable purposes.

To achieve an exemption from rates (for land other than crown land) the owner should be required to apply for an exemption, providing evidence of the land use. This application process should ideally be repeated every 3 to 5 years, to ensure the use of the land has not changed from exempt to non-exempt. The Shire has no discretion in relation to the exemption of rates, it is purely a determination based on current land use.

### 3.11 Specified Area Rates

In accordance with Section 6.37 of the Act, the Shire may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers the ratepayers or residents within the area —

- have benefited or will benefit from; or
- have access to or will have access to; or
- have contributed or will contribute to the need for, the work, service or facility.

## 4.0 POLICY FRAMEWORK

### 4.1 Policy Framework

Publications by the Department and the Shire Policy provide guidance and direction regarding the implementation and management of rates. Relevant departmental guidelines and policies are summarised below.

### 4.2 Local Government Operational Guideline 2 – Changing Methods of Valuation of Land

Within this operational guideline, the Department suggests the local government should have systems and procedures in place to:

- Identify and record any changes in land use;
- Review the predominant use of land affected by significant land use changes; and
- Ensure timely applications for Ministerial approval.

The guideline goes on to identify five principles local governments should observe, when rating. The Department also released a Rating Policy in March 2016, intended to provide guidance on the process of approval of differential rates under Section 6.33 of the Act. This policy also contains the same five principles set out in the table on the following page.

## 3.0 POLICY FRAMEWORK (CONTINUED)

### 4.3 Departmental Rating Principles

Principle	Operational Guideline (Number 2)	Rating Policy (March 2016)
Objectivity	As far as possible, the predominant use of land should be reviewed and determined based on an objective assessment of relevant criteria. External parties should be able to understand how and why a determination was made.	The basis for imposing the rates as per the act, for example zoning land use. Was there an event or issue prompting the need for a differential rate?
Fairness and equity	Rating principles should be applied fairly and equitably. Each property should make a fair contribution to rates based on a method of valuation appropriately reflecting predominant use.	The application of the benefit principle in it is expected those bearing the higher rate burden through the imposition of differential rating are receiving greater benefits from Shire activities.
Consistency	Rating principles should be applied, and determinations should be made, in a consistent manner. Like properties should be treated in a like manner.	Properties used for a similar purpose should be rated in a consistent way and will the extent of change from the previous year adversely affect the ratepayer?
Transparency	Systems and procedures for determining the method of valuation of land should be clearly documented and available for the public to inspect. This is fundamental to the "good government" principle upon which the Act is based. The right to govern accompanies the obligation to do so openly and fairly.	The extent of public notice regarding the change and compliance with the notice requirements under the Act and decision-making processes.
Administrative efficiency	Rating principles and procedures should be applied and implemented in an efficient and cost-effective manner.	The extent the differential rate is the most efficient method to raise the rate revenue required.

## 3.0 POLICY FRAMEWORK (CONTINUED)

The following policy documents have been issued by the Department in relation to rating. The Shire has no rating policy or strategy we believe is relevant to this review.

### 4.4 Rating Policy – Differential Rates (S. 6.33) (March 2016)

This document describes the legislative and policy basis for the application of differential general rates to land rated by the Shire. It sets out the policy to guide the Minister's exercise of the power to approve the imposition of a differential general rate where it is more than twice the lowest differential general rate imposed by the local government. Additionally, this document provides guidance for the Shire in requesting such approvals.

### 4.5 Rating Policy – Minimum Payments (S. 6.35) (March 2016)

This document describes the legislative and policy basis for the application of minimum payments to land rated by the Shire. It sets out the policy to guide the Minister's exercise of the power to approve the imposition of a minimum payment on vacant land where it does not comply with legislative provisions covering the percentage of assessments affected. The document also explains the application of the legislative provisions, particularly in relation to general and lesser minimums and guidance to the Shire when requesting approval.

### 4.6 Rating Policy – Valuation of Land (S. 6.28) (November 2016)

This document describes the legislative and policy foundation for determining the basis for rates. It sets out the policy to guide the Minister's exercise of the power to determine the method of valuation of land. Additionally, this document provides guidance for the Shire in requesting such a determination. A streamlined process for recent residential subdivisions is also included, which allows the Shire to advise the Valuer General if they do not require unimproved valuations for newly created lots.

### 4.7 Rating Policy – Valuation of Land – Mining (Ss. 6.28 And 6.29) (March 2016)

This document describes the legislative and policy basis for the rating of capital improvements on land subject of a relevant interest or resource interest. It sets out the policy to guide the Minister's exercise of the power to determine the method of valuation of such land for rating purposes under s. 6.28 of the *Local Government Act 1995 (WA) (Cl)*. The document identifies the improvements to be the subject to rating on a gross rental value basis, providing clarity and consistency in the application of these provisions across the sector. Additionally, this document provides guidance for the Shire, and impacted ratepayers, in requesting such a determination.

### 4.8 Rating Policy – Rateable Land (S. 6.26) (April 2013)

This policy aims to provide guidance underpinning the Ministerial declaration on land exempt from rates. This document also provides guidance for the Shire, and impacted ratepayers, when dealing with these exemptions.

### 4.9 Rating Policy – Giving Notice (June 2016)

This policy aims to provide guidance to the Shire on the legislative requirements governing the giving of notice of rates as it applies to the imposition of differential rates and to minimum payments.

## 5.0 CURRENT RATING STRUCTURE

### 5.1 Current Rating Information

During the 2021-22 financial year, Council resolved to impose uniform general rates utilising one rating categories for each basis of valuation, as follows:

	Rate in the Dollar	Minimum
• Gross Rental Value (GRV)	9.8877 cents	\$596
• Unimproved Value (UV)	32.40 cents	\$359

Council did not resolve to impose any specified area rates or service charges.

Minimum payment levels were also adopted for the 2021-22 financial year for both GRV and UV assessments, as shown above.

The rating effort for the Shire of Christmas Island over the past seven years is shown below.

#### 5.1 (a) Total Rates by Valuation Type (\$)



The above chart highlights total rate revenue increase to \$1.42m in 2019-20 before a significant decrease in 2020-21 which then resulted in a significant increase in 2021-22. The rate yield for 2021-22 equates to an annual increase in rate yield since 2015-16 of 2.6%.

## 5.0 CURRENT RATING STRUCTURE (CONTINUED)

### 5.2 Gross Rental Value and Unimproved Value Assessments

As reported in the Shire's 2021-22 Annual Budget, there are 784 rateable property assessments on the island, with 720 of those assessments valued and rated using the Gross Rental Value (GRV) method and the remaining 64 assessments valued and rated using the Unimproved Value (UV) method. Total revenue received from these assessments is estimated at \$1,502,135 in 2021-22, with \$1,463,640 to be sourced from general rates and \$38,495 from minimum payments.

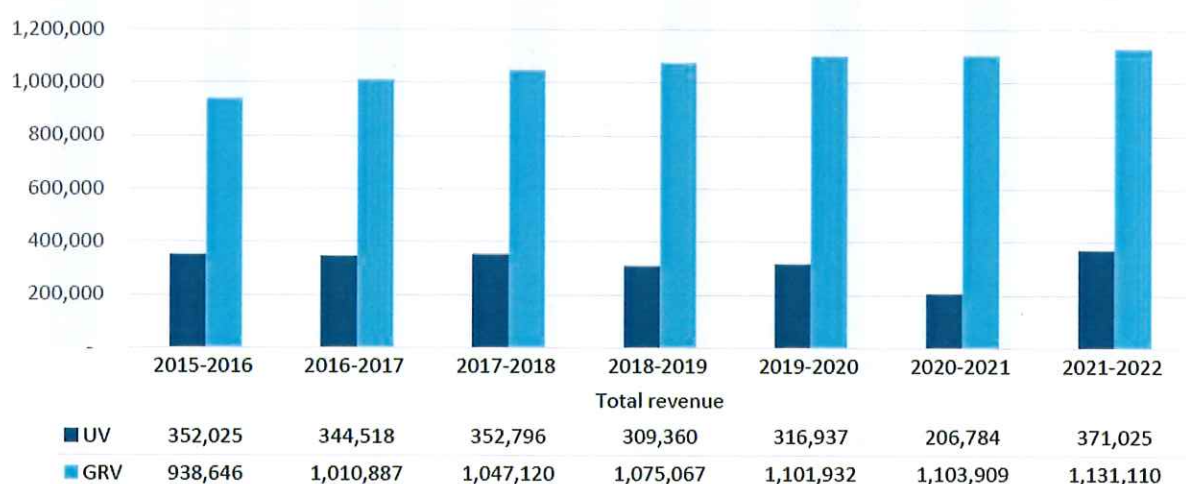
In 2015-16, 72.7% (\$938,646) of rate revenue was sourced from GRV valued assessments, and this percentage has steadily increased over the past decade to a high of 84.2% (\$1,103,909) of total rate revenue to be sourced from GRV assessments (projected) for the 2020-21 financial year. The following charts show the movement and relativities of composition of General Rate revenue over the past seven years.

#### 5.1.(a) Rates by Valuation Type (%)



Annual increases in GRV rate yields have not been matched by increases in UV rate yields with the 2021-22 budgeted UV rate yield only being 5% higher than in 2015-16. This change is reflected in the chart below.

#### 5.1.(b) Rates by Valuation Type (\$)

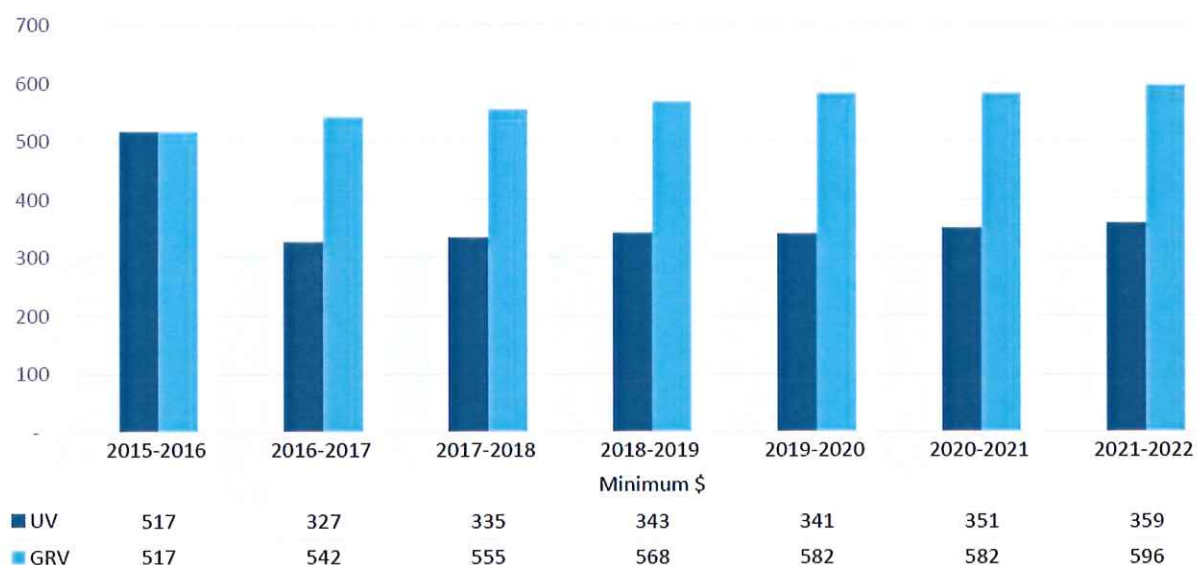


## 5.0 CURRENT RATING STRUCTURE (CONTINUED)

### 5.3 Minimum Payments

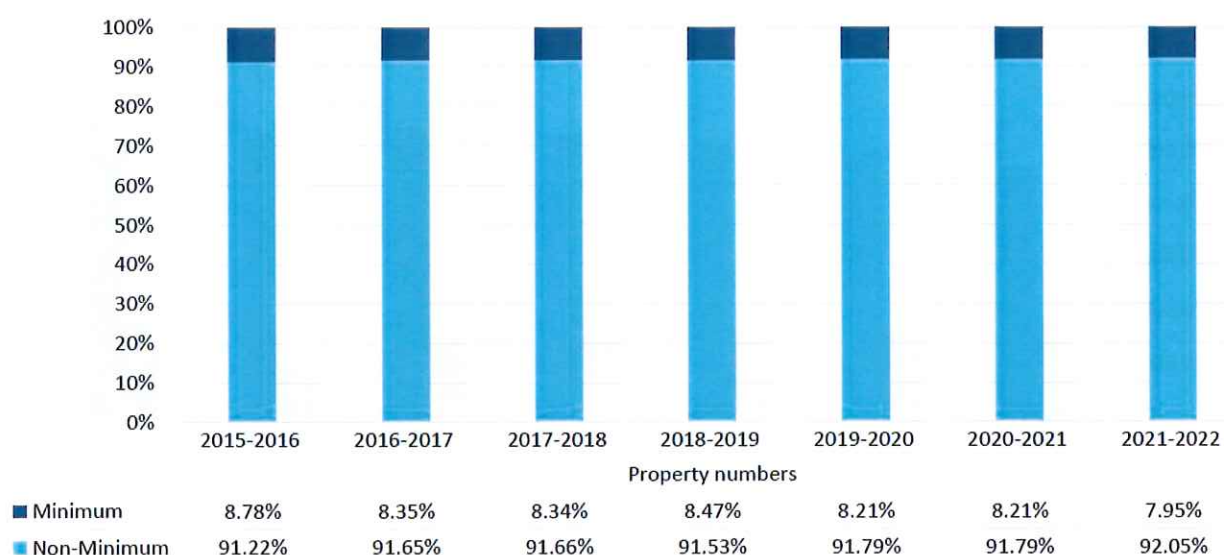
The Shire has implemented a minimum payment structure in recent years, with a uniform minimum payment set for GRV and UV valued assessments. In 2015-16 UV and GRV properties were subject to the same minimum payment before the UV minimum payment was lowered substantially in 2016-17. Since then, it has increased by \$32, whilst the GRV minimum has increased by \$54 per rateable property.

#### 5.3.(a) Average Minimum Payments by Valuation Type (\$)



The Shire's current minimum payment percentage is well below the permitted 50% of rateable property assessments, as reflected in the chart below.

#### 5.3.(b) Minimum v Non-Minimum Property Numbers (%)



## 6.0 COMPARATIVE LOCAL GOVERNMENTS

### 6.1 Comparative Data

Included within the review is the establishment of a comparison group of eight other local governments within the Gascoyne, Pilbara and Kimberley regions. The source of the comparison data was the published 2019-20 Annual Budgets of each local government.

We compiled rating data from the 2018-19 Annual Budgets of a comparison group of local governments within the Gascoyne, Pilbara and Kimberley regions of Western Australia. The local governments selected to form the group were:

- Shire of Ashburton
- Shire of Cocos (Keeling) Islands
- Shire of Derby / West Kimberley
- Shire of East Pilbara
- Shire of Halls Creek
- City of Karratha
- Shire of Wyndham / East Kimberley

A comparison with other local governments of rate revenue outcomes adds context, however, also has limited capacity to assist in the determination of an appropriate rating structure. It is however one of the few mechanisms available to the Shire to help justify rating outcomes to the community and our comparison serves to highlight the variations in rating methods used by neighbouring local governments. It is important to remember local governments supply different services and, in the context of rate in the dollar movements, have different effective GRV valuation timings with GRV general valuations conducted every three to five years in regional areas of Western Australia. Rental valuations in urban centres are also influenced by geographic location and local supply and demand. These factors adversely affect a direct comparison between local governments.

The effective dates for the Gross Rental Valuations for each of the comparison group the Shires were:

- |                                     |               |
|-------------------------------------|---------------|
| • Shire of Ashburton                | 1 August 2018 |
| • Shire of Cocos (Keeling) Islands  | 1 August 2019 |
| • Shire of Derby / West Kimberley   | 1 August 2016 |
| • Shire of East Pilbara             | 1 August 2018 |
| • Shire of Halls Creek              | 1 August 2016 |
| • City of Karratha                  | 1 August 2018 |
| • Shire of Wyndham / East Kimberley | 1 August 2018 |

The issue of variable valuation timings is not applicable to UV assessments as these values are updated by the Valuer General every year.

It should also be recognised rates are not a user charge and are not determined on the extent of access to, or use of, services and facilities. Property rates are a tax and the amount paid may have no relationship to the benefit received, and often does not. To establish the relative benefits of land ownership in one local government over another, in relation to total rate revenue, requires a qualitative and quantitative assessment of services and facilities provided across all comparison local governments. This is an exercise outside the scope of this review.

## 6.0 COMPARATIVE LOCAL GOVERNMENTS (CONTINUED)

### 6.2 Gross Rental Value Assessments

The Shire of Christmas Island has a uniform rate in the dollar with the same rate in the dollar applying to all GRV valued properties. For the purposes of analysis, we have split the General Residential properties from the Commercial/Industrial properties.

To assist in the comparison, a simple average has been calculated for the comparison group which is presented as a green line in the charts within this report.

### 6.3 Gross Rental Value Rates (General / Residential)

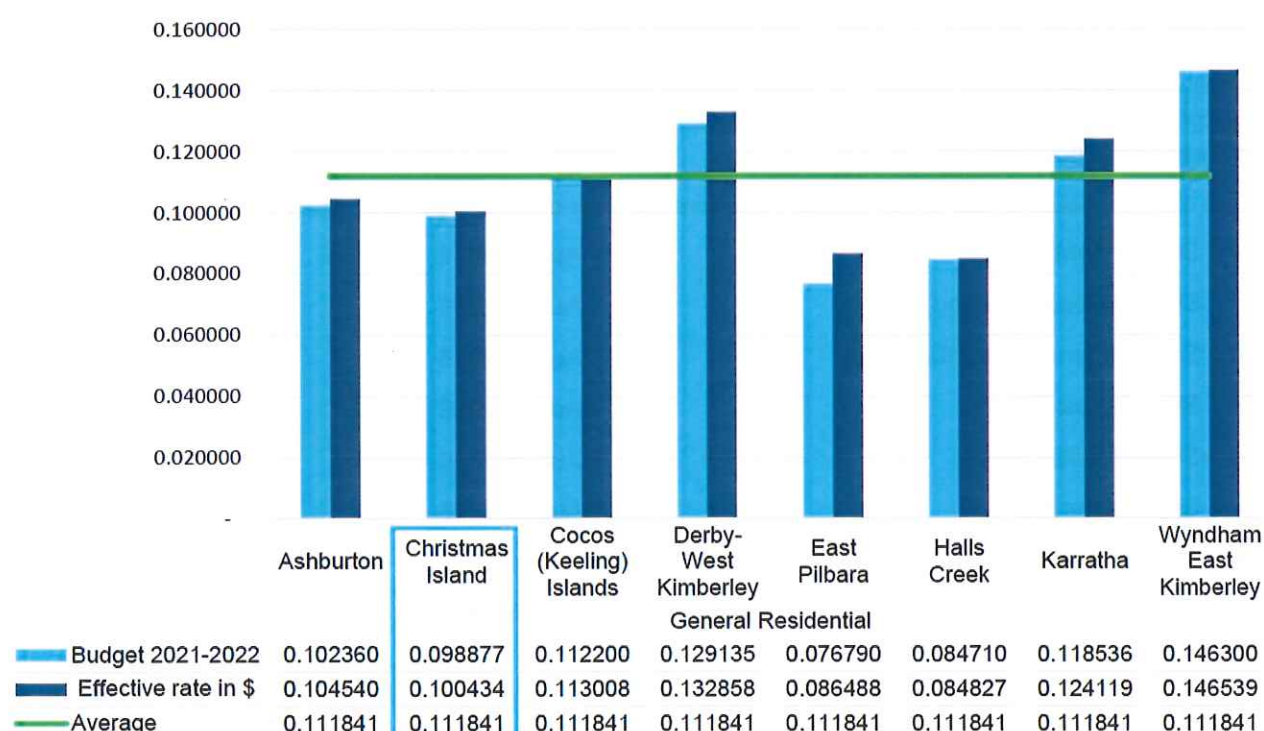
The Shire's effective rate in the dollar applied to Gross Rental Value (GRV) General / Residential property assessments for 2021-22 was 10.0434 cents in the GRV valuation dollar compared to the comparison group simple average of 11.1841 cents in the GRV valuation dollar.

This rate applies to property assessments with a predominant land use of general (where no like comparison was provided) and residential GRV designation.

The Shire's effective GRV rate in the dollar for General / Residential assessments was noted to be slightly lower than the average of the comparison group, as depicted in the chart below.

The applied rate in the dollar is lower than each of the comparison group local governments except the Shire's of Halls Creek and East Pilbara.

#### 6.3 (a) GRV Rate in the Dollar (General / Residential)



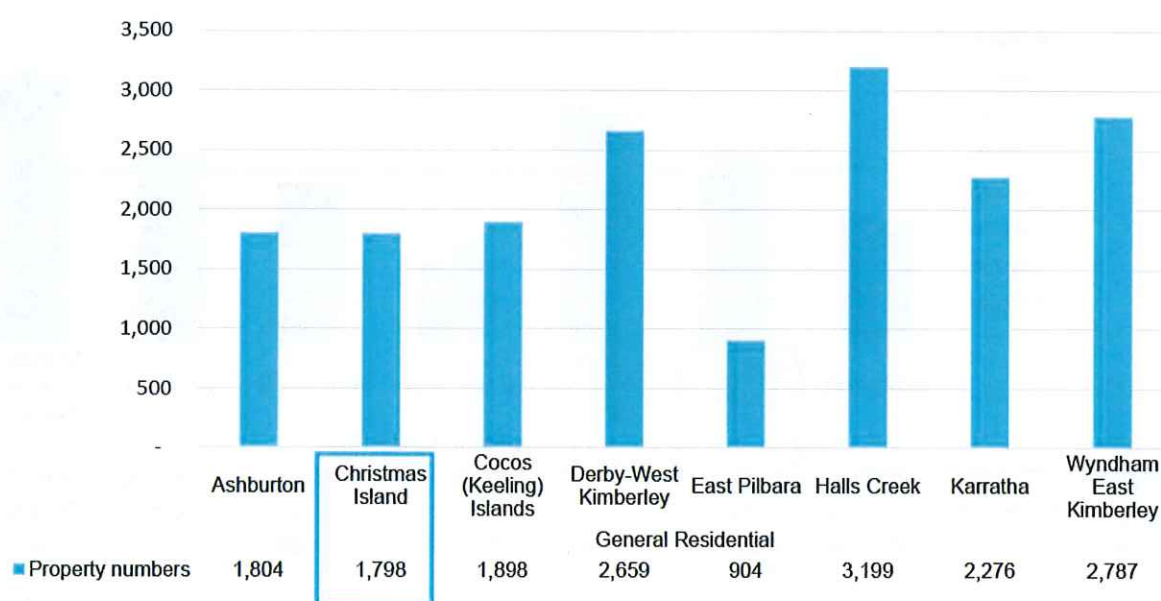
## 6.0 COMPARATIVE LOCAL GOVERNMENTS (CONTINUED)

### 6.3 Gross Rental Value Rates (General / Residential) (Continued)

One method of comparison is the average rate revenue levied per assessment which equates to the average rate burden per property. The Shire's average rate revenue forecast in 2021-22 per each General / Residential GRV property assessment is \$1,798 per assessment, which is below the comparison group simple average of \$2,166 per assessment.

The average revenue per property assessment for General / Residential GRV valued assessments is below each of the comparison group members.

#### 6.3 (b) GRV Average Rate Revenue Per Assessment (General / Residential)



## 6.0 COMPARATIVE LOCAL GOVERNMENTS (CONTINUED)

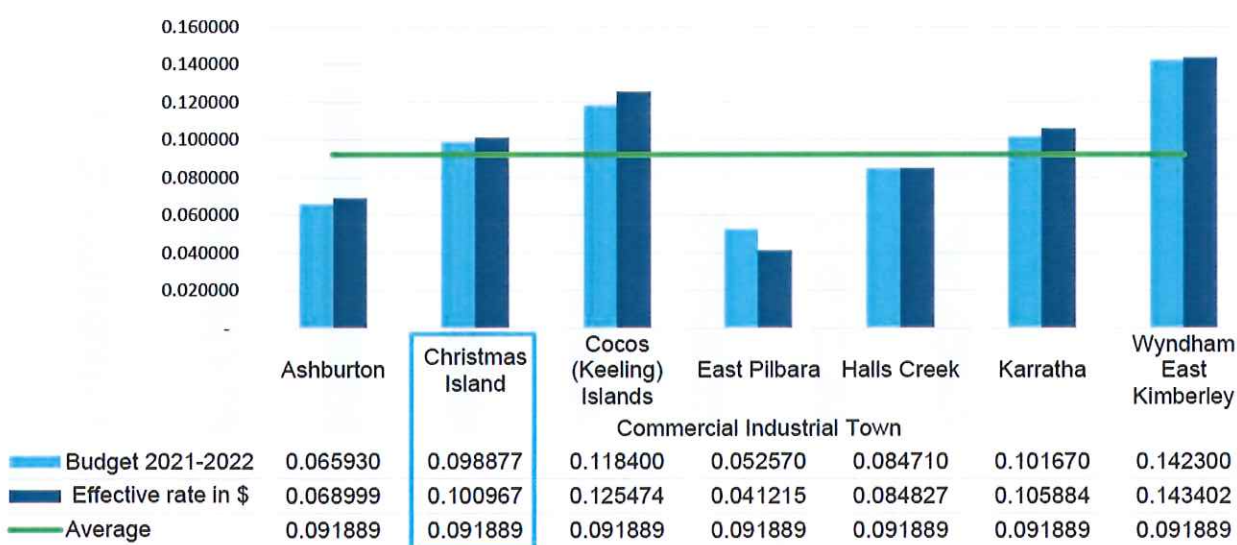
### 6.4 Gross Rental Value Rates (Commercial / Industrial)

The Shire's effective average rate applied to Gross Rental Value (GRV) commercial / industrial property assessments for 2021-22 was 10.0967 cents in the GRV valuation dollar compared to the comparison group effective rate in the dollar of 9.1889 cents in the GRV valuation dollar.

This rate applies to property assessments with a predominant land use of commercial and industrial GRV designation.

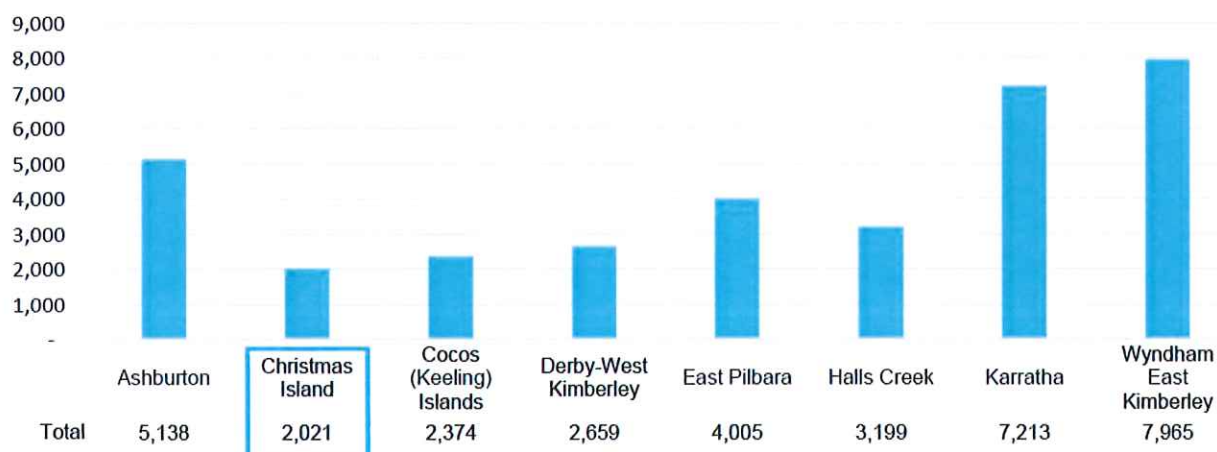
The applied rate in the dollar is lower than each of the comparison group local governments.

#### 6.4 (a) GRV Rate in the Dollar (Commercial / Industrial)



Whilst the rate in the dollar is above average for the Shire of Christmas Island, reviewing the average rate revenue levied per rate assessment reveals the average rates paid per assessment is low. The Shire's average rate revenue forecast in 2020-21 per each GRV Commercial / Industrial property assessment is \$2,021, which is the lowest in the group and below the comparison group simple average of \$4,322.

#### 6.4 (b) GRV Average Rate Revenue Per Assessment (Commercial / Industrial)



## 6.0 COMPARATIVE LOCAL GOVERNMENTS (CONTINUED)

### 6.5 GRV Rate in the Dollar (Other)

A number of local governments in the comparison group have other differential rating categories. The actual and effective GRV rate in the dollar for these categories are provided in the table below.

	Rate in Dollar 2021-2022 Budget	Effective rate in Dollar
<b>Airport Strategic Industry</b>		
Karratha	0.15787	0.15816
<b>Tourist Holiday Accommodation</b>		
Cocos (Keeling) Islands	0.11650	0.16650
<b>Transient Worker Accommodation</b>		
Ashburton	0.13185	0.13198
East Pilbara	0.10514	0.10514
Karratha	0.39053	0.39053
<b>Vacant</b>		
Halls Creek	0.15190	0.33451
Wyndham East Kimberley	0.22690	0.34330
Cocos (Keeling) Islands	0.22400	0.22762

## 6.0 COMPARATIVE LOCAL GOVERNMENTS (CONTINUED)

### 6.6 Minimum Payments

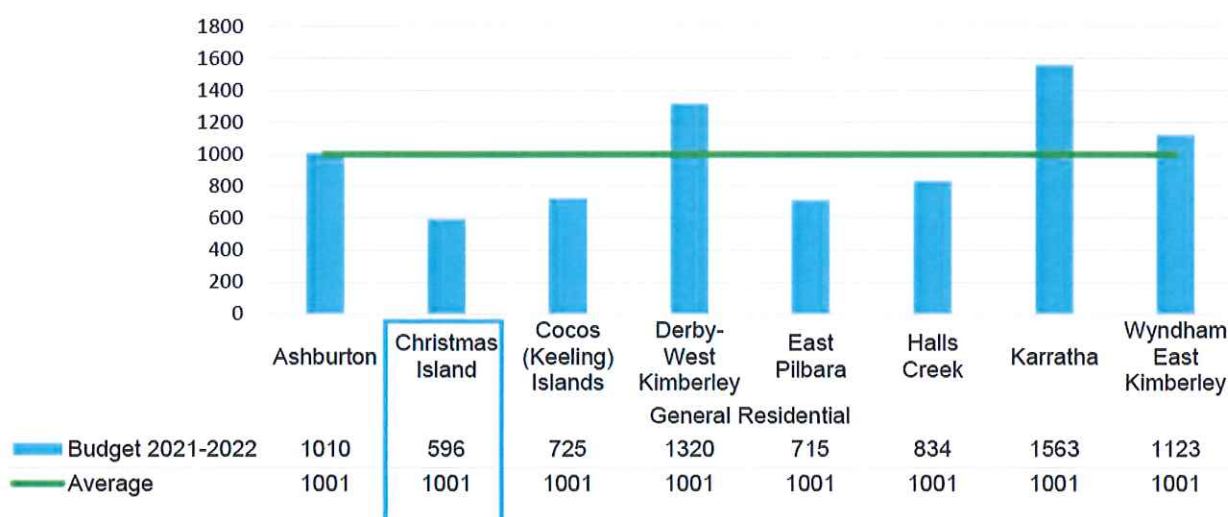
Use of minimum payments is one of the many tools available to local governments in achieving rating outcomes. Minimum payments make comparison of the rate in dollar complicated as one local government may have a minimum payment set close to the statutory threshold which enables it to have a lower headline rate in the dollar. To allow for this, we have calculated the effective rate in the dollar for each differential rating category. The effective rate in the dollar is calculated as the total rate yield from general and minimum payments divided by the total rateable value of the same properties. The effective rate in the dollar will be higher than the actual rate in the dollar where a number of properties are subject to a minimum payment.

### 6.7 Comparison Group Minimum Payments (GRV)

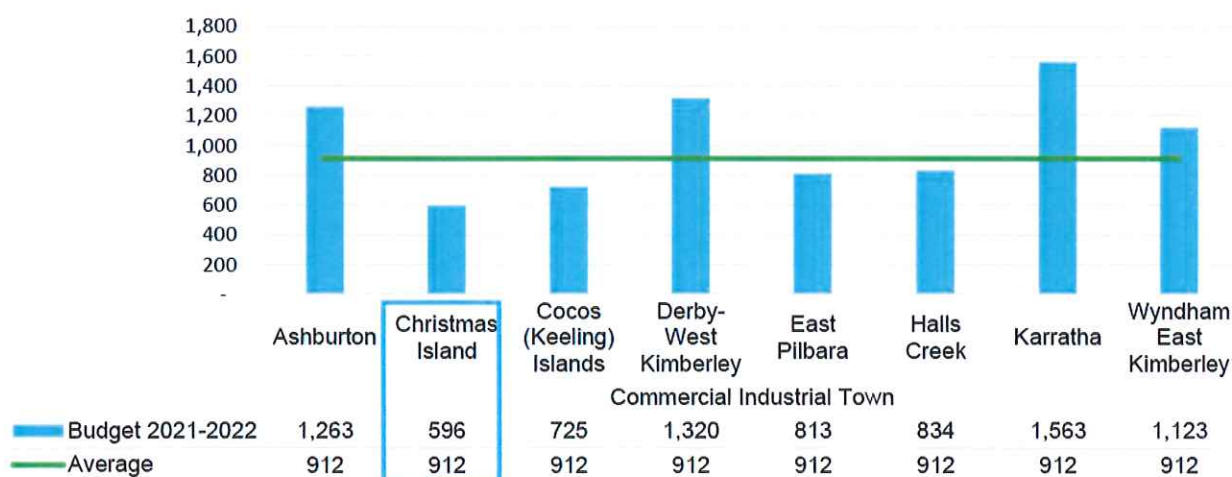
The Shire set a minimum payment for 2020-21 of \$596 for GRV assessments, \$359 for UV assessments.

The Shire's minimum payment is the lowest in the comparison group for each of its GRV rating categories as reflected in the chart below. This indicates there is room to raise the minimum payment level for GRV assessments.

#### 6.7 (a) Minimum Payments – GRV General Residential



#### 6.7 (b) Minimum Payments – GRV Commercial Industrial



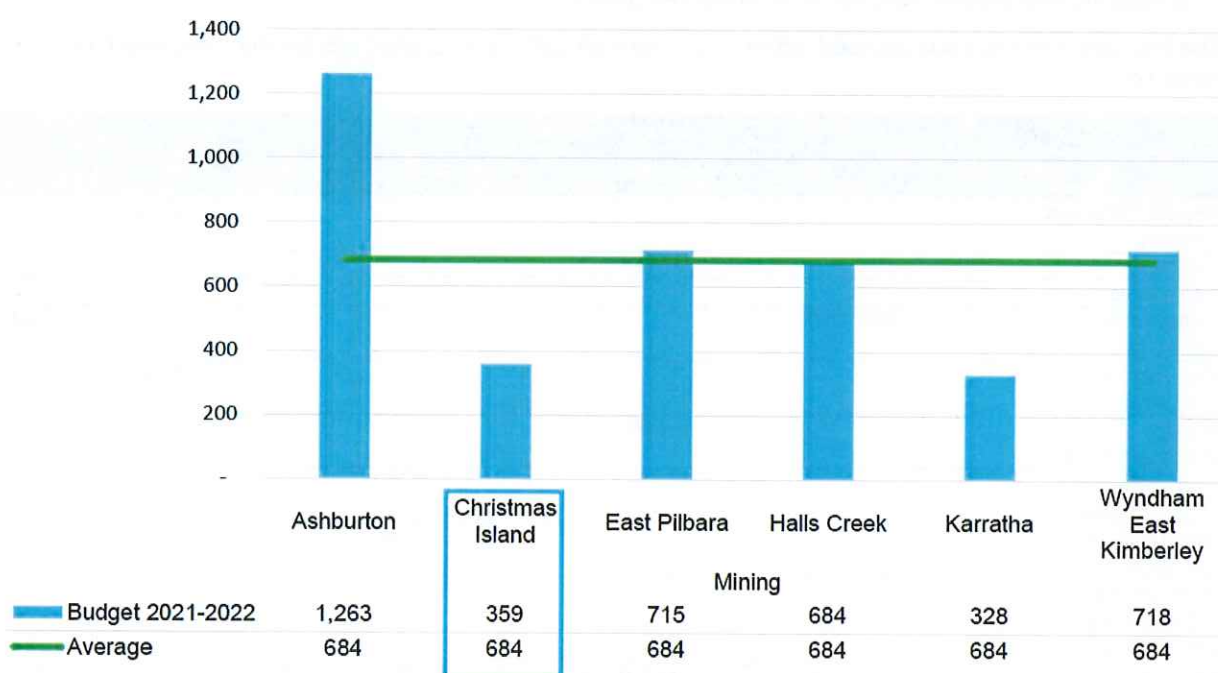
## 6.0 COMPARATIVE LOCAL GOVERNMENTS (CONTINUED)

### 6.8 Comparison Group Minimum Payments (UV)

The Shire set a minimum payment for 2020-21 of \$359 for UV assessments this is substantially lower than the minimum payment for GRV assessments of \$596.

The Shire's minimum payment is the second in the comparison group as reflected in the chart below. This indicates there is room to significantly raise the minimum payment level for UV mining assessments.

#### 6.8 (a) Minimum Payments – UV Mining



## 6.0 COMPARATIVE LOCAL GOVERNMENTS (CONTINUED)

### 6.9 Variations In Gross Rental Value Rating Structures

In assessing the variations in rating structures within the comparison group, four local governments (Derby/West Kimberley, Halls Creek, Meekatharra and Wiluna) apply a uniform general rate for residential, commercial and industrial, with various differential rating categories also existing within the group (including transient worker accommodation, vacant land, airports, strategic industries, and tourism and holiday accommodation).

The local governments of Karratha, Port Hedland and Wiluna rate the transient worker accommodation at levels significantly greater than the other rating categories.

The following table is a summarised outline of the various GRV rates applied across the comparison group in 2018-19:

Rate in the \$	Ashburton	Christmas Island	Cocos (Keeling) Islands	Derby-West Kimberley	East Pilbara	Halls Creek	Karratha	Wyndham East Kimberley
Airport / Strategic Industry							0.157867	
Business			0.1184					
Commercial								0.1443
Commercial / Industrial	0.06593	0.098877						0.1403
Commercial /Industrial							0.10167	
Holiday accommodation			0.1165					
Non - residential - Mixed Business					0.05257			
Non - residential - Industrial					0.05257			
Non - residential - Town Centre					0.05257			
Other vacant								0.2269
Residential	0.10236	0.098877	0.11220	0.129135	0.07679	0.08471	0.118536	0.1463
Rural residential								0.1463
Town Vacant						0.1519		
Transient					0.10514			
Transient Workforce Accommodation / Workforce Accommodation	0.13185						0.390527	
Undeveloped			0.224					

## 6.0 COMPARATIVE LOCAL GOVERNMENTS (CONTINUED)

### 6.10 Unimproved Value (UV) Assessments

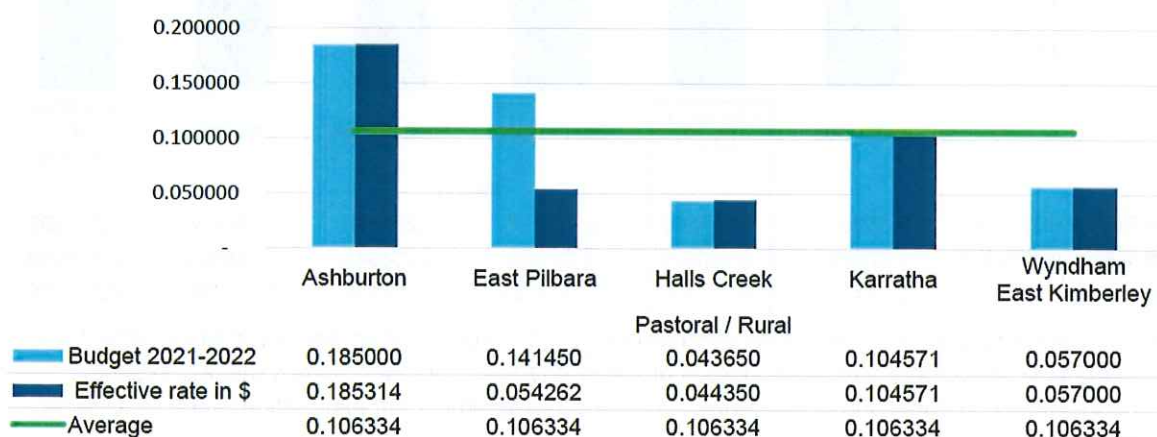
The Shire has a uniform UV rate in the dollar, with a single rate in the dollar for mining and industrial properties valued on an Unimproved Value basis. It is not apparent if any UV rated land currently exists or will exist in the future on the island other than land used for mining. Should any rural land be expected to be utilised for any other purpose than mining it would be appropriate to create a differential UV rating category for rural use.

### 6.11 Unimproved Value Rates (Pastoral / Rural)

The Shire of Christmas Island, like the Shire of Cocos (Keeling) Islands and Shire of Derby-West Kimberley, does not have a separate rate to apply to Unimproved Value (UV) Pastoral / Rural property assessments for 2021-22. The comparison group simple average was 10.6334 cents in the UV valuation dollar.

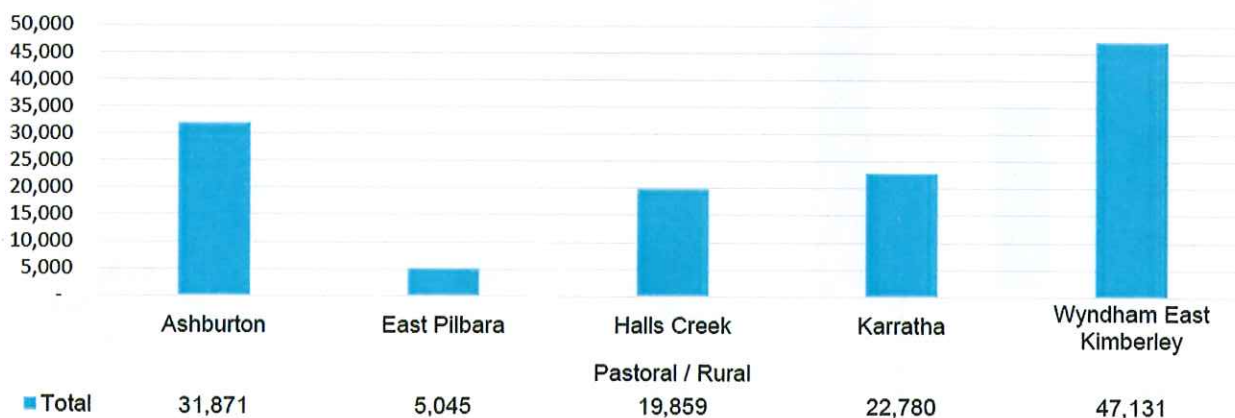
The large difference between the budgeted rate in the dollar and effective rate in the dollar for the Shire of East Pilbara was the significant concessions they granted.

#### 6.10.(a) UV Rate in the Dollar (Pastoral / Rural)



The average levy per assessment for UV pastoral / rural properties for the comparison group with a separate pastoral rural rate is shown below. The average across the group is \$25,337.

#### 6.10.(b) UV Average Rate Revenue Per Assessment (Pastoral / Rural)



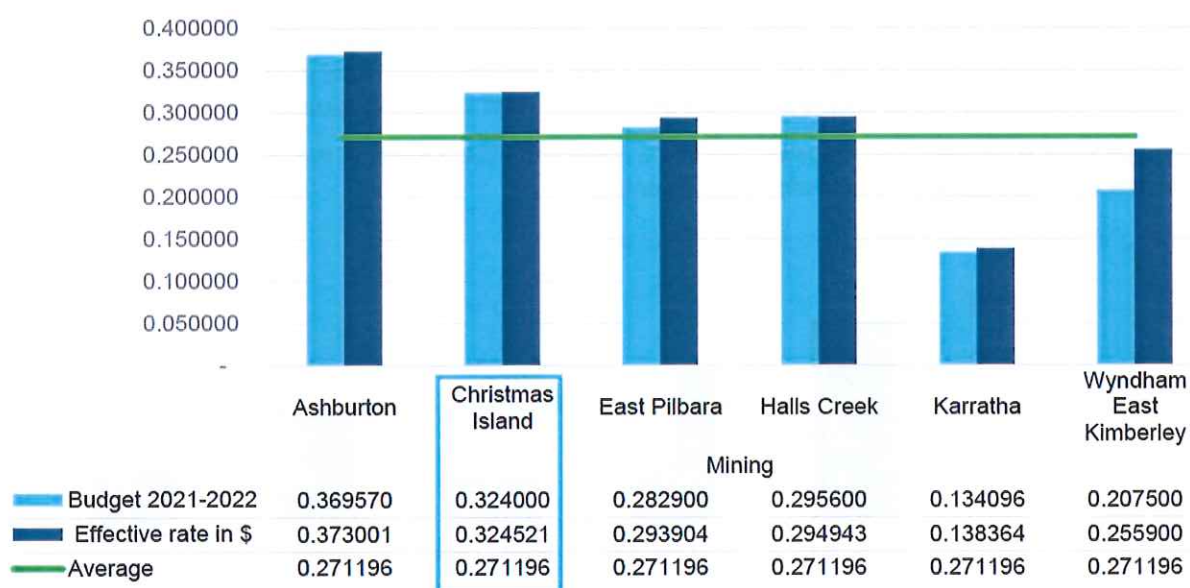
## 6.0 COMPARATIVE LOCAL GOVERNMENTS (CONTINUED)

### 6.12 Unimproved Value Rates (Mining)

The Shire's effective average rate applied to Unimproved Value (UV) mining property assessments for 2021-22 was 32.4521 cents in the UV valuation dollar, compared to the group simple average of 27.1196 cents in the UV valuation dollar.

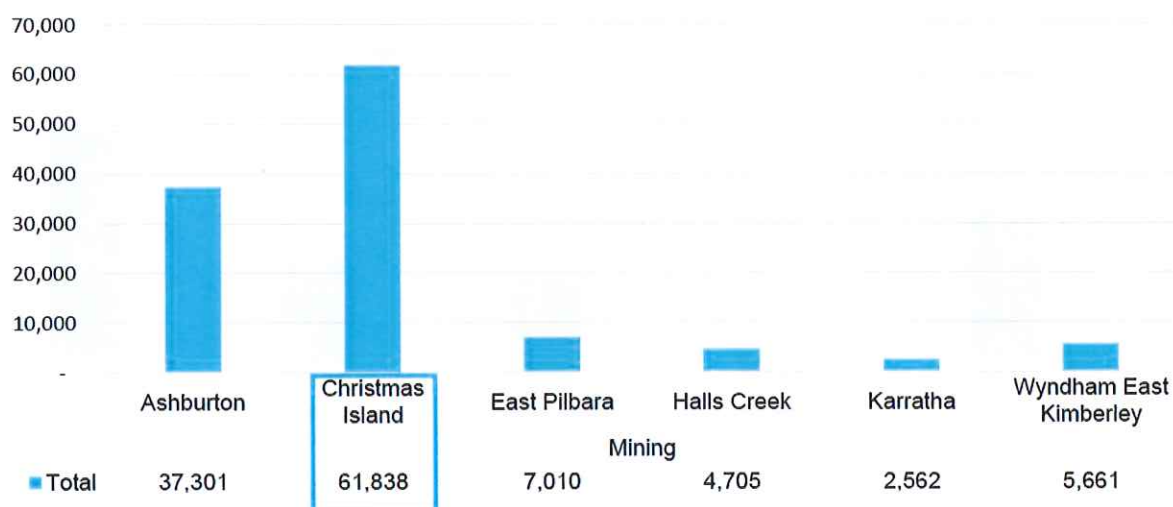
Only the Shire of Ashburton had a higher effective rate in the dollar.

#### 6.12.(a) UV Rate in the Dollar (Mining)



The UV average rate revenue per assessment (Mining) is the highest when compared to the other local governments in the comparison group. This is probably due to the number of low value exploration tenements in the comparison local governments where a large amount of exploration is currently being undertaken.

#### 6.12.(b) UV Average Rate Revenue per Assessment (Mining)



## 6.0 COMPARATIVE LOCAL GOVERNMENTS (CONTINUED)

### 6.13 Variations in Unimproved Value Rating Structures

In assessing the variations in rating structures within the comparison group, all local governments except Christmas Island and Derby/West Kimberley apply differential rate categories for Pastoral / Rural and Mining properties. Additional categories are also used for some of the comparison group. It is questionable as to whether the basis of valuation for properties in these categories is appropriate.

The following table is a summarised outline of the various UV rates applied throughout the comparison group in 2021-22:

	Ashburton	Christmas Island	Derby-West Kimberley	East Pilbara	Halls Creek	Karratha	Wyndham East Kimberley
Agricultural							0.01170
Commercial/Industrial						0.186544	0.00780
General Rate		0.32400	0.07280				
Horticulture							0.01020
Mining					0.36403	0.134096	0.27670
Mining - Exploration and Proposals							0.13830
Other	0.36957			0.28290			0.00660
Pastoral	0.18500					0.104571	0.05700
Prospecting and Exploration					0.22717		
Rural and Pastoral				0.14145	0.04365		
Rural Residential							0.13200

## 7.0 RATING AND COSTS OF SERVICES

The five principles of rating do not consider the costs of service provision when determining rating structures as rates are not intended to be set based on a on the costs of services a ratepayer or group of ratepayers receives. Ensuring fairness and equity in rating does however require consideration of the costs of provision of services which are primarily of benefit of a small number of ratepayers

Christmas Island does however have unique considerations when trying to achieve fairness and equity in its rating due to the low number of UV ratepayers and dominance of the mine's activity within the both the UV and GRV rateable areas of operations.

### 7.1 Land Use in the District

Outside of the townsite predominant land use on the Island is nature reserve which is not rateable land. This combines and integrates the Detention Centre which is also exempt from rates resulting in mining operations being the only ratepaying entity outside of the townsite. Currently no land is rated as UV rural indicating all land outside of government land is used for non-rural purposes.

The unsealed road network on the island exists primarily to service the three land uses described above with a small usage also relating to community and tourist access around the island.

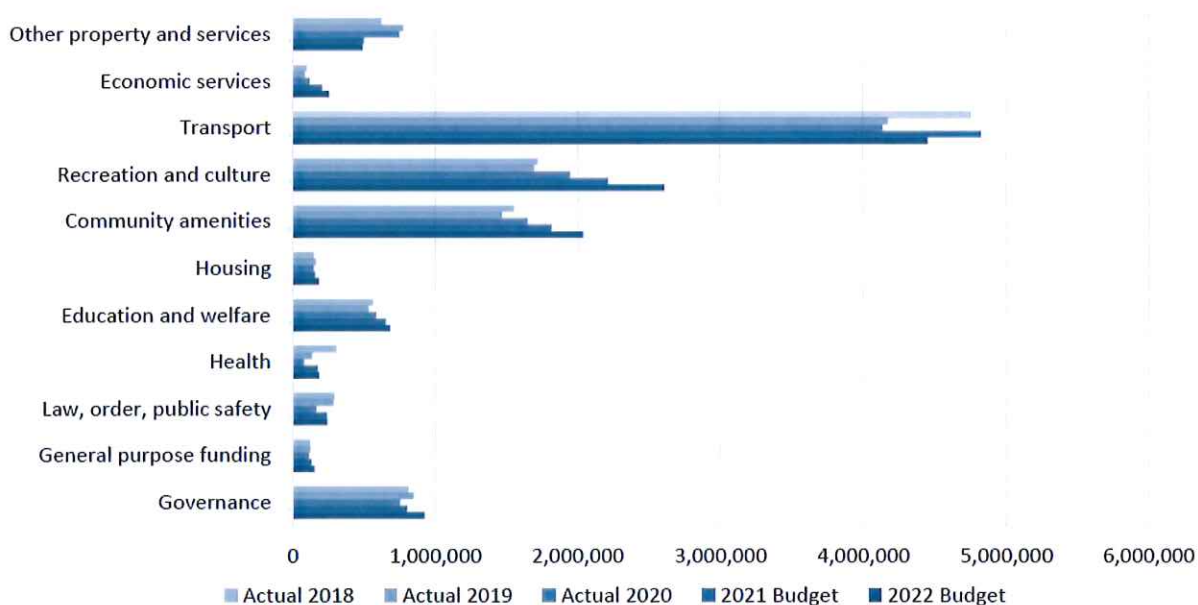
Rateable land use within the townsite is largely either residential or commercial/industrial land.

### 7.2 Costs of Services

The Shire does not maintain detailed cost analysis of the services it provides to any particular sector of the community. Costs by program represent a broad analysis of services across the Island as a whole.

Operating expenses by program over the last 5 years is shown in the chart below. Expenditure on the transport program is clearly the dominant expenditure item and on average is approximately 50% of rate revenue.

#### 7.2.(a) Operating expenditure by program 2018-2022



The escalation in expenditure within the Recreation and Culture and Community amenities programs is very pronounced. Escalations in community amenities expenditure should ideally be covered by increases in related fees and charges. Recreation and Culture expenditure increases require additional rate revenue to fund them unless additional external grants are received.

## 7.0 RATING AND COSTS OF SERVICES (CONTINUED)

### 7.3 Rural Road Network Costs

Maintenance of the rural road network is a significant cost to the Shire and likely to escalate significantly in the near term given recent increases in fuel costs. Usage of the road network by the larger community is largely limited to tourism related activities with relatively low road use and low required levels of service.

Impacts of rural road usage by federal government activities from the immigration centre and nature reserve operations are largely reimbursed through the road maintenance funding and grant funding by the federal government. Given the federal land is unrated this contribution is essential and without it the Shire would be unable to undertake the required road maintenance.

Mining operations currently make no direct contribution to the maintenance of the road network despite the significant impact these operations have due to the weight and frequency of mine traffic on the roads. Current UV mine rates do not cover the cost of Shire expenditure on the rural road network resulting in the cost of mine operations effectively being subsidised by other ratepayers. This cannot be viewed as fair and equitable rating given the mine is the largest commercial operation on the island with the greatest capacity to pay.

Ensuring fairness and equity of rating does require an appreciation of whether one group of ratepayers obtains substantially higher benefits from Shire services than other ratepayers, as these ratepayers should ideally pay a greater portion of the total rate yield than ratepayers receiving a lower level of benefit from Shire services.

Ideally each year the total cost of expected rural road maintenance should be recovered from the federal government through road maintenance funding or grants along with funding from the mine through either the formation of a road user agreement or alternatively imposition of a UV rate which at the least recovers the annual projected costs of rural road usage. Under this type of arrangement rural road use by island residents for recreational or tourism purposes is compensated for through the use of the townsite road network by the mine.

UV mining rates should provide a contribution to general Shire operations and administration above and beyond the costs of maintaining the road network for the benefit of the mine. The extent of this contribution to general Shire operations is a budgetary decision for elected members however the rating principles should be followed in making this determination.

## 8.0 RATING AND STRATEGIC DOCUMENTS

### 8.1 Current Strategic Documents

The Shire's Strategic Community Plan was based on the "Our Future: Christmas Island 2021 Plan" and was reviewed in 2011 and 2013. The Plan is currently out of date and whilst we understand this is being reviewed and updated, we are unable to consider the impact of this plan on the Shire's rating structure.

Like the Strategic Community Plan, the Corporate Business Plan 2017-21 is no longer current.

Two key points are made in the Corporate Business Plan namely:

- Investment into a 'Tourism Ready' footing; and
- Road Asset Management Focus.

A number of actions are detailed under the following themes:

- Land Use Planning;
- Infrastructure Planning;
- Economic Diversification;
- Protecting the Natural Environment;
- Community Capacity, Health and Wellbeing; and
- Governance and Institutional Capacity.

A four year financial forecast is included in the Corporate Business Plan extracted from the 2013-2028 Long Term Financial Plan. The long term financial plan requires review and updating given the dynamic changes in logistics costs structure, raw materials and fuel increases in recent years.

No other current strategic documents were provided to us.

### 8.2 Impact of strategic documents on rating

Maintaining the currency of key strategic documents is important for guiding future rating decisions. We note a new Strategic Community Plan is planned to be completed for adoption in 2022, once adopted all other key strategic plans should be reviewed and updated to maintain alignment with the community's aspirations for the future of the Shire of Christmas Island.

Consideration of the adopted strategic plans when determining rating structure is not viewed as appropriate, given the current status of these plans.

## 9.0 CURRENT RATING CONSIDERATIONS

### 9.1 Rate Scenario Modelling

Rates scenario modelling provides for countless possible combinations for differential rates and minimum payment levels and is only worth undertaking once key decisions in relation to the following matters have been made:

- Desired total rate yield;
- Desired rate yield per valuation category;
- Optimal minimum payment level; and
- Level of waste charges included within the rate.

When examining options for differential rating scenarios an understanding of the capacity of one group of ratepayers to pay more than another is needed. In relation to UV rating where there is true non-rural use of the land other than mining impacts of the method of valuation of UV land as compared to valuation of mining assessments is needed. This is particularly important for Christmas Island with no land leases of rural properties to provide a basis for valuation.

### 9.2 Ministerial Approval

Due to the potential for a differential rate to target ratepayers for a higher average rate contribution than would otherwise be the case, restrictions apply to the highest differential rate not being permitted to be more than twice the lowest differential rate unless Ministerial approval is obtained before setting and imposing the rate.

Similar restrictions apply for minimum payments in each category.

Significant risks, time delays and administrative burden exists where a local government must obtain Ministerial approval. In order to reduce these risks and maintain compliance with rating principles, where possible, the Shire should avoid setting differential rates requiring Ministerial approval.

## 10.0 FUTURE RATING CONSIDERATIONS

When considering future rating levels, Council should always be guided by the five overarching rating principles detailed below. These principles are aligned to the Department's principles and should ideally be captured within Council Policy.

### 10.1 Overarching Principles

#### **Objectivity**

As far as possible, the predominant use of land should be reviewed and determined based on an objective assessment of relevant criteria. External parties should be able to understand how and why each determination was made.

#### **Fairness and equity**

Rating principles should be applied fairly and equitably. Each property should make a fair contribution to rates based on a method of valuation appropriately reflecting the predominant use.

#### **Consistency**

Rating principles should be applied, and determinations made, in a consistent manner. Like properties should be treated in a like manner.

#### **Transparency**

Systems and procedures for determining the method of valuation of land should be clearly documented and available for the public to inspect. This is fundamental to the "good government" principle the Act is based upon. The right to govern accompanies the obligation to do so openly and fairly.

#### **Administrative efficiency**

Rating principles and procedures should be applied and implemented in an efficient and cost-effective manner.

### 10.2 Policy considerations

Where there is a lack of legislative clarity policies aligned to the overarching rating principles should be adopted by Council to guide officers in developing procedures and any assessment required of them. Two common areas where adoption of a Council Policy may assist the Shire in achieving the overarching rating principles are:

- Rate exemption status of properties; and
- Making of an application to the Minister for a change in valuation method of a property.
- Council Policy may provide further guidance to officers when undertaking rate modelling through establishment of further principles such as:
  - Whether statutory limits may be exceeded subject to Ministerial approval;
  - Circumstances where differential rating may be considered in line with the overarching principles;
  - The basis for determination of minimum payment levels;
  - Use of concessions, waivers or discounts; and
  - Inclusion of waste collection charges within the general rate.

Each of these policy areas is discussed further over the page.

## 10.0 FUTURE RATING CONSIDERATIONS (CONTINUED)

### 10.2.1 Rate Exempt Status

Local governments are required to rate all properties in the district, except properties exempt by Section 6.26 of the *Local Government Act 1995 (WA) (CI)*.

Conditions pertaining to certain:

- Crown land;
- Local government land;
- Regional local government land;
- Religious use land;
- Education use land;
- Charitable use land;
- Agricultural use land; and
- Other land by law or Ministerial declaration

may render the property to be non-rateable.

Determining the validity of the ratepayers claim for non-rateable status of their property may in certain cases be subjective, especially in relation to a charitable status of a property.

Policies designed to assist in determining the rateability status of properties may provide guidance to the community aligned to the principles of objectivity, fairness and equity, consistency, transparency and administrative efficiency. The Policy would define the basis for the determination and the frequency of the application needing to be made.

### 10.2.2 Change In Valuation Method

Section 6.28 of the *Local Government Act 1995 (WA) (CI)* requires local governments to rate all properties based upon the method of valuation determined by the Minister.

Where the land is used predominantly for rural purposes, the valuation method is the unimproved value of the land. Where the land is not used predominantly for rural purposes, the valuation method is the Gross Rental Value of the land.

As land use changes, application to the Minister may be required for a change in the basis of valuation. The Department has issued guidance on what is required to make this application to the Minister. The subjective nature of the decision means the process of applying to the Minister may be time consuming and may create tension with landowners. Policy providing a decision process to be followed and assist in the determination of when to make an application may assist in upholding the rating principles.

## 10.0 FUTURE RATING CONSIDERATIONS (CONTINUED)

### 10.2.3 Consideration of Differential Rating Circumstances

Section 6.33 of the *Local Government Act 1995 (WA) (CI)* enables local governments to impose differential rating on properties based on zoning, purpose, if vacant or not, or other prescribed characteristics.

Although no differential rating currently exists in the Shire, this may not always be the desired position of the Council.

In adopting variations to a single rate in the valuation dollar, Council also considers the variation to uniform rating as necessary to achieve a more equitable outcome.

Council may consider imposing a single rate in the valuation dollar for all GRV properties and two rates in the valuation dollar for properties rated using an Unimproved Value (UV). This would be due to a difference in valuation methodology, with the differential rates being for:

- Mining lease property assessments; and
- Rural property assessments.

The determination of this position should be guided by possible future commencement of land use for rural purposes other than mining.

### 10.2.4 Minimum Rate Level Determination

Section 6.35 of the *Local Government Act 1995 (WA) (CI)* permits a local government to impose a minimum payment on any rateable land in the district greater than the general rate otherwise payable on the land.

The purpose of a minimum payment is to ensure all assessments make a minimum contribution in rates regardless of the assessment valuation.

A maximum of 50% of properties where this minimum payment may be applied is currently legislated, with conditions applying.

One option to guide the determination of the level of minimum payments is to determine the net cost of services which exhibit the general characteristics of a 'public good'. These are non-exclusive services where consumption does little to diminish their value. Included would be general-purpose funds from the Federal Government and the net cost of those services that are of benefit to all ratepayers such as community health and safety, transport and planning.

A positive rating strategy adds certainty and predictability to the rate setting process. Although it may be attractive to seek a formula for setting minimum payment levels in a similar way to that above, this may not always result in consistent rating outcomes. Some form of averaging may be required as the net cost of services may change from year to year for valid purposes leading to inconsistency. For this reason, a conceptual framework for the level of minimum payments should be established within a policy, rather than a rigid formula driven process.

The policy could define the aim of covering the average cost of 'public good' services whilst also setting maximum thresholds lower than the statutory thresholds which only apply to the uniform rate. The policy may also require a uniform minimum payment regardless of the basis of valuation.

## 10.0 FUTURE RATING CONSIDERATIONS (CONTINUED)

### 10.2.5 Application of Concessions

Changes in the rating structure will have varying degrees of impact on individual ratepayers.

Section 6.47 of the *Local Government Act 1995 (WA) (CI)* permits Council to resolve to grant a concession in relation to a rate or service charge.

Council may consider the financial impact on those most significantly impacted by rating changes as a suitable reason to apply a concession. Using concessions in such broad terms to adjust for valuation changes is not sustainable and conflicts with the general premise under the Act that rates should be determined by the value of the property. The application of concessions is also difficult to manage administratively.

Concessions may also be considered where extenuating circumstances negatively impact one group of ratepayers (e.g. some form of natural disaster occurs). The determination of the suitability of the application of a concession, and the level and details of any such concession, are subjective and ideally guided by Council policy.

### 10.2.6 Combining Waste Collection Charges with Rates

The *Waste Avoidance and Resource Recovery Act 2007* confers the obligation of undertaking waste services to local governments as well as the power to impose waste collection rates and charges.

Nothing within this legislation requires the local government to charge for these services.

We are aware of local governments within Western Australia where the waste service is incorporated into the property rates. Inclusion of basic waste charges within the rate in the dollar simplifies administrative requirements and permits eligible pensioners to access a greater level of rebate from State government than would otherwise be possible. Inclusion of waste charges within the rate in the dollar results in exempt properties not incurring a charge for standard waste collections, resulting in rateable properties covering the cost of providing all services to exempt properties.

Determination of the suitability of this position as applicable to the Shire is a matter best determined by Council policy.

# OTHER MATTERS

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## CONTACT US

Level 15, 2 The Esplanade,  
Perth WA 6000

T 08 9225 5355

F 08 9225 6181

E [localgov-wa@moore-australia.com.au](mailto:localgov-wa@moore-australia.com.au)

[www.moore-australia.com.au](http://www.moore-australia.com.au)



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## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting
AGENDA REFERENCE	10.5.3
SUBJECT	Housing Stress Workshop Summary Minutes
LOCATION/ADDRESS/APPLICANT	
FILE REFERENCE	1.2.6
INTEREST DISCLOSURE	Nil
DATE OF REPORT	11 <sup>th</sup> April 2022
AUTHOR	Chris Su
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATIONS

That Council receive the summary minutes of the 30th March 2022 Housing Stress Workshop and Survey Launch.

### BACKGROUND

As part of the mandatory Local Planning Strategy review, Council held a series of community engagements in November 2021 for different precincts as well as one for young persons. The common theme across them all was housing affordability, housing stress and overall accommodation difficulties on the Island. This prompted Council staff to create a specific engagement with the community to learn more.

### COMMENT

Please see attached summary minutes of residents' opinions on the factors contributing to the current housing stresses, and some suggestions for how to address from the public workshop on 30.3.2022. These summary minutes were also provided to the Community Consultative Committee meeting of April 6<sup>th</sup> 2022.

Both major parties have different Regional Housing Strategies to be put in place post-election. As LPS3 will be adopted after the May 21st election, it should take into consideration the respective parties' Regional Housing Strategy in the finalising of the upcoming LPS3.

The summary minutes have been sent to the planning consultant to help inform the LPS3 review. It is expected Local Planning Policies would be proposed to help mitigate some of the addressable challenges from a municipal perspective in the new LPS3.

Statistics have been collected from the workshop till 17<sup>th</sup> April. 81 responses were collected, with staff analyzing the data points to input into LPS3 review.

**STATUTORY ENVIRONMENT**

Local Governments in WA must prepare a Local Planning Strategy for their municipality as per *the Planning and Development (Local Planning Schemes) Regulations 2015, Part 3, section 11*.

**FINANCIAL IMPLICATIONS**

n/a

**STRATEGIC IMPLICATIONS & MILESTONES**

CI 2021 Plan: *Land Use 3 - Determine the long-term housing and tourism accommodation needs on CI, including aged care housing*

CI 2021 Plan: *Land Use 6 – Draft and implement a land release and development plan as part of the Local Planning Strategy and Town Planning Scheme*

**VOTING REQUIREMENTS**

A simple majority is required.

**ATTACHMENTS**

10.5.3.1      Housing Stress Workshop and Survey Notes, Community Hall  
30.3.2022

# Christmas Island Housing Stress Survey and Workshop



Poon Saan Community Hall  
30.3.2022

**Facilitator:** Chris SU, Manager of Governance, Research, Policy and Grants

**Attendees:** 38

## Meeting Notes –

### Presentation Session 4.35pm

Chris SU asked attendees for their thoughts on Island housing affordability on Christmas Island in the last two years.

#### What are the factors you think might have led us here?

Meeting attendees stated:

- Christmas Island Phosphates have been purchasing houses in the market for their own worker use in quite high numbers in the last two years. This reduces the supply on the Island for rentals.
- 2010s was the last rental crunch as the Immigration Detention Centre experienced its first boom. IDC agencies procured rentals across the Island, pushing up the rental prices significantly. Attendees think this housing stress crunch is worse.
- Attendees stated that companies and Government can afford to pay higher rents, which pushes the cost of rents up island-wide.
- Some attendees thought the '*bust*' period between the 2010s IDC boom and the 2020 COVID boom saw a fall in rents. Availability and choice of rentals was also less stressed.
- Attendees noted that it was '*impossible*' to rent at these prices and save for a housing deposit at the same time.
- A young, single attendee who came to work on Island from the mainland said it was difficult to find room mates to split rent with. Noted that young locals had housing options with family, and other young persons had come to the Island with housing provided. Shared with the meeting that it is difficult to find rental options.
- Attendee stated that it was '*very challenging to find a place,*' and put that some landlords did not seem to want to accept a cheaper rent offer, preferring that to keep their houses empty for when a boom-period with higher market rents returned.
- Council attendee Gordon THOMSON put forward that the free market delivered high rents as people took out larger mortgages to pay for more expensive housing.

# Christmas Island Housing Stress Survey and Workshop



Poon Saan Community Hall  
30.3.2022

This translated to higher rental prices in the market. *A cycle of uplifting costs.*

- The inelastic housing supply and increase in demand drove rental prices significantly higher.
- Council attendee Gordon THOMSON stated that housing should be a human right and that the profit motive in the private sector could not deliver a reasonable rent in the housing sector. Simultaneously the shortage of houses has also driven up the asking price of selling prices for houses.
- *"It is a cycle of impossible costs for young Islanders."*

## **Chris SU asked if anyone in the meeting had tried to, or is living in public housing at the moment?**

Meeting attendees stated:

- One young couple responded that they have, and that their rent had slowly increased over time. Noted that public housing rental is capped at 25% of income of household.
- A young attendee summarised the eligibility criteria for entry into the public housing stock, operated by IOTA. Anyone employed on CI in even a part-time role would be over the benchmark for entry into public housing

Attendees noted the grandfathered public housing tenants at the moment who earn above the entry benchmark and have been for years, yet still residing in public housing.

- Young couple, pregnant at the time, left a one bedroom public housing unit when IOTA informed them that it would not be possible for them to move into a two-three bedroom public housing unit.

They are presently renting a two-bedroom place in the private market. They feel insecure in their present rental as landlords have many options for tenants.

- Attendee informed the meeting that several one-room public housing units in Poon Saan were being outfitted with air-con at the present to accommodate COVID-19 nursing staff.
- Attendees put forward that the inability to retain young persons on Island leads to poor social and economic outcomes for the Island in the long term.
- Attendee stated that the bank requires a 30% cash deposit before they could consider a home loan for an Islander. Attendees saw this as an insurmountable challenge whilst they were paying high rents.

# Christmas Island Housing Stress Survey and Workshop



Poon Saan Community Hall  
30.3.2022

**Chris SU asked what were some things that we can do to lead us out of this present situation?**

Meeting attendees discussed:

- One person who is provided employer accommodation provided an overview of some WA State initiatives in place that shared the cost of home ownership with an owner. Noted that there were initiatives in place to assist with home ownership.
- Chris SU had thought this might be the WA 'Key Start' program; attendee said it might be another program.
- Councillor attendee Azmi YON recounted the years of struggle with the promised 'rent-to-buy' program for Christmas Island public housing. This program was to mirror the WA Homes West model where persons who had lived extended periods of time in public housing would be able to purchase their homes from the State. The State would then use funds to develop new public housing stock.

A delivery on the 2001 'rent-to-buy' promise to Christmas Island by the Minister of the day would refresh the public housing stock on Christmas Island as current tenants acquired their place of residence.

- An attendee stated that they thought there were persons in public housing who actually owned private property on Christmas Island. They put that this was not justified. Attendee also noted that Commonwealth staff such as teachers who receive subsidised housing on Christmas Island also acquire property on Christmas Island.
- Councillor attendee Kelvin LEE shared that he had once been in public housing and saved the 30% required for home loan a \$110k Poon Saan unit over many years. Greatly concerned for young people who had to try and accomplish the same, especially for those not in public housing. Great concern for the 'hidden homelessness' of the young persons on Christmas Island.

Noted that the the market supply of housing was largely static. No new homes have been built for years; the biggest additions to housing supply in the last decade was a Commonwealth \$28m build of Drumsite Village to house teachers, nurses and other Commonwealth staff.

- Councillor attendee Gordon THOMSON recounted the annual agendas with Ministers of the day since the 2001 promise to transfer public housing stock to their occupants. The Commonwealth had made that promise to the people, and it was up to Islanders to hold them to that promise.
- Restated that *'we just want a standard of decency, the human right to housing.'*
- Gordon THOMSON put that Housing Co-Operatives nationwide combine the efforts of members to build their own accommodation. A Housing Co-Operative is a collective of

# Christmas Island Housing Stress Survey and Workshop



Poon Saan Community Hall  
30.3.2022

people helping each other and keeping the control of the housing amongst themselves.

Gordon THOMSON stated that Christmas Islanders could not rely on an outside solution; a permanent solution outside the market needed to be created on Island.

- Attendee asked about Taman Sweetland housing lots that used to be in the area in the past, and if those areas could be reopened again?
- Gordon THOMSON introduced the Local Planning Strategy maps on the table and the proposed use of currently vacant Crown Land into future residential areas. These were at the Phosphate Hill and North Silver City precincts respectively. THOMSON spoke of Council's need to plan for the future for the time when sea level rises make Flying Fish Cove uninhabitable. Notes the dangers from the rockfall and ocean.
- THOMSON said that the Commonwealth needs to make the currently vacant Crown Land available to a non-profit enterprise such as a Housing Co-Operative. This would ensure that the newly available land could be improved upon outside the market system.
- An attendee asked if the new vacant Crown Lands could sustain aged care residences?
- Chris SU and Gordon THOMSON informed the meeting that Department of Territories have made plans to build a Residential Aged Care facility adjunct to the IOTHS. Planning and design had been underway for a year now; Chris SU informed meeting that he keeps in contact with the project officers to be across progress.
- The vacant Crown Land has potential to accommodate different resident types from aged care to relocation due to climate change.

## Breakout Session, 5.50pm

- An attendee said that the public housing rules were not fairly operated in their opinion. The CASA Recreation Centre Manager had been issued a 3 bedroom public housing unit in Flying Fish Cove when they could not find a new rental to move into in 2021.

The rental property CASA had provided for their Recreation Centre Manager had been purchased by CIP. After failing to find a suitable rental, the Commonwealth provided them with a three bedroom public housing unit in Flying Fish Cove.

CASA are contractors to the Commonwealth in the provision of Rec Centre management.

- Overall cost of living pressures (private rent, fuel, food, etc) made it impossible to save for a 30% deposit was the sentiment of the break out group. *"We're stuck."*

## Christmas Island Housing Stress Survey and Workshop



Poon Saan Community Hall  
30.3.2022

- Call for a review of the Public Housing Policy for Christmas Island; attendees found it unacceptable that people above the benchmark are able to continue to stay in housing whilst young persons are ineligible on lower wages (but still above benchmark).

Attendees did not want to displace persons from housing, but to access it themselves as well.

- Attendees were warm to the idea of a Housing Co-operative where accommodation is provided without an underlying profit motive. Wanted to see leadership in the solution before committing; they noted they had no capital to contribute to the establishment of housing.

End - 6.20pm