



**File No:** 4.1.14

**NOTICE OF ORDINARY MEETING OF COUNCIL**

Dear Councillor,

The next Ordinary Meeting of the Northampton Shire Council will be held on Friday 20<sup>th</sup> May 2022 in the Meeting Room of the Allen Centre, Grey Street, Kalbarri, commencing at 1.00pm.

A handwritten signature in blue ink, appearing to read 'Garry L KEEFFE', is shown above the printed name.

**GARRY L KEEFFE**  
**CHIEF EXECUTIVE OFFICER**  
**13<sup>th</sup> May 2022**



# ~ Agenda ~

**20<sup>th</sup> May 2022**

## **NOTICE OF MEETING**

Dear Elected Member

The next ordinary meeting of the Northampton Shire

Council will be held on Friday 20<sup>th</sup> May 2022, at the

Allen Centre, Kalbarri commencing at 1.00pm.

**GARRY KEEFFE**  
**CHIEF EXECUTIVE OFFICER**

**13<sup>th</sup> May 2022**

## SHIRE OF NORTHAMPTON

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In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for licence, any statement, limitation or approval made by a member or officer of the **Shire of Northampton** during the course of any meeting is not intended to be and is not taken as notice of approval from the **Shire of Northampton**. The **Shire of Northampton** warns that anyone who has lodged an application with the **Shire of Northampton** must obtain and should only rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the **Shire of Northampton** in respect of the application.

Signed  \_\_\_\_\_

Date 13<sup>th</sup> May 2022

**GARRY L KEEFFE**  
**CHIEF EXECUTIVE OFFICER**

**AGENDA**  
**ORDINARY MEETING OF COUNCIL**  
**20<sup>th</sup> May 2022**

**1. OPENING**

**2. PRESENT**

- 2.1 Leave of Absence
- 2.2 Apologies

**3. QUESTION TIME**

**4. DISCLOSURE OF INTEREST**

Councillors are to advise the Presiding Member or Chief Executive Officer prior to the meeting commencing of items they have a financial interest in or alternatively declare their interest immediately before the item that is to be discussed.

**5. CONFIRMATION OF MINUTES**

- 5.1 Ordinary Meeting of Council – 22<sup>nd</sup> April 2022

**6. RECEIVAL OF MINUTES**

**7. REPORTS**

- 7.1 Works & Technical Services
- 7.2 Health/Building
- 7.3 Town Planning
- 7.4 Finance
- 7.5 Administrative & Corporate

**8. COUNCILLORS & DELEGATES REPORTS**

- 8.1 Presidents Report
- 8.2 Deputy Presidents Report
- 8.3 Councillors' Reports

**9. NEW ITEMS OF BUSINESS FOR DECISION**

**10. NEXT MEETING**

**11. CLOSURE**



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#### 3.1 OPENING

The President thanked all Councillors and staff present for their attendance and declared the meeting open at 1.00pm.

#### 3.2 PRESENT

Cr L Sudlow	President	Northampton Ward
Cr R Horstman		Northampton Ward
Cr T Gibb		Kalbarri Ward
Cr D Pike		Kalbarri Ward
Cr R Suckling		Northampton Ward
Cr P Stewart		Kalbarri Ward
Mr Grant Middleton	Deputy Chief Executive Officer	
Mrs Michelle Allen	Planning Officer	

##### 3.2.1 LEAVE OF ABSENCE

Nil

##### 3.2.2 APOLOGIES

Cr T Hay	Northampton Ward
Cr R Burges	Kalbarri Ward

#### 3.3 QUESTION TIME

Nil

#### 3.4 DISCLOSURE OF INTEREST

Cr STEWART declared an impartiality interest in item 7.3.3 Proposed Outbuilding – Lot 2 (No. 4) Jacques Boulevard, Kalbarri as Cr STEWART employs a member of the applicant's family.

Cr SUDLOW declared an impartiality interest in item 7.5.5 Australian Local Government Association – National General Assembly as Cr SUDLOW is included in the Officer's recommendation as a nominated attendee.

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Cr HORSTMAN declared an impartiality interest in item 7.5.5 Australian Local Government Association – National General Assembly as Cr HORSTMAN is included in the Officer's recommendation as a nominated attendee.

#### 3.5 CONFIRMATION OF MINUTES

##### 3.5.1 CONFIRMATION OF MINUTES – ORDINARY COUNCIL MEETING FRIDAY 18<sup>th</sup> MARCH 2022

Moved Cr STEWART seconded Cr GIBB

That the minutes of the Ordinary Meeting of Council held on the 18<sup>th</sup> March 2022 be confirmed as a true and correct record.

CARRIED 6/0

#### 3.6 RECEIVAL OF MINUTES

##### 3.6.1 RECEIVAL OF MINUTES – ANNUAL BUSH FIRE ADVISORY COMMITTEE MEETING – 6<sup>th</sup> APRIL 2022

Moved Cr SUCKLING, seconded Cr PIKE

That the minutes of the Annual Bush Fire Advisory Committee Meeting held on the 6<sup>th</sup> April 2022 be received.

CARRIED 6/0

##### 3.6.2 ENDORSEMENT OF BUSH FIRE ADVISORY COMMITTEE MEETING CHANGES – 6<sup>th</sup> APRIL 2022

Moved Cr HORSTMAN, seconded Cr STEWART

That the following changes be adopted for 2022/2023 as recommended by the Bush Fire Advisory Committee:

1. Implement the following restricted and prohibited burning times:

Restricted Period	1/09/2022 - 14/10/2022
Prohibited Burning	15/10/2022 - 14/02/2023
Restricted Period	15/02/2023 - 7/04/2023

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2. Appoint the following Deputy Bush Fire Control Officers:

Mr Len Simmons as Deputy Chief Bush Fire Control Officer – North  
Mr Scott Bridgeman as Deputy Chief Bush Fire Control Officer – South

3. Appoint the following Fire Control Officers:

Rob McKenzie - Chief Bush Fire Control Officer/Captain Isseka BFB  
Len Simmons - Deputy Chief Bush Fire Control Officer/Captain Kalbarri VFRS  
Scott Bridgeman - Deputy Chief Bush Fire Control Officer/Captain Sandy  
Gully/Alma BFB  
Dean (Greg) Teakle - Captain - Northampton VFRS  
Stan Sutherland - Kalbarri VFRS  
Kyle Carson - Captain - Ajana/Binnu BFB  
Greg Poett - Captain - Port Gregory/Yallabatharra BFB  
Lindsay Rowe - Captain - Horrocks BFB  
Matt Johnson - Captain – Ogilvie BFB  
Kyle Carson - Captain - Ajana/Binnu BFB  
Damian Harris – Deputy Captain - Ajana/Binnu BFB  
Glen Reynolds - Lieutenant - Ajana/Binnu BFB  
Jerome Drew – Admin Officer - Ajana/Binnu BFB

4. Appoint the following Permit Issuing Officers:

Garry Keeffe – Chief Executive Officer  
Grant Middleton - Deputy CEO  
Rob McKenzie - Chief Bush Fire Control Officer/Captain Isseka BFB  
Ric Davey – Kalbarri Ranger  
Len Simmons - Deputy Chief Bush Fire Control Officer/Captain Kalbarri VFRS  
Scott Bridgeman - Deputy Chief Bush Fire Control Officer/Captain Sandy  
Gully/Alma BFB  
Dean (Greg) Teakle - Captain - Northampton VFRS  
Stan Sutherland - Lieutenant - Kalbarri VFRS  
Greg Poett - Captain - Port Gregory/Yallabatharra BFB  
Lindsay Rowe - Captain - Horrocks BFB  
Matt Johnson - Captain – Ogilvie BFB  
Kyle Carson - Captain - Ajana/Binnu BFB  
Damian Harris – Deputy Captain - Ajana/Binnu BFB  
Glen Reynolds - Lieutenant - Ajana/Binnu BFB  
Jerome Drew – Admin Officer - Ajana/Binnu BFB

CARRIED 6/0

**3.7 WORKS & ENGINEERING REPORT****3.7.1 INFORMATION ITEMS - MAINTENANCE/CONSTRUCTION WORKS  
PROGRAM (ITEM 7.1.1)**

Noted.

**3.8 HEALTH & BUILDING REPORT****3.8.1 BUILDING APPROVALS (ITEM 7.2.1)**

Noted.

**3.9 TOWN PLANNING REPORT****3.9.1 EXPRESSIONS OF INTEREST – COASTAL AND ESTUARINE RISK  
MANAGEMENT PROGRAM (ITEM 7.3.1)**

Moved Cr SUDLOW seconded Cr STEWART

That Council, due to financial impacts of Cyclone Seroja, defer consideration of the allocation of funds for the ongoing implementation of the Horrocks CHRMAP to the draft 2023/2024 Budget.

CARRIED 6/0

**3.9.2 PROPOSED BBQ PONTOONS AND RENEWAL OF LICENSE  
AGREEMENT – RESERVES 25307, 26591 AND 12996, MURCHISON  
RIVER FORESHORE, KALBARRI (ITEM 7.3.2)**

Moved Cr GIBB seconded Cr SUCKLING

That Council:

1. Grant Development Approval for the experiential use (BBQ Pontoon Hire) of Reserves 25307, 26591 and 12996 Murchison River Foreshore Kalbarri, with the following conditions:

- a. This Development Approval is an approval for the proposed use for the purposes of the Shire of Northampton's *Local Planning Scheme No. 11 – Kalbarri* and the *Planning and Development Act (2005)* only and does not constitute an Agreement/Licence with the Shire of Northampton or the State of Western Australia in their capacities as management bodies of the reserve within which the use is proposed to be located;
  - b. The Pontoon Hire shall be limited to two (2) motorised pontoons with trailers;
  - c. The Applicant shall contact the Shire of Northampton's Environmental Health Officer to ensure compliance with all environmental health regulations;
  - d. The Applicant shall obtain any appropriate approvals for commercial vessel safety with the Australian Maritime Safety Authority, and use approved vessels only, for the two BBQ Pontoons;
  - e. The Applicant shall maintain Public Liability Insurance coverage to a minimum of \$20 million, and forward a copy of this certificate to the Shire of Northampton, to comply with the provisions of the Shire of Northampton's *Local Planning Policy – Commercial Recreational Tourism Activity*;
  - f. This Development Approval is subject to:
    - (i) In-principle approval of the Shire in its capacity as management body of the reserve within which the proposed use is to be located;
    - (ii) Approval of the Minister of Lands in accordance with the provisions of the *Land Administration Act (1997)*;
    - (iii) A License Agreement being entered into by the Applicant and the Shire in accordance with Council's *Local Planning Policy – Commercial Recreational Tourism Activity*;
  - g. This Development Approval shall remain valid whilst the License Agreement referred to above remains current and valid, and on the expiration or in the termination of such Licence Agreement, this Development Approval shall cease to be valid;
2. Authorise delegation to the Chief Executive Officer and Planning Officer for preparation and execution of the Licence Agreement as per the above, with any disputes to be referred back to Council for final determination; and
-

3. Refer the License Agreement to the Department of Planning, Lands and Heritage for Ministerial consent.

Advice Notes

1. *The Applicant is advised that it is not the responsibility of the local government to ensure that all correct approvals are in place and that all conditions contained within said approvals are upheld during the operations of the business.*
2. *If an applicant is aggrieved by this determination there is a right (pursuant to the Planning and Development Act 2005) to have the decision reviewed by the State Administrative Tribunal. Such application must be made within 28 days from the date of this notice.*

CARRIED 6/0

<b>3.9.3 SUMMARY OF PLANNING INFORMATION ITEMS (ITEM 7.3.3)</b>
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Noted

Cr STEWART declared an impartiality interest in item 7.3.3 Proposed Outbuilding – Lot 2 (No. 4) Jacques Boulevard, Kalbarri as Cr STEWART employs a member of the applicant's family.

<b>3.9.4 PROPOSED OUTBUILDING – R-CODE VARIATIONS – LOT 2 (NO. 4) JACQUES BOULEVARD, KALBARRI (ITEM 7.3.4)</b>
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Moved Cr GIBB, seconded Cr HORSTMAN

That Council grant development approval for the proposed Outbuilding upon Lot 2 (No. 4) Jacques Boulevard, Kalbarri subject to the following conditions:

1. Development shall be in accordance with the attached approved plan(s) dated 22 April 2022 and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government;
2. Any additions to or change of use of any part of the building or land (not the subject of this consent/approval) requires further application and development approval for that use/addition;



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3. A building permit shall be issued by the local government prior to the commencement of any work on site;
4. The applicant is to prepare, submit and adhere to stormwater and drainage plans to the approval of the Local Government, with all costs met by the applicant;
5. Any soils disturbed or deposited on site shall be stabilised to the approval of the local government;
6. The proposed outbuilding shall be constructed in materials and colour that matches the existing colorbond fence;
7. The roof of the outbuilding shall be constructed using coated metal sheeting (Colorbond) and the use of Zinalume is not permitted;
8. The development/land use is to have the necessary clearance/fire separation from the western side boundary as required under the relevant legislation including the Building Act 2011 and National Construction Code Series/Building Code of Australia (as amended):
9. Any lighting installed on the building, yard areas or car parking areas shall be located and designed in a manner that ensures:
  - (a) all illumination is confined within the boundaries of the property; and
  - (b) there shall not be any glare nuisance caused to adjoining residents or passing traffic, to the approval of the local government;
10. The development/land use is to be located entirely within the property boundary;
11. The approved outbuilding component (i.e. named 'shed') is only to be used for general storage purposes associated with the predominant use of the land and shall NOT be used for habitation, commercial or industrial purposes; and
12. The use hereby permitted shall not cause injury to or prejudicially affect the amenity of the locality by reason of the emission of smoke, dust, fumes, odour, noise, vibration, waste product or otherwise.

Advice Notes:

*Note 1: The Applicant is advised that this development approval does not negate the requirement to comply with the Dividing Fences Act 1961 in relation to the construction and maintenance of a dividing fence. It is the Applicant's responsibility to obtain any additional approvals required before the use lawfully commences.*

*Note 2: If the development/use the subject of this approval is not substantially commenced within a period of 2 years, or another period specified in the approval after the date of determination, the approval will lapse and be of no further effect.*

*Note 3: Where an approval has so lapsed, no development must be carried out without the further approval of the local government having first been sought and obtained.*

*Note 4: With regard to Condition No. 6 and removal of the dividing fence, this approval is subject to contrary private contractual arrangements between the developing owner and the neighbouring owner.*

*Note 5: With regard to Condition No 10 it is recommended that the services of a licensed surveyor be employed to verify the exact boundary position.*

*Note 6 If an applicant or owner is aggrieved by this determination there is a right of review by the State Administrative Tribunal in accordance with the Planning and Development Act 2005 Part 14. An application must be made within 28 days of determination.*

CARRIED 6/0

<b>3.10 FINANCE REPORT</b>
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<b>3.10.1 ACCOUNTS FOR PAYMENT (ITEM 7.4.1)</b>
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Moved Cr STEWART, seconded Cr SUCKLING

That Municipal Fund Cheques 22191 to 22203 inclusive totalling \$42,811.62, Municipal EFT payments numbered EFT23303 to EFT23407 inclusive totalling \$683,298.75, Trust Fund Cheques 2687 to 2700 totalling \$13,732.27, Direct Debit payments numbered GJ0910 to GJ0918 inclusive totalling \$364,152.29 be passed for payment and the items therein be declared authorised expenditure.

CARRIED BY AN ABSOLUTE MAJORITY 6/0

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#### 3.10.2 MONTHLY FINANCIAL STATEMENTS – MARCH 2022 (ITEM 7.4.2)

Moved Cr PIKE, seconded Cr STEWART

That Council adopts the Monthly Financial Report for the period ending 31<sup>st</sup> March 2022.

CARRIED 6/0

#### 3.10.3 BUDGET SUBMISSIONS 2022-2023 (ITEM 7.4.3)

Moved Cr PIKE, seconded Cr STEWART

That Council will consider the request from the Northampton Bowling Club to be reimbursed the sum of \$4,840 for replacement of the switchboard within the draft 2022/2023 Budget

CARRIED 6/0

### 3.11 ADMINISTRATION & CORPORATE REPORT

#### 3.11.1 NORTHAMPTON RECREATION GROUNDS ABLUTIONS (ITEM 7.5.1)

Moved Cr SUCKLING seconded Cr HORSTMAN

That Council:

1. Selects Landmark for the supply of the five cubicle ablution building at a cost of \$140,000
2. Accepts the quote from Wilson Complete to construct the ablution.

CARRIED 6/0

<b>3.11.2 OUTDOOR SHOWERS (ITEM 7.5.2)</b>
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Moved Cr SUCKLING, seconded Cr GIBB

That Council list for consideration in the draft 2022/2023 Budget a provision of \$42,000 for the installation of six Beach Solo outdoor showers with foot washes, five at Kalbarri to be located at Chinaman's ablutions (2), Sally's Tree ablutions (2) and the Marina ablutions (1) and one at Horrocks Beach.

CARRIED 6/0

<b>3.11.3 LITTLE BAY ROAD – ABORIGINAL HERITAGE SURVEY (ITEM 7.5.3)</b>
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Moved Cr HORSTMAN, seconded Cr SUCKLING

That Council engage the services of Sticks and Stones Cultural Resources Management to undertake an Aboriginal Site Identification Survey for Midden Site 18433 on the Little Bay Road Reserve at estimated cost of \$22,000 and this be declared authorised expenditure.

CARRIED BY AN ABSOLUTE MAJORITY 6/0

<b>3.11.4 LEASE – NORTHAMPTON CHILD CARE CENTRE (ITEM 7.5.4)</b>
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Cr HORSTMAN acknowledged the work undertaken by Staff over a period of eight (8) years and formally thanked them for their assistance to maintain the operation of the Northampton Child Care Centre for that time.

Moved Cr SUCKLING, seconded Cr STEWART

That Council approve the leasing of Lot 483 Stephen Street, Northampton, being the Northampton Child Care Centre, for a term of ten years at a peppercorn rent of \$1 per annum and Council continue to maintain the lawns and gardens at the Centre.

CARRIED 6/0

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Cr SUDLOW declared an impartiality interest in item 7.5.5 Australian Local Government Association – National General Assembly as Cr SUDLOW is included in the Officer's recommendation as a nominated attendee.

Cr HORSTMAN declared an impartiality interest in item 7.5.5 Australian Local Government Association – National General Assembly as Cr HORSTMAN is included in the Officer's recommendation as a nominated attendee.

Council acknowledged the disclosure of impartiality interests declared by Cr SUDLOW and Cr HORSTMAN and authorised Cr SUDLOW and Cr HORSTMAN to remain in the meeting and abstain from voting on Item 7.5.5. Council agreed for Cr SUDLOW to remain as Presiding Member.

3.11.5 AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION – NATIONAL GENERAL ASSEMBLY (ITEM 7.5.5)
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Moved Cr SUCKLING seconded Cr GIBB

That Council

1. Note the attendance of the CEO to the Australian Local Government Association National General Assembly to present at the Regional Forum Section of the Assembly.
2. Approve the Shire President and Deputy President to attend the Regional Forum and the Australian Local Government Association National General Assembly.

CARRIED 4/0

3.11.6 CEO VEHICLE CHANGEOVER (ITEM 7.5.6)
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Moved Cr STEWART, seconded Cr GIBB

Council commits to the changing over of the CEO vehicle and sale of the current Toyota Prado and this purchase and sale be committed in the 2022/23 Budget.

CARRIED 6/0

<b>3.11.7 CHANGE OF RESERVE PURPOSE – RESERVE 30953 (ITEM 7.5.7)</b>
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Moved Cr SUCKLING, seconded Cr HORSTMAN

That Council approve and request the Department of Planning Lands and Heritage to amend the purpose of Reserve 30953 from “recreation” to “recreation and community purposes”.

CARRIED 6/0

<b>3.12 PRESIDENT'S REPORT</b>
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Since the last Council meeting Cr SUDLOW reported on her attendance at:

24/03/2022 Drought Resilience Planning Group, Zoom meeting  
24/03/2022 Northern Agri Group Autumn Field Day, Binnu  
25/03/2022 Western Australian Football Commission and East Fremantle Football Club  
Planning Group, Zoom meeting  
28/03/2022 Regional Roads Group, Zoom meeting  
04/04/2022 Meeting with Western Power representatives and Annabel Keogh, Policy  
Advisor to Honourable Bill Johnston MLA  
08/04/2022 Western Australian Football Commission and East Fremantle Football Club  
Planning Group, Zoom meeting  
12/04/2022 Honourable Mia Davies MLA, Honourable Shane Love MLA and Honourable  
Martin Aldridge MLC, Northampton Council Chambers  
19/04/2022 Senator the Honourable Brigitte McKenzie, Federal Minister for Emergency  
Management and National Recovery and Resilience, Kalbarri  
22/04/2022 Western Australian Football Commission and East Fremantle Football Club  
Planning Group, Zoom meeting

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#### **3.13 DEPUTY PRESIDENT'S REPORT**

Since the last Council meeting Cr HORSTMAN reported on his attendance at:

- 04/04/2022 Meeting with Western Power representatives and Annabel Keogh, Policy Advisor to Honourable Bill Johnston MLA
- 05/04/2022 Post-Budget speech, Patrick Gorman MP, Online presentation
- 06/04/2022 Operational Area Support Group (Midwest and Murchison), Zoom meeting
- 08/04/2022 Western Australian Football Commission and East Fremantle Football Club Planning Group, Zoom meeting
- 12/04/2022 Honourable Mia Davies MLA, Honourable Shane Love MLA and Honourable Martin Aldridge MLC, Northampton Council Chambers
- 13/04/2022 Operational Area Support Group (Midwest and Murchison), Zoom meeting
- 15/04/2022 Western Australian Football Commission and East Fremantle Football Club Planning Group, Zoom meeting
- 19/04/2022 Local Recovery Coordination Group, Zoom meeting
- 19/04/2022 Senator the Honourable Brigitte McKenzie, Federal Minister for Emergency Management and National Recovery and Resilience, Kalbarri
- 21/04/2022 Northampton Community Centre Committee Meeting, Northampton
- 22/04/2022 Western Australian Football Commission and East Fremantle Football Club Planning Group, Zoom meeting

#### **3.14 COUNCILLORS' REPORTS**

##### **3.14.1 CR PIKE**

Since the last Council meeting Cr PIKE reported on his attendance at:

- 19/04/2022 Senator the Honourable Brigitte McKenzie, Federal Minister for Emergency Management and National Recovery and Resilience, Kalbarri

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3.14.2	CR STEWART
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Since the last Council meeting Cr STEWART reported on his attendance at:

30/03/2022	Kalbarri Development Association, Kalbarri
31/03/2022	Kalbarri Sport and Recreation Association, Kalbarri
04/04/2022	Murchison Green Hydrogen Project, Kalbarri
05/04/2022	Tourism WA - Coral Coast, Kalbarri
19/04/2022	Senator the Honourable Brigitte McKenzie, Federal Minister for Emergency Management and National Recovery and Resilience, Kalbarri

3.14.3	CR GIBB
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Since the last Council meeting Cr GIBB reported on his attendance at:

22/03/2022	Local Recovery Coordination Group, Zoom meeting
31/03/2022	Kalbarri Sport and Recreation Association, Kalbarri

3.14.4	CR SUCKLING
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Since the last Council meeting Cr SUCKLING reported on her attendance at:

12/04/2022	Honourable Mia Davies MLA, Honourable Shane Love MLA and Honourable Martin Aldridge MLC, Northampton Council Chambers
19/04/2022	Senator the Honourable Brigitte McKenzie, Federal Minister for Emergency Management and National Recovery and Resilience, Kalbarri



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### 3.15 NEW ITEMS OF BUSINESS

Cr STEWART raised the matter of the upgrade of the Kalbarri RSL Memorial which had been considered by Council at their November 2020, February 2021 and May 2021 meetings. More recently the upgrade of the monument was to be included in the Kalbarri Foreshore Plan but this has not eventuated.

Moved Cr STEWART seconded Cr SUCKLING

That the upgrade of the Kalbarri RSL Memorial be listed for consideration in the 2022/2023 budget

CARRIED 6/0

### 3.16 NEXT MEETING OF COUNCIL

The next Ordinary Meeting of Council will be held on Friday 20<sup>th</sup> May 2022 commencing at 1.00pm at the Allen Centre, Kalbarri.

### 3.17 CLOSURE

There being no further business, the President thanked everyone for their attendance and declared the meeting closed at 3.02pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 17 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON FRIDAY 20<sup>th</sup> MAY 2022.

PRESIDING MEMBER: \_\_\_\_\_

DATE: \_\_\_\_\_

**WORKS & ENGINEERING REPORT CONTENTS**

7.1.1	MAINTENANCE /CONSTRUCTION WORKS PROGRAM	2
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<b>7.1.1</b>	<b>INFORMATION ITEMS – CONSTRUCTION WORKS PROGRAM</b>
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<b>REPORTING OFFICER:</b>	<b>Garry Keeffe – CEO</b>
<b>DATE OF REPORT:</b>	<b>19<sup>th</sup> May 2022</b>
<b>APPENDICES:</b>	<b>1. May Roadworks/Footpath Progress Report</b>

**SUMMARY:**

Details of progress of road and footpath construction works for 2021/22.

**COMMENT:**

Appendices 1 is the current status of the construction works program.

The following are brought to the attention of Council of road/footpath works that will need to continue into 2022/23 and works that will need to be deferred to 2022/23. These changes will form part of the Corporate Business Plan review and the 2022/23 Draft Budget.

- Karina Mews (Kalbarri) – Reseal and replace concrete kerb

Will need to be deferred to 2022/23 due to non-availability of concrete kerb contractors.

- Smith Street (Kalbarri) – Asphalt Seal and replace concrete kerb

Will need to be deferred to 2022/23 due to non-availability of concrete kerb and asphalt contractors.

- Grey Street (Kalbarri) – Asphalt re-seal

Will need to be deferred to 2022/23 due to non-availability of asphalt contractors.

- Gwalla Street & Second Avenue (Northampton) – Construct and Seal Streets

Works outstanding are installation of drainage and concrete kerbing. Depending on contractor availability this part of the works for the two streets may extend into 2022/23.

- Glance Street (Horrocks) – Asphalt reseal.

Will need to be deferred to 2022/23 due to non-availability of asphalt contractors.

- Mitchell Street – Dump Point Access

Works will continue into 2022/23 due to non-availability of concrete kerb and asphalt contractors.

- Footpath Construction – two pathways that will now be required to be deferred to 2022/23 are Stephen Street (Northampton) from Northwest Coastal Highway to West Street, and Grey Street (Kalbarri) being the section in front of the Allen Centre. Works will not occur in 2021/22 due to the non-availability of concrete contractors.

#### **FINANCIAL & BUDGET IMPLICATIONS:**

The above deferments will have an effect on the 2022/23 Budget. In addition with the works not progressing will result in surplus funds at end of 2021/22 which must be recognised in the opening balance as at 1 July 2022 and form part of the 2022/23 Budget.

#### **VOTING REQUIREMENT:**

*Simple Majority Required:*

#### **OFFICER RECOMMENDATION – ITEM 7.5.1**

**For Council information.**

SHIRE OF NORTHAMPTON  
WORKS & ENGINEERING REPORT – 20 MAY 2022

**APPENDICES 1 – Road/Footpath Construction Program**

**WORKS CREW 12 MONTHLY PROGRAM AND PROGRESS REPORT (2021/2022)**

(April 2022)

2021/2022 Budget Works	Job No	Status	Comments
<b><u>REGIONAL ROAD GROUP PROJECTS - 150300</u></b>			
<b>Kalbarri Road</b> Reseal works 28.00 - 38.00 slk	RR14	COMPLETE	
<b>Northampton Nabawa Road</b> Reseal works 0.00 - 4.38 slk	RR15	COMPLETE	
<b><u>ROADS TO RECOVERY - 152100</u></b>			
<b>Ogilvie East Road</b> Reseal works 0.00 - 3.20 slk	RT36	COMPLETE	
<b>Kalbarri Road</b> Reseal 28.00 - 38.00 slk	RT37	COMPLETE	
<b>Northampton Nabawa Road</b> Reseal works 0.00 - 4.38 slk	RT38	COMPLETE	
<b>Port Gregory Road</b> Reseal works 0.00 - 5.32 slk	RT39	COMPLETE	
<b><u>MUNICIPAL FUND CONSTRUCTION - 150600</u></b>			
<b>Carried Over from 2019/2020</b>			
<b><u>Kalbarri</u></b>			
<b>Karina Mews</b> Reseal and replace concrete kerbing 210m	R982		Deferred to 2022/2023
<b>Smith Street</b> Asphalt reseal and replace concrete kerbing 0.40 - 0.66 slk	R990		Deferred to 2022/2023
Cont.			

SHIRE OF NORTHAMPTON  
WORKS & ENGINEERING REPORT – 20 MAY 2022

2021/2022 Budget Works	Job No	Status	Comments
<b><u>MUNICIPAL FUND CONSTRUCTION - 150600</u></b>			
<b>New Projects</b>			
<b><u>Northampton</u></b>			
<b>Gwalla Street</b> Construct, Seal and Drainage	R326	Commenced	Kerbing & Drainage to be installed
<b>Second Avenue</b> Construct, Seal and Drainage	R327	Commenced	Kerbing & Drainage to be installed
<b>Forrest Street</b> Reseal 0.42 - 1.37 slk	R328	COMPLETE	
<b>Brook Street</b> Reseal 0.00 - 0.?? slk	R329	COMPLETE	
<b>Harney Street</b> Reseal 0.00 - 0.?? slk	R331	COMPLETE	
<b><u>Kalbarri</u></b>			
<b>Grey Street</b> Stage 1 Asphalt reseal	R330		Defer to 2022/23 due to non availbilty of contractor
<b>Richardson Street</b> Reseal 0.000 - 0.??slk	R333	COMPLETE	
<b>Daglish Crescent</b> Reseal 0.030 - 0.00 - 0.?? Slk	R334	COMPLETE	
<b>Grey Street</b> Construct parrallel parking - Wood street north on west side.	R996	COMPLETE	
<b><u>Horrocks</u></b>			
<b>Glance Street</b> Reseal xx -xx slk	R223		Deferred to 2022/2023
<b>Mitchell Street</b> Seal access to dump point	5044	Commenced	To be completed within April 2022
Cont.			

SHIRE OF NORTHAMPTON  
WORKS & ENGINEERING REPORT – 20 MAY 2022

2021/2022 Budget Works	Job No	Status	Comments
<b>Rural</b>			
<b>Port Gregory Road</b> Reseal works 0.00 - 5.32 slk	R332	COMPLETE	
<b><u>MUNICIPAL FOOTPATHS - 150900</u></b> Carried Over from 2019/2020			
<b>Northampton - Stephen Street</b> Replace DUP from NWCH to West Street	F702		Deferred to 2022/2023
<b>Kalbarri - Grey Street</b> Replace DUP at front of Allen Centre	F707		Deferred to 2022/2023
<b><u>MUNICIPAL FOOTPATHS - 150900</u></b> New Projects			
<b>Kalbarri - Grey Street</b> Replace old asphalt with concrete opposite Allen Centre	F715	COMPLETE	
<b><u>OTHER WORKS - Depots/Ovals/Parks/Gardens etc</u></b>			
<b>Northampton - Oval renovation</b> Undertake Verti mowing	F016	COMPLETE	
<b>Northampton Tip Site</b> Turn Contamination site - 2 actions per year	3854/08		
<b>Northampton Cemetery Site - Memorial Tree area</b> Stage 2 - Shelter and Paving to south	4422/08	COMPLETE	
<b>Northampton - Community Centre</b> Install drainage pipe	08/D003	COMPLETE	
<b>Kalbarri - Oval Renovation</b> Undertake Verti Drain	F003	COMPLETE	
<b>Binnu Tip Site</b> Establish new site/trenches Cont.	3858/08	COMPLETE	
<b>2021/2022 Budget Works</b>	<b>Job No</b>	<b>Status</b>	<b>Comments</b>

# SHIRE OF NORTHAMPTON

## WORKS CREW 12 MONTHLY PROGRAM AND PROGRESS REPORT (2021/2022)

(April 2022)

2021/2022 Budget Works	Job No	Status	Comments
<b><u>REGIONAL ROAD GROUP PROJECTS - 150300</u></b>			
<b>Kalbarri Road</b> Reseal works 28.00 - 38.00 slk	RR14	COMPLETE	
<b>Northampton Nabawa Road</b> Reseal works 0.00 - 4.38 slk	RR15	COMPLETE	
<b><u>ROADS TO RECOVERY - 152100</u></b>			
<b>Ogilvie East Road</b> Reseal works 0.00 - 3.20 slk	RT36	COMPLETE	
<b>Kalbarri Road</b> Reseal 28.00 - 38.00 slk	RT37	COMPLETE	
<b>Northampton Nabawa Road</b> Reseal works 0.00 - 4.38 slk	RT38	COMPLETE	
<b>Port Gregory Road</b> Reseal works 0.00 - 5.32 slk	RT39	COMPLETE	
<b><u>MUNICIPAL FUND CONSTRUCTION - 150600</u></b>			
<b>Carried Over from 2019/2020</b>			
<b><u>Kalbarri</u></b>			
<b>Karina Mews</b> Reseal and replace concrete kerbing 210m	R982		Deferred to 2022/2023
<b>Smith Street</b> Asphalt reseal and replace concrete kerbing 0.40 - 0.66 slk	R990		Deferred to 2022/2023
Cont.			



2021/2022 Budget Works	Job No	Status	Comments
<b><u>MUNICIPAL FUND CONSTRUCTION - 150600</u></b>			
<b>New Projects</b>			
<b><u>Northampton</u></b>			
<b>Gwalla Street</b> Construct, Seal and Drainage	R326	Commenced	Kerbing & Drainage to be installed
<b>Second Avenue</b> Construct, Seal and Drainage	R327	Commenced	Kerbing & Drainage to be installed
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<b>Brook Street</b> Reseal 0.00 - 0.?? slk	R329	COMPLETE	
<b>Harney Street</b> Reseal 0.00 - 0.?? slk	R331	COMPLETE	
<b><u>Kalbarri</u></b>			
<b>Grey Street</b> Stage 1 Asphalt reseal	R330		Defer to 2022/23 due to non availbilty of contractor
<b>Richardson Street</b> Reseal 0.000 - 0.??slk	R333	COMPLETE	
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<b>Grey Street</b> Construct parrallel parking - Wood street north on west side.	R996	COMPLETE	
<b><u>Horrocks</u></b>			
<b>Glance Street</b> Reseal xx -xx slk	R223		Deferred to 2022/2023
<b>Mitchell Street</b> Seal access to dump point	5044	Commenced	To be completed within April 2022
Cont.			

2021/2022 Budget Works	Job No	Status	Comments
<b><u>Rural</u></b>			
<b>Port Gregory Road</b> Reseal works 0.00 - 5.32 slk	R332	COMPLETE	
<b><u>MUNICIPAL FOOTPATHS - 150900</u></b> <b>Carried Over from 2019/2020</b>			
<b>Northampton - Stephen Street</b> Replace DUP from NWCH to West Street	F702		Deferred to 2022/2023
<b>Kalbarri - Grey Street</b> Replace DUP at front of Allen Centre	F707		Deferred to 2022/2023
<b><u>MUNICIPAL FOOTPATHS - 150900</u></b> <b>New Projects</b>			
<b>Kalbarri -Grey Street</b> Replace old asphalt with concrete opposite Allen Centre	F715	COMPLETE	
<b><u>OTHER WORKS - Depots/Ovals/Parks/Gardens etc</u></b>			
<b>Northampton - Oval renovation</b> Undertake Verti mowing	F016	COMPLETE	
<b>Northampton Tip Site</b> Turn Contamination site - 2 actions per year	3854/08		
<b>Northampton Cemetery Site - Memorial Tree area</b> Stage 2 - Shelter and Paving to south	4422/08	COMPLETE	
<b>Northampton - Community Centre</b> Install drainage pipe	08/D003	COMPLETE	
<b>Kalbarri - Oval Renovation</b> Undertake Verti Drain	F003	COMPLETE	
<b>Binnu Tip Site</b> Establish new site/trenches Cont.	3858/08	COMPLETE	
<b>2021/2022 Budget Works</b>	<b>Job No</b>	<b>Status</b>	<b>Comments</b>

<b><u>PLANT ITEMS - Major</u></b>			
<b>Northampton - New Loader (Construction)</b> Purchase new - trade/sell existing P252 Loader	4214/99	COMPLETE	Delivered by - Caterpillar.
<b>Northampton - New Maintenance Truck</b> Purchase New - trade/sell P234	4214/99	COMPLETE	Delivered by -Purcher International
<b>Northampton - Load Covers 1 x Truck, 1 x Trailer</b> Install and fit Load Covers	4214/99	COMPLETE	
<b>Horrocks - New Zero Turn Mower</b> New mower	4214/99	COMPLETE	

## HEALTH AND BUILDING REPORT CONTENTS

7.2.1	BUILDING STATISTICS FOR THE MONTH OF APRIL 2022	2
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<b>7.2.1</b>	<b>INFORMATION ITEM: BUILDING STATISTICS</b>
	<b>DATE OF REPORT:</b> 13 <sup>th</sup> May 2022
	<b>RESPONSIBLE OFFICER:</b> Michaela Simpson – Manager of Building Services

## **1. BUILDING STATISTICS**

Attached for Councils' information are the Building Statistics for April 2022.

### **OFFICER RECOMMENDATION – ITEM 7.2.1**

**For Council information.**

## SHIRE OF NORTHAMPTON

HEALTH AND BUILDING REPORT – 20<sup>th</sup> May 2022

SHIRE OF NORTHAMPTON - BUILDING APPROVALS - APRIL 2022						
Approval Date	App. No.	Owner	Builder	Property Address	Type of Building	Value
06-04-22	21140	Colin Anderson	Simple Life Projects (14232)	4 (Lot 606) Salamit Place, Kalbari	Additions to existing dwelling	\$ 200,000.00
27-04-22	21150	Australian Garnet Pty Ltd	Central Systems	300/1431 (Lot 1) George Grey Drive, Yallabatharra	Construct single storey buildings including warehouse, workshop, office and ablutions	\$ 970,104.00
22-04-22	22013	Tim and Sam Hay	Owner Builder	7 (Lot 110) Lynxton Avenue, Port Gregory	Construct limestone retaining wall	\$ 8,500.00
26-04-22	22015	Kalbari Park Investments PTY LTD	Geraldton Cranes and Transport	10 (Lot 473) Porter Street, Kalbari	Relocation of cabins 7 and 8	\$ 3,500.00
19-04-22	22CS324	Samuel Burges	Inserve Australia TIA Construct Services (BC13655)	4 (Lot 740) Orabanda Way, Kalbari	Repairs to limestone wall, roof carport and patio	\$ 56,677.00
21-04-22	22CS348	Stuart Green and Melissa Saunders	Noel Visser	4 (Lot 232) Gould Street, Kalbari	Remove asbestos roof sheeting and replace with colorbond	\$ 2,280.00
27-04-22	22CS349	Stuart Green and Melissa Saunders	Owner Builder	4 (Lot 232) Gould Street, Kalbari	Re-roof existing dwelling and improve tie downs	\$ 17,000.00
21-04-22	22CS350	John and Janet Barton	Johns Lyng Insurance Building Solutions	21 (Lot 289) Mallard Street, Kalbari	Replace damaged asbestos roof sheeting with colorbond	\$ 125,410.40
27-04-22	22CS351	Benjamin Simkin	Bellalucca Construction	8316 North West Coastal Highway, Binnu	Demolish wood enclosure and remove asbestos	\$ 14,801.85

## TOWN PLANNING CONTENTS

7.3.1	PROPOSED OUTBUILDING (R-CODE AND LPP VARIATIONS) - LOT 93 (NO. 14) PORT STREET, PORT GREGORY .....	2
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**7.3.1 PROPOSED OUTBUILDING (R-CODE AND LPP VARIATIONS) - LOT 93 (NO. 14)  
PORT STREET, PORT GREGORY**

<b>LOCATION:</b>	Lot 93 (No. 14) Port Street, Port Gregory
<b>FILE REFERENCE:</b>	10.7.1.1 (A615)
<b>DATE OF REPORT:</b>	10 May 2022
<b>APPLICANT:</b>	NC & A Simkin
<b>OWNER:</b>	NC & A Simkin
<b>REPORTING OFFICER:</b>	Michelle Allen – Planning Officer
<b>RESPONSIBLE OFFICER:</b>	Garry Keeffe – Chief Executive Officer
<b>APPENDICES:</b>	
1.	Site Plan
2.	Floor and elevation plans

**AUTHORITY / DISCRETION:**

**Quasi-Judicial** *When Council determines an application within a clearly defined statutory framework, abiding by the principles of natural justice, acting only with discretion afforded it under law, and giving full consideration to Council policies and strategies relevant to the matter at hand. These decisions are reviewable by the State Administrative Tribunal.*

**SUMMARY:**

An Application for Development Approval has been received for an outbuilding upon Lot 93 (No. 147) Port Street, Port Gregory.

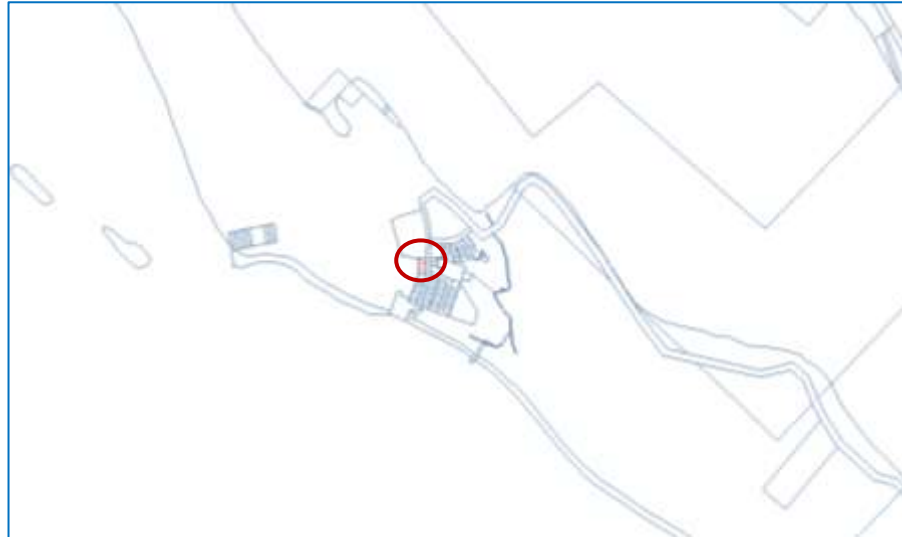
The Application for Development Approval has been referred to Council because the outbuilding exceeds Local Planning Policy provisions with regard to the height of the building and the reduced rear and side boundary setbacks and therefore requires Council consideration.

This report recommends conditional approval of the application.



**LOCALITY PLANS:**

**Figure 1. Location of Lot 93 (No. 14) Port Street, Port Gregory**



**Figure 2. Site Plan Lot 93 (No. 14) Port Street, Port Gregory showing location of proposed outbuilding**



## BACKGROUND:

Lot 93 is located at the northern side of the townsite of Port Gregory as shown in **Figure 1** and has an existing dwelling and outbuilding located upon the lot. The existing outbuilding will be demolished to make way for the new outbuilding/carport structure.

The Application proposes to construct an outbuilding which includes a carport on the northern side with the structure exceeding provisions of the Shire's Local Planning Policy (LPP) *Outbuildings*.

## The Proposal:

The proposed outbuilding/carport structure is separate to the dwelling and is to be located within the northern (rear) portion of the lot (shown in blue on the site plan at **Figure 2**), with the following proposed setbacks:

Side (N)	5 metres
Side (S)	0.500m
Front (E)	34 metres
Rear (W)	0.200m

The building is proposed to be a gable roof structure with a wall height of 3.5 metres and a maximum overall/ridge height of 4.73 metres. The total floor area of the outbuilding is 112m<sup>2</sup> with an 84m<sup>2</sup> carport attached to the eastern side. The outbuilding/carport structure is proposed to be constructed of painted colorbond steel sheeting and timber posts with three roller doors on the eastern elevation of the outbuilding. No other openings are included in the structure. The open carport is proposed to be located for the full length of the eastern side of the outbuilding.

Details of the outbuilding and carport dimensions are provided below:

	R-Code	LPP Provisions	Outbuilding	Carport
Aggregate	60m <sup>2</sup>	120m <sup>2</sup>	112m <sup>2</sup>	84m <sup>2</sup>
Wall Height	3m	3m	3.5m	3.5m
Ridge Height	4.5m	4.5m	4.73m	3.5m
Setback (Rear)	1m		0.2m	
Setback (Side N)	1.6m		5m	5m
Setback (Side S)	1.6m		0.5m	0.5m
Setback (Front E)	7.5m		38m	34m

Copies of the applicant's site, floor and elevation plans have been included as **Appendices 1** and **2** of this report.

In consideration of the application the following information is provided:

Lot Size	1,012m <sup>2</sup>
Existing Development	Dwelling, Residential R12.5 zoning
Access & Frontage	Access via Port Street
Services	Water, Telephone, Sewerage and Power
Topography	Flat
Vegetation	Cleared
Surrounding Land Uses	Residential R12.5, Crown Land
Bushfire Prone Area	Yes

#### **COMMUNITY & GOVERNMENT CONSULTATION:**

Given the height of the outbuilding and the reduced rear and side boundary setbacks, the application was advertised in accordance with Section 64 of the *Planning and Development (Local Planning Schemes) Regulations 2015*, which require the local government to give notice to adjacent landowners who would be likely to be impacted by the proposed development:

*"(3) (a) by giving notice of the proposed use or development to owners and occupiers of properties in the vicinity of the development who, in the opinion of the local government, are likely to be affected by the granting of development approval, including a statement that submissions may be made to the local government by a specified day being a day not less than 14 days from the day on which the notice is given to the person..."*

In accordance with the above requirements, correspondence was received from two adjoining landowners who provided signed copies of the outbuilding plans and an *Adjoining Landowner Comment Form*. No objections were received from either landowner in relation to the proposed development.

#### **FINANCIAL & BUDGET IMPLICATIONS:**

The applicant has paid a total sum of \$147-00 in respect of the application.

Nil. However should Council refuse this application and the applicant proceed to exercise their right of appeal, costs are likely to be imposed on the Shire through its involvement in the appeal process.

**STATUTORY IMPLICATIONS:**

*State: Planning and Development Act 2005  
State Planning Policy 7.3 – Residential Design Codes*  
*Local: Shire of Northampton Local Planning Scheme No. 10 - Northampton*

State Planning Policy 7.3 – Residential Design Codes (R-Codes) 2021

The *Residential Design Codes (R-Codes)* are formulated using a modified “performance” approach. The “Deemed-to-Comply” provisions contained in the R-Codes provide a means by which development can be assessed as being compliant, while the “Design Principles” allow the possibility of other ways of achieving an acceptable outcome.

For developments within the Residential R-1 2.5 zone, The *Residential Design Codes (R-Codes)* apply. The R-Codes have the following objectives:

- “(a) To provide residential development of an appropriate design for the intended residential purpose, density, context of place and scheme objectives.*
- (b) To encourage design consideration of the social, environmental and economic opportunities possible from new housing and an appropriate response to local amenity and place.*
- (c) To encourage design which considers and respects heritage and local culture*
- (d) To facilitate residential development which offers future residents the opportunities for better living choices and affordability.”*

The proposed outbuilding complies with the “Deemed-to-Comply” provisions of the *Residential Design Codes (2021)*, with the exception of:

- Lot Boundary Setbacks - Clause 5.1.3; and
- Outbuildings – Clause 5.4.3.

Two clauses of the Residential Design Codes will be examined in further detail.

Lot Boundary Setbacks - Clause 5.1.3

The proposed development is not able to satisfy the following “Deemed-to-Comply” provisions of the R-Codes in terms of lot boundary setbacks under clause 5.1.3:

*"C3.1 Buildings which are set back in accordance with the following provisions, subject to any additional measures in other elements of the R-Codes:*

- i. buildings set back from lot boundaries in accordance with Table 1, Tables 2a and 2b;*
- ii. for patios, verandahs or equivalent structures, the lot boundary setbacks in Table 1 and Tables 2a and 2b may be reduced to nil to the posts where the structure":*
  - a. is not more than 10m in length and 2.7m in height;*
  - b. is located behind the primary street setback; and*
  - c. has eaves, gutters and roofs set back at least 450mm from the lot boundary."*

The lot boundary setback required as per table 2a of the R-Codes is 1.0 metre, with the Applicant proposing a 0.200m setback.

Where the "Deemed-to-Comply" provisions are not able to be met, it is necessary to assess that component of the design against the relevant "Design Principles".

The "Design Principles" for lot boundary setbacks are:

*"P3.1 Buildings set back from lot boundaries so as to:*

- reduce impacts of building bulk on adjoining properties;*
- provide adequate direct sun and ventilation to the building and open spaces on the site and adjoining properties; and*
- minimise the extent of overlooking and resultant loss of privacy on adjoining properties.*

*P3.2 Buildings built up to boundaries (other than the street boundary) where this:*

- Makes more effective use of space for enhanced privacy for the occupant/s or outdoor living areas;*
- Does not compromise the design principle contained in clause 5.1.3 P3.1;*
- Does not have any adverse impact on the amenity of the adjoining property."*

#### Outbuildings – Clause 5.4.3

The proposed development does not satisfy the following "Deemed-to-Comply" provision(s) of the R-Codes in terms of large outbuildings under clause 5.4.3:

- “C3 Outbuildings associated with a dwelling site address either:*
- i. the standards for small outbuildings (A. Small outbuilding); or*
  - ii. the standards for large and multiple outbuildings (B. Large and multiple outbuildings).*
- B. Large and multiple outbuildings*
- (i) individually or collectively does not exceed 60m<sup>2</sup> in area or 10 per cent in aggregate of the site area, whichever is the lesser;*
  - (ii) set back in accordance with Table 2a;*
  - (iii) does not exceed a wall height of 2.4m;*
  - (iv) does not exceed a ridge height of 4.2m;*
  - (v) not located within the primary or secondary street setback area; and*
  - (vi) does not reduce the open space and outdoor living area requirements in Table 1.*

Where the “Deemed-to-Comply” provisions are not able to be met, it is necessary to assess that component of the design against the relevant design principle(s). The design principles for outbuildings are as follows:

*‘Outbuildings that do not detract from the streetscape or the visual amenity of residents or neighbouring properties.’*

Further examination and analysis of the above variations and the application of the "design principles" is contained within the Comment section of this report.

#### Shire of Northampton Local Planning Scheme No. 10 – Northampton

The land is zoned “Residential R-12.5” under *Local Planning Scheme No. 10*. The objective of the “Residential” zone is:

- *"To provide for a range of housing and a choice of residential densities to meet the needs of the community.*
- *To facilitate and encourage high quality design, built form and streetscapes throughout residential areas.*
- *To provide for a range of non-residential uses, which are compatible with and complementary to residential development."*

**POLICY IMPLICATIONS:**

Local: *Shire of Northampton Local Planning Policy – Outbuildings*

Shire of Northampton Local Planning Policy – Outbuildings

The objectives of the Shire's 'Outbuildings' Local Planning Policy are:

- "2.1 To alter the deemed-to-comply provisions of the R-Codes for Design Principle 5.4.3 and 6.4.4 – Outbuildings.
- 2.2 To provide further clarity and a clear interpretation to the definition of an 'outbuilding'.
- 2.3 To ensure that outbuildings are not used for habitation or commercial purposes by controlling building bulk (size and height).
- 2.4 To limit the visual impact of outbuildings.
- 2.5 To encourage the construction of outbuildings in materials and colours that complements the landscape and amenity of surrounding areas.
- 2.6 To ensure that the outbuilding remains an ancillary use to the main dwelling or the principle land use on the property."

The Local Planning Policy states the following provisions for outbuildings within the Residential R-12.5 zone:

"3.3.2 Maximum standards for outbuildings are as follows (these area requirements do not override the open space requirements of Table 1 of the Residential Design Codes (2019) or any specific Scheme requirement):

- a) Residential R10 and high density – 120m<sup>2</sup> in area or 20% in aggregate of the site area, whichever is the lesser, with a maximum wall height of 3.0m and a total maximum height of 4.5m measured from natural ground level.

3.8.3 In residential zoned areas the applicant will also be required to complete fencing of the side and rear property boundaries for the purpose of lessening the visual impact of the building from neighbouring properties and the road to the approval of the local government.

3.9 Use of Outbuildings

3.9.1 Outbuildings shall only be used for incidental uses associated with a residential use and/or general agriculture purposes and shall not be used for any

*commercial or industrial use (with the exception of an approved home based business).*

*3.9.2 The storage of any items in connection with a commercial or industrial operation (eg Cray pots, building materials etc) is considered contrary to the objectives of this policy.*

### 3.10 Location and Appearance

*3.10.1 Regardless of zoning, on lots of 4ha or less, an outbuilding and/or detached garage is to be located entirely behind any existing dwelling on the lot unless the outbuilding and/or detached garage is consistent in design and constructed in the same materials and colours as the dwelling.*

*3.10.4 Other than on rural land greater than 20ha, all non-masonry construction of outbuildings in excess of 60m<sup>2</sup> in area are to be of a colour so as to complement the dwelling on the lot and/or visual character of the landscape (in general non-reflective building materials consistent with the character of the area, however, zincalume roofing may be permitted).*

A Local Planning Policy shall not bind Council in respect of any application for Planning Consent but Council shall take into account the provisions of the policy and objectives which the policy was designed to achieve before making its decision.

### **COMMENT:**

The proposed development is considered to comply with the requirements of the *Shire of Northampton Local Planning Scheme No. 10 – Northampton*.

There is, however, a variation being sought to the "Deemed-to-Comply" provisions of the *Residential Design Codes and the Local Planning Policy – Outbuildings*. These provisions can be supported by application of the design principles, however, the exception includes lot boundary setback of the outbuilding on the western (rear) boundary of the lot which is discussed further below.

Typically, the full setback (as per *R-Codes* provisions) should be required in instances where developments of significant height are proposed and where the reduced setback is considered to reduce open space, sunlight, or ventilation upon the site or adjoining landholding.



### Lot Boundary Setback

The western (rear) wall of the outbuilding component of the gable roofed structure runs parallel with the block's western boundary. The maximum height of the development is proposed to sit 4.73 metres above natural ground level. The required setback under the "Deemed-to-Comply" provisions of the R-Codes is 1 metre and therefore the "Design Principles" of the R-Codes must be considered.

The *Shire of Northampton's Local Planning Policy (LPP) - Outbuildings* allows a regional variation to the provisions of the R-Codes in relation to Outbuildings, however the development still exceeds these LPP provisions in terms of wall height (by up to 0.500m) and maximum height (by 0.273m). The applicant has advised that the reason for the variation request is for the purposes of providing an adequate undercover area for existing vehicles and other assets including a boat. Furthermore, adjoining landowners did not express any objection to the proposal.

The primary lot affected to the west is unallocated Crown Land, whereby it is arguable that the proposal would not have any significant detrimental impact to that land. However, with a reduced setback of 0.200 metre being sought on the rear boundary, mitigating potential amenity impacts to adjoining properties and the surrounding locality in the event of bushfire risk is a consideration. Whilst the reduced setback distance does not increase overlooking into adjoining properties or substantially reduce open space or sunlight, proximity to existing native vegetation is highlighted.

Given the above, it is not considered that the building scale or bulk will have a substantial detrimental impact upon the privacy, views, natural sunlight or open space of the site or adjoining property/s but minimising the impact on amenity of properties and the surrounding locality in the event of bushfire is a factor. Improving resilience of a structure to mitigate potential bushfire risk emanating from Unallocated Crown Land that could adversely impact adjoining properties and the surrounding locality could be achieved by increasing the rear setback distance to 0.500 metre.

However, the *Local Planning Scheme Amendment Regulations 2015* and State Planning Policy 3.7 *Planning in Bushfire Prone Areas* specifically exclude development applications for single houses and ancillary dwellings (habitable buildings) on a lot or lots less than 1,100m<sup>2</sup> from requiring further assessment. In these situations, planning can only play a limited role in reducing the bushfire risk to those properties. Where lots of less than 1,100m<sup>2</sup> have already been created, the application of the appropriate construction standard at the building permit stage is the instrument used to reduce the residual bushfire risk to those properties. Therefore, a condition requiring the structure to have the necessary clearance/fire separation from the rear boundary at the building permit stage has been applied.

Based upon the above, it is therefore recommended that Council approve the Application for Development Approval subject to the conditions provided.

**VOTING REQUIREMENT:**

*Absolute majority required: No.*

**CONCLUSION:**

It is recommended that Council grant approval to the proposed outbuilding on Lot 93 (No. 14) Port Street, Port Gregory subject to conditions.

**OFFICER RECOMMENDATION 1 – ITEM 7.3.1**

**APPROVAL**

**That Council grant development approval for the proposed Outbuilding upon Lot 93 (No. 14) Port Street, Port Gregory subject to the following conditions:**

- 1. Development shall be in accordance with the attached approved plan(s) dated 20 May 2022 and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the Local Government;**
- 2. Any additions to or change of use of any part of the building or land (not the subject of this consent/approval) requires further application and planning approval for that use/addition;**
- 3. A building permit shall be issued by the local government prior to the commencement of any work on the site;**
- 4. All stormwater is to be disposed of onsite to the approval of the local government;**
- 5. Any soils disturbed or deposited on site shall be stabilised to the approval of the local government;**
- 6. The Applicant shall provide a colour schedule for the outbuilding prior to construction of the outbuilding which shall be to the approval of the local government. The colours chosen shall be non-reflective and in keeping with the natural coastal environment;**
- 7. The roof of the outbuilding shall be constructed using coated metal sheeting (Colorbond) and the use of Zinalume is not permitted;**
- 8. The development/land use is to have the necessary clearance/fire separation from the rear boundary as required under the relevant legislation including the Building Act 2011 and National Construction Code Series/Building Code of Australia (as amended);**
- 9. Any lighting installed on the building, yard areas or car parking areas shall be located and designed in a manner that ensures:**  
  
**(a) all illumination is confined within the boundaries of the property; and**

**(b) There shall not be any glare nuisance caused to adjoining residents or passing traffic, to the approval of the local government;**

- 10. The development/land use is to be located entirely within the property boundary.**
- 11. The approved outbuilding is only to be used for general and vehicle storage purposes and minor maintenance upon vehicles housed therein to the approval of the local government and shall NOT be used for habitation, commercial or industrial purposes; and**
- 12. The use hereby permitted shall not cause injury to or prejudicially affect the amenity of the locality by reason of the emission of smoke, dust, fumes, odour, noise, vibration, waste product or otherwise.**

**Advice Notes**

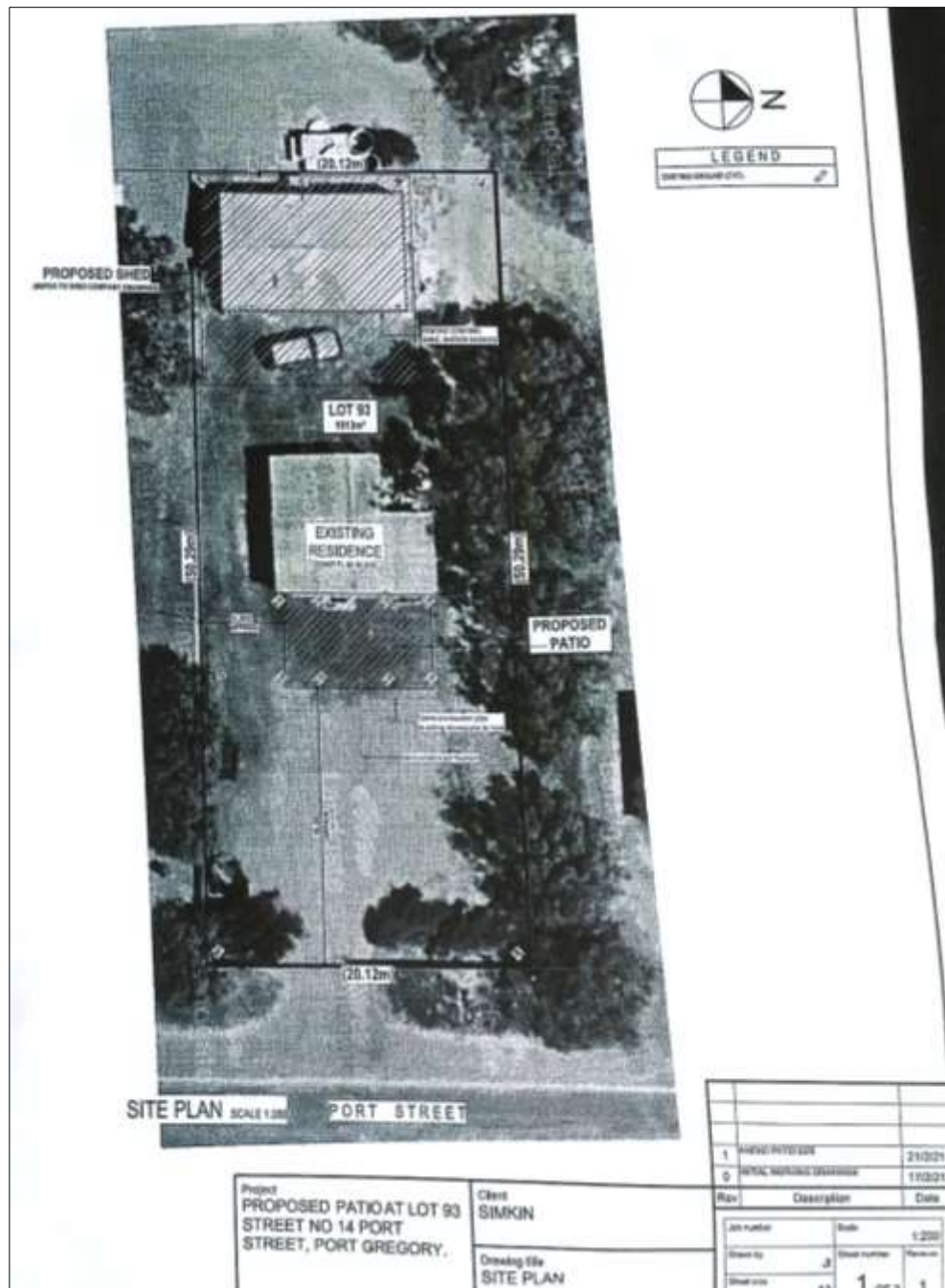
***Note 1: If the development/use the subject of this approval is not substantially commenced within a period of 2 years, or another period specified in the approval after the date of determination, the approval will lapse and be of no further effect.***

***Note 2: Where an approval has so lapsed, no development must be carried out without the further approval of the local government having first been sought and obtained.***

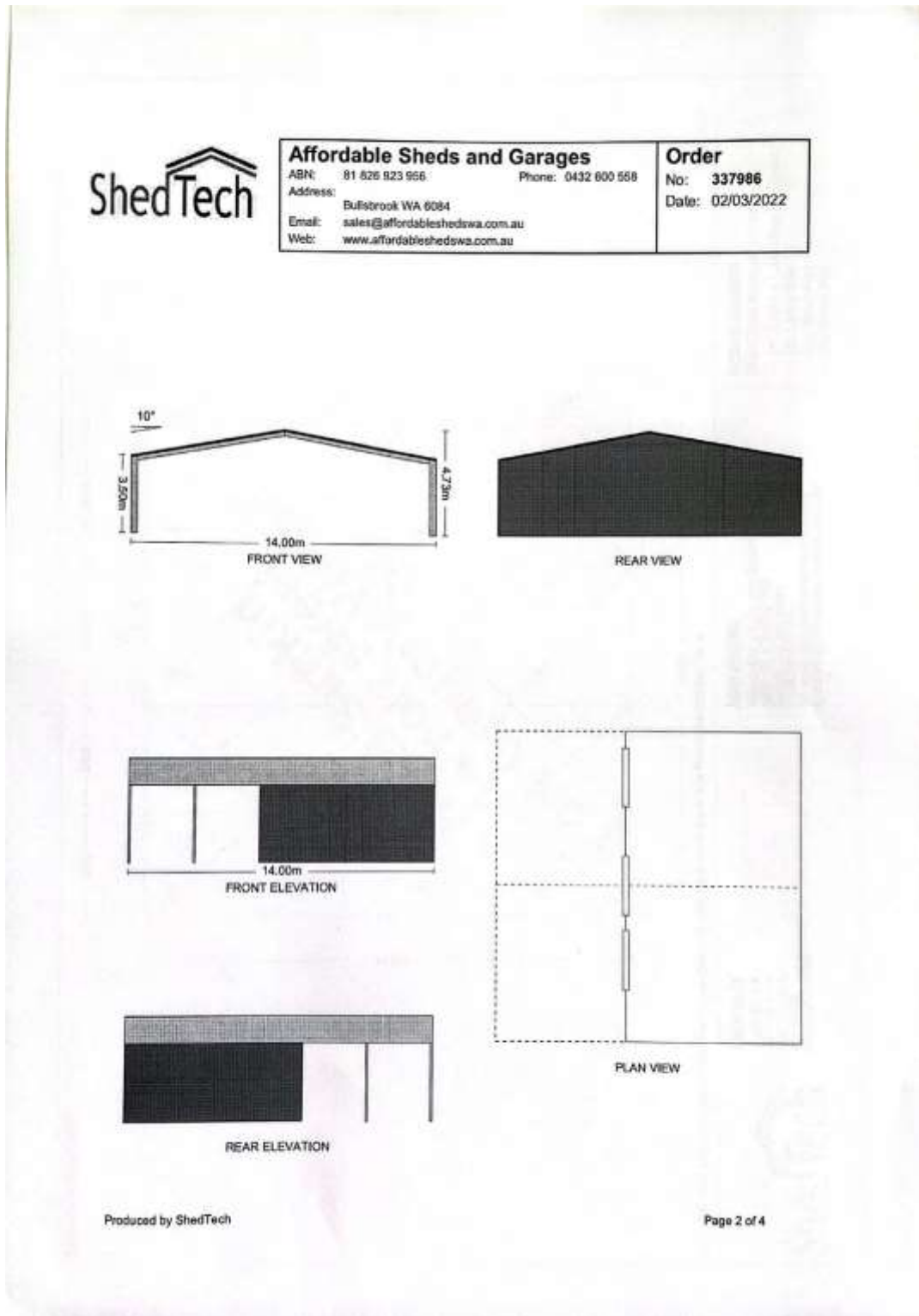
***Note 3: With regard to Condition No. 10 it is recommended that the services of a licensed surveyor be employed to verify the exact boundary position.***

***Note 4: If an applicant or owner is aggrieved by this determination there is a right of review by the State Administrative Tribunal in accordance with the Planning and Development Act 2005 Part 14. An application must be made within 28 days of determination.***

**APPENDIX 1 – SITE PLAN**



## APPENDIX 2. FLOOR AND ELEVATION PLANS



**7.3.5 PROPOSED ALFRESCO AREA – DRYWELL PLANTS PRODUCE AND CRAFTS - SHOP 1 - LOT 12 (NO. 221) HAMPTON ROAD, NORTHAMPTON**

<b>LOCATION:</b>	Shop 1 - Lot 12 (No. 221) Hampton Road, Northampton
<b>APPLICANT:</b>	M Elsum-Beaumont
<b>OWNER:</b>	Shire of Northampton
<b>FILE REFERENCE:</b>	10.8.1.3/ A2519
<b>DATE OF REPORT:</b>	13 May 2022
<b>REPORTING OFFICER:</b>	Michelle Allen – Planning Officer
<b>RESPONSIBLE OFFICER:</b>	Garry Keeffe, Chief Executive Officer
<b>APPENDICES:</b>	
1.	Schedule of Submissions
2.	Site Plan of Alfresco area
3.	Photos Alfresco area

**AUTHORITY / DISCRETION:**

**Quasi-Judicial** *when Council determines an application within a clearly defined statutory framework, abiding by the principles of natural justice, acting only with discretion afforded it under law, and giving full consideration to Council policies and strategies relevant to the matter at hand. These decisions are reviewable by the State Administrative Tribunal.*

**Executive** *the substantial direction setting and oversight role of the Council. For example, adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*

**SUMMARY:**

An Application for Development Approval has been received for the proposed alfresco area within the front road reserve area of Hampton Road adjacent to the Drywell Plants Produce and Crafts Shop.

The Application was advertised to adjoining landowners for a period of fourteen (14) days, during which time four (4) submissions were received with three expressing concern regarding the proposed use.

This report recommends approval of the Application for Development Approval, subject to a number of conditions to address the adjacent landowners' concerns.



**LOCALITY PLANS:**

**Figure 1. Location of Road Reserve and Lot 12 (No. 221) Hampton Road, Northampton**



**Figure 2. Site plan of Road Reserve and Lot 12 (No. 221) Hampton Road, Northampton**





## BACKGROUND:

An Application for Development Approval was received on 8 April 2022 for the proposed alfresco area adjacent to the Drywell Plants Produce and Crafts shop into the road reserve area as shown in **Figure 2** above.

The paved area is utilised by pedestrians to access premises along the western side of Hampton Road. There is also a set of stairs with a handrail that provides access to vehicles in car parking bays situated on the side of the road/carriage way.

A number of shops currently display a selection of their goods for sale, including racks of clothing adjacent to their premises on the public access way.

In consideration of the proposal, the following information is provided:

Lot Size	1,518m <sup>2</sup> (Retail Shops), 23m <sup>2</sup> (Shop 1 - Pathway)
Existing Development	Commercial (restaurant/shop)
Access & Frontage	Access via Hampton Road
Services	Water, Sewer and Power
Surrounding Land Uses	Commercial/Townsite

The applicant is proposing to place three tall alfresco tables and twelve stools immediately adjoining the front façade of the shop in the paved access way adjacent to Shop 1. Each table will be 0.400m wide and 1 metre long and each stool will be 0.400m<sup>2</sup> as shown in **Appendix 3**. Hours of operation are proposed to be from 7-00am to 6-00pm each day, seven days a week.

## FINANCIAL & BUDGET IMPLICATIONS:

Should Council refuse the Application and the Applicant thereafter proceeds to exercise their right of appeal, costs are likely to be imposed on the Shire through its involvement in the appeal process.

## COMMUNITY & GOVERNMENT CONSULTATION:

The application for the proposed alfresco dining area was advertised in accordance with clause 64, Schedule 2 of the Planning and Development (Local Planning Scheme) Regulations 2015, as per the following:

- Letters to adjacent landowners.

During the advertising period, four (4) submissions were received from adjacent landowners, two (2) being objections, one (1) being in support and one (1) being indifferent regarding the proposed use. A summary of the submissions is included as **Appendix 1** to this report.

#### **STATUTORY IMPLICATIONS:**

*State: Planning and Development Act 2005*

*Planning and Development (Local Planning Schemes) Regulations 2015*

*Local: Shire of Northampton Local Planning Scheme No. 10*

#### Shire of Northampton Local Planning Scheme No. 10

Lot 12 (No. 221) Hampton Road, Northampton is zoned 'Commercial' and is included within "Special Control Area No. 4 – Town Centre Conservation Precinct".

The objectives of the 'Commercial' zone are:

- *To provide for a range of shops, offices, restaurants and other commercial outlets in defined townsites or activity centres.*
- *To maintain the compatibility with the general streetscape, for all new buildings in terms of scale, height, style, materials, street alignment and design of facades.*
- *To ensure that development is not detrimental to the amenity of adjoining owners or residential properties in the locality.*

A 'Shop' and 'Restaurant/Café' are both listed as permitted uses within the Zoning Table.

Special Control Area 4 requires development approval to '*...construct or extend a dwelling or other building, or to carry out any other form of development.*' In considering any development application the local government is to have regard to the objectives and guidelines set out in Schedule 6 of the Scheme. This Schedule refers to matters concerning town centre conservation.

#### **POLICY IMPLICATIONS:**

*Local: Shire of Northampton Local Planning Strategy 2022*

*Shire of Northampton Townsite Revitalisation Plan*

*Local Planning Policy – Alfresco Dining*

### Shire of Northampton Local Planning Strategy 2022

The strategic vision of the *Northampton Local Planning Strategy* is:

*“To develop a long term Strategy for the future development and enhancement of the Shire that recognises, builds upon and promotes the agricultural, residential, tourism, community and cultural values and opportunities of the region in an environmentally, economically and socially sustainable manner.*

The strategic objectives of the Strategy are:

*“To protect, promote and encourage the continuation and diversification of agriculture and related rural based industries within the Shire as a key long term economic driver of the region.*

*To actively promote broader housing choices within the Northampton Townsite to stabilise and enhance the community and cultural values of the Townsite and position the Townsite as a viable and attractive alternative residential location within the Mid-West.*

*To expand employment opportunities particularly in tourism as a longer term economic driver by actively capitalising on the popularity of Northampton as a tourist “stopover”; encouraging greater choices in short stay accommodation within the Northampton Townsite and near surrounds and the promotion of the locality as an “events based” tourist destination.*

*To protect and enhance, in a sustainable manner, the key physical resources and environmental values of the Shire.”*

The proposal is considered to address the strategic objectives of the LPS by expanding employment opportunities in tourism as a longer-term economic driver for the townsite and region more broadly.

### Northampton Townsite Revitalisation Plan

The Northampton Townsite Revitalisation Plan provides a framework for the enhancement of the town centre. The Plan places a focus retail activity and interaction by consolidating the town centre, diversification of businesses and enhancement of the public realm with a focus on creating a pedestrian friendly environment.

### Local Planning Policy – Alfresco Dining

The objectives of the Local Planning Policy – Alfresco Dining are:

- *To ensure that alfresco dining activities are carried out in a way which is in tune with a healthy, safe and comfortable environment for the community and positively contributes to the attractiveness of the area.*
- *2.2 To ensure that an adequate proportion of the verge area is available for unrestricted public movement. This is to ensure the primary use of footpaths, namely safe pedestrian movement, is maintained.*
- *2.3 To promote a vibrant street life balancing the interests and needs of residents and visitors alike.*
- *2.4 To limit the impacts on the public amenity and the characteristic streetscape of the area and the street.*
- *2.5 To ensure the safe and unobstructed passage for pedestrians and unobstructed vision for motorists and cyclists.*

Furthermore, the Policy states the following:

- 3.1.1 *Taking advantage of the footpath for trade purposes is a privilege not a right. The community expects traders to keep certain common principles.*
- 3.1.2 *Alfresco dining should only be approved where they are directly associated with an adjacent food establishment or business.*
- 3.1.3 *Alfresco dining activities shall not, in the opinion of the local government conflict with, or inconvenience, other adjacent businesses.*
- 3.1.4 *This policy also applies to use areas in pedestrian arcades and other similar “public” places on private property.*
- 3.1.5 *Public liability insurance cover of \$10 million is required.*
- 3.1.6 *The applicant is solely responsible for all and any associated costs with the removal, alteration, repair, reinstatement or reconstruction (to the approval of the local government) of the street carriageway, footpath or any part thereof arising from the use of the alfresco area.*
- 3.1.7 *The local government may seek a contribution towards the upgrading and/or construction of a sealed footpath adjacent to alfresco dining areas.*

### 3.2 Site Requirements

- 3.2.1 *Pedestrian movement down the footpath should be safe and unobstructed. All objects and furniture for dining must not obstruct pedestrian movement. A general minimum clear footpath width of 1.5 metres shall be maintained in all cases and the local government may specify a greater width in certain cases.*
- 3.2.2 *All public facilities should be surrounded by 1 metre clear space from alfresco dining activities (telephone booths, public seats, bicycle racks etc.).*
- 3.2.3 *Alfresco dining activities should have a minimum setback of 900mm from the edge of the carriageway/kerb line or nearest edge of adjacent on-street parking bays.*

### 3.3 Street Furniture

- 3.3.1 *Street furniture should be well constructed and not a hazard. It should be able to withstand windy conditions, be easily moveable to allow for cleaning of the area and shall not be a vehicle for advertising.*
- 3.3.2 *All objects and furniture located as part of the dining area are to be readily removable, however where it is demonstrated to the local government that there are positive benefits to the public (refer to Objective 2.3), more permanent features such as flower boxes, shade sails etc. may be permitted.*
- 3.3.3 *The placement of appropriate barriers to separate diners and the public generally to be provided by the applicant in accordance with relevant Australian Standards.*
- 3.3.4 *It may be appropriate, in certain circumstances, that screens be used to provide shelter from wind and rain. Screening should be visually permeable and readily removable. They should only be used when and where climatic conditions warrant.*
- 3.3.5 *All objects and furniture must not obstruct sight lines for either vehicles or pedestrians, either at road junctions and crossovers.*

### 3.4 Application Requirements

- 3.4.1 *Before placing chairs and tables on public verge areas you are required to obtain firstly a Development Approval (from Planning Services) and subsequently a Permit to Conduct an Outdoor Eating Facility (from Environmental Health).*

A Local Planning Policy does not bind the local government in respect of any application for planning approval, but the local government is to have due regard to the provisions of the Policy and the objectives which the Policy is designed to achieve before making its determination.

**COMMENT:**

The proposed alfresco dining is considered to meet the objectives and provisions of Local Planning Scheme No. 10 and supports the objectives of the Local Planning Strategy and Northampton Townsite Revitalisation Plan.

However, the proposal is not considered to meet all of the objectives of the Local Planning Policy for Alfresco Dining, specifically:

- *To ensure that an adequate proportion of the verge area is available for unrestricted public movement. This is to ensure the primary use of footpaths, namely safe pedestrian movement, is maintained.*

There have also been some concerns raised by adjacent landowners regarding potential impact of alfresco dining on the movement of people along this section of footpath, taking into consideration the location of permanent features of the area that include stairs and handrail, verandah pole, planter box and rubbish bin. These matters are discussed below.

The configuration of Shop 1, immediately adjacent to stairs and handrail, verandah pole, planter box and rubbish bin requires further consideration in relation to the potential restriction on the movement of people along the public access way. The access way on this side of Hampton Road sits approximately .300m above the street carriage way and provides a long and safe length of pathway for pedestrians to traverse within the shopping/town precinct. Whilst it is acknowledged that approval has been granted for other businesses on Hampton Road to place alfresco furniture on the access way adjacent to their businesses, it is noted that these approvals are for a lower number of tables and chairs. Whilst the applicant has demonstrated that the proposed placement of the tables and stools will leave an area of 1.5 metres free between the closest table and the handrail (see **Figure 2**), this placement does not allow for the movement of stools/persons during the alfresco eating activity. It is considered that a reduction in the number of tables and stools to include two tall tables and eight stools will further remove the potential to conflict or inconvenience pedestrian activity on the access way immediately adjacent to Shop 1.

Furthermore, it is considered that the concerns raised by adjoining landowners can be effectively managed via the implementation of a number of conditions that seek to minimise impact and optimise controls for the management of the alfresco dining area.

**VOTING REQUIREMENT:**

*Simple Majority required.*

### CONCLUSION:

It is recommended that Council grant Development Approval for the use of a portion of road reserve, being the public access way immediately adjacent to Shop 1 – Lot 12 (No. 221) Hampton Road, Northampton, subject to the conditions outlined below. These conditions aim to minimise obstructions to pedestrians, in response to the configuration of the area adjacent to Shop 1 and address the concerns raised in relation to the proposed alfresco dining use.

OFFICER RECOMMENDATION – ITEM 7.3.2	APPROVAL
<b>That Council approves the Application for Development Approval for an alfresco dining use upon the Grey Street Road Reserve immediately adjacent to Shop 1 – Lot 12 (No. 221) Hampton Road, Northampton, subject to the following conditions:</b>	
1.	<b>Development shall be in accordance with the attached approved plan(s) dated 20 May 2022 and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plan(s) shall not be modified or altered without the prior written approval of the local government;</b>
2.	<b>Any additions to or change of use of any part of the building or land (not the subject of this consent/approval) requires further application and development approval for that use/addition;</b>
3.	<b>The alfresco dining area shall be limited to the portion of Hampton Road access/path way immediately adjacent to Shop 1 – Lot 12 (No. 221) Hampton Road, Northampton as marked in the attached approved plans dated 20 May 2022;</b>
4.	<b>The alfresco dining furniture shall be limited to the number of two (2) tall tables (each measuring 0.400m wide by 1 metre long) and eight (8) stools (each measuring 0.400m<sup>2</sup>);</b>
5.	<b>Temporary fixtures, such as tables and chairs, shall not be permanently fixed and must be removed from the access/path way area outside of trading hours, unless otherwise approved by the Shire of Northampton;</b>

- 6. When requested by the Local Government, the Applicant must temporarily remove the alfresco dining area furniture and equipment. The furniture and equipment may be replaced once directed by the Local Government;**
- 7. The alfresco dining area must be maintained in a clean and tidy condition to the satisfaction of the Local Government. The Applicant must ensure that any spillage of food and drinks are promptly cleaned from the ground and table surfaces, and that all rubbish is regularly removed, such that the area is maintained to ensure a high standard of amenity;**
- 8. The alfresco dining area must not be used in a manner to cause noise or nuisance to patrons or adjacent land owners or occupiers;**
- 10. The Applicant shall at all times ensure that tables and stools, equipment and furniture are contained within the designated alfresco dining area, so as to allow for safe and unobstructed pedestrian movement along the Hampton Road footpath, with a minimum clearance of 2.0 metres from the step and handrail to be maintained free for pedestrian access at all times.**
- 11. This approval is issued only to M. Elsum-Beaumont and is NOT transferrable to any other person or any other land parcel, without the further application and approval of the Shire of Northampton;**
- 12. If the use of the reserve for alfresco dining, in association with a food premise, discontinues for a continuous period of 12 months or longer, then this development approval shall lapse and a new development approval shall be required;**
- 13 Pursuant to the Local Government Act 1995 and cl. 3.1.5 of the Shire of Northampton Local Planning Policy – Alfresco Dining, the Local Government must be indemnified against any damage which may arise from the proposed use of the reserve, and therefore public liability insurance cover to a minimum value of \$10 million must be held and maintained by the Applicant at all times.**
- 14. The Applicant is required to indemnify and keep indemnified the Shire, its servants and agents against any claim or proceeding (and any cost and expenses incurred as a result) that may be made or brought by any person or corporation against the Shire, its servants and agents arising out of the approval, erection, existence or operation of the fence or signage;**



15. The Applicant shall prepare and implement a Complaints Handling Procedure and a Noise Management Plan, to the approval of the local government. Complaints that are received by the Applicant shall be recorded in a complaints register, with this register to be made available to the local government upon their request;
- 167 The Applicant shall take reasonable steps to ensure that their contact details are made available to adjacent landowners, to the approval of the local government;
16. The Shire of Northampton reserves the right to revoke this “Alfresco Dining” approval, or require appropriate measures to be taken, in the event that:
- (a) excessive noise, behaviour or other complaints are received;
  - AND
  - (b) the local government determines that such complaints have been insufficiently managed or dealt with by the applicant (for example, that the Complaint and Noise Management Plan has not been enacted sufficiently); and
18. Any lighting installed for the purpose of providing additional light to the alfresco area shall be such that:
- (a) all illumination is confined within the boundaries of the property and approved alfresco area; and
  - (b) there shall not be any glare nuisance caused to adjacent landholdings and occupiers or passing traffic, to the approval of the local government.

**Advice Notes:**

**Note 1:** Compliance is required with the Food Act and Food Regulations (2009). In this regard the Applicant is advised to liaise with the Shire’s Environmental Health Officer to ensure that the operations comply with the relevant legislation.

**Note 2:** If the development/use the subject of this approval is not substantially commenced within a period of 2 years, or another period specified in the approval after the date of determination, the approval will lapse and be of no further effect;

**Note 3. Where an approval has so lapsed, no development must be carried out without the further approval of the local government having first been sought and obtained.**

**Note 4: If an applicant or owner is aggrieved by this determination there is a right of review by the State Administrative Tribunal in accordance with the Planning and Development Act 2005 Part 14. An application must be made within 28 days of determination.**

## APPENDIX 1. SCHEDULE OF SUBMISSIONS

No	Date Received	Submission Detail	Shire Comment	Shire Recommendation
1	06/04/2022	<p><b>OBJECTION</b></p> <p>No objection to someone being able to expand their business and support this and it is healthy for the town and provides a range of choices for the consumer whilst in town.</p> <p>I have concerns in regards to how many tables are on the street and the obstruction this will cause especially with the elderly and incapacitated who are on gophers. There is not enough space between handrail, steps and tables. The elderly who are on gophers may not have spatial awareness to navigate such a narrow passing and do not have reaction time should a chair be moved in front of them and are at major risk of driving off the curb. There is a large curb that a gopher or elderly person will fall down. There have been customers fall down in the past without chairs and tables as an obstruction and they have been sent to hospital.</p> <p>I would suggest perhaps reducing the number of tables to one with a maximum of two, with the positioning being as far away from the congestion point around the handrail and stairs. I would also suggest removing some of the display tables of produce on the street to allow this to be more effective. Having eating tables as well as display tables will add to the congestion.</p>	<p>Use Class ‘Restaurant/Café’ and ‘Shop’ are Permitted Uses under Local Planning Scheme No. 10 for Lot Shop 1 – Lot 12 and alfresco dining is considered to be directly associated with a ‘Restaurant/Cafe’ use. The Local Planning Strategy encourages <i>‘expansion of employment opportunities particularly in tourism as a longer term economic driver by actively capitalising on the popularity of Northampton as a tourist “stopover”.’</i> Furthermore, the Townsite Revitalisation Plan places a focus on retail activity and interaction by consolidating the town centre, diversifying businesses and enhancing the public realm with a focus on creating a pedestrian friendly environment. It is considered that the requirement for a reduction in the number of tables and stools will assist to mitigate potential conflict between pedestrian flow and retail/cafe activity.</p> <p>In keeping with Council’s Local Planning Policy “Alfresco Dining” several conditions have also been applied to address valid concerns raised - .</p> <p>* The stamped approved plans will clearly define the area of approved use.</p> <p>*The Alfresco Dining will only be approved where the use is directly associated with an adjacent food establishment or business.</p>	<p>Submission upheld.</p> <p>The following conditions are recommended:</p> <ol style="list-style-type: none"> <li>1.The alfresco dining area shall be limited to the portion of Hampton Road access/path way immediately adjacent to Shop 1 – Lot 12 (No. 221) Hampton Road, Northampton as marked in the attached approved plans dated 20 May 2022;</li> <li>2. The alfresco dining furniture shall be limited to the number of two (2) tall tables (each measuring 0.400m wide by 1 metre long) and eight (8) stools (each measuring 0.400m<sup>2</sup>);</li> <li>3.Temporary fixtures, such as tables and chairs, shall not be permanently fixed and must be removed from the access/path way area outside of trading hours, unless otherwise approved by the Shire of Northampton;</li> <li>4.The alfresco dining area must not be used in a manner to cause noise or</li> </ol>

			<p>*The tables and stools will be contained within the designated alfresco area to allow for unobstructed pedestrian movement with a minimum clearance distance established.</p> <p>*The approval will include a requirement to prepare and implement a Complaints Handling Procedure.</p>	<p>nuisance to patrons or adjacent landowners or occupiers;</p> <p>5.The Applicant shall at all times ensure that tables and stools, equipment and furniture are contained within the designated alfresco dining area, so as to allow for unobstructed pedestrian movement along the Hampton Road footpath, with a minimum clearance of 2 metres from the step and handrail to be maintained free for pedestrian access at all times.</p> <p>6.The Applicant shall prepare and implement a Complaints Handling Procedure and a Noise Management Plan to the approval of the local government. Complaints that are received by the Applicant shall be recorded in a complaints register, with this register to be made available to the local government upon request.</p>
2	07/04/2022	<p><b>INDIFFERENT</b></p> <p>No objection to outdoor seating however we think the current tables at 1 metre in length are too long for the width of the walkway and will pose a problem for</p>	<p>Use Class 'Restaurant/Café' and 'Shop' are Permitted Uses under Local Planning Scheme No. 10 for Lot Shop 1 – Lot 12 and alfresco dining is considered to be directly</p>	<p>No formal objection noted by submitter but points of Submission addressed.</p>

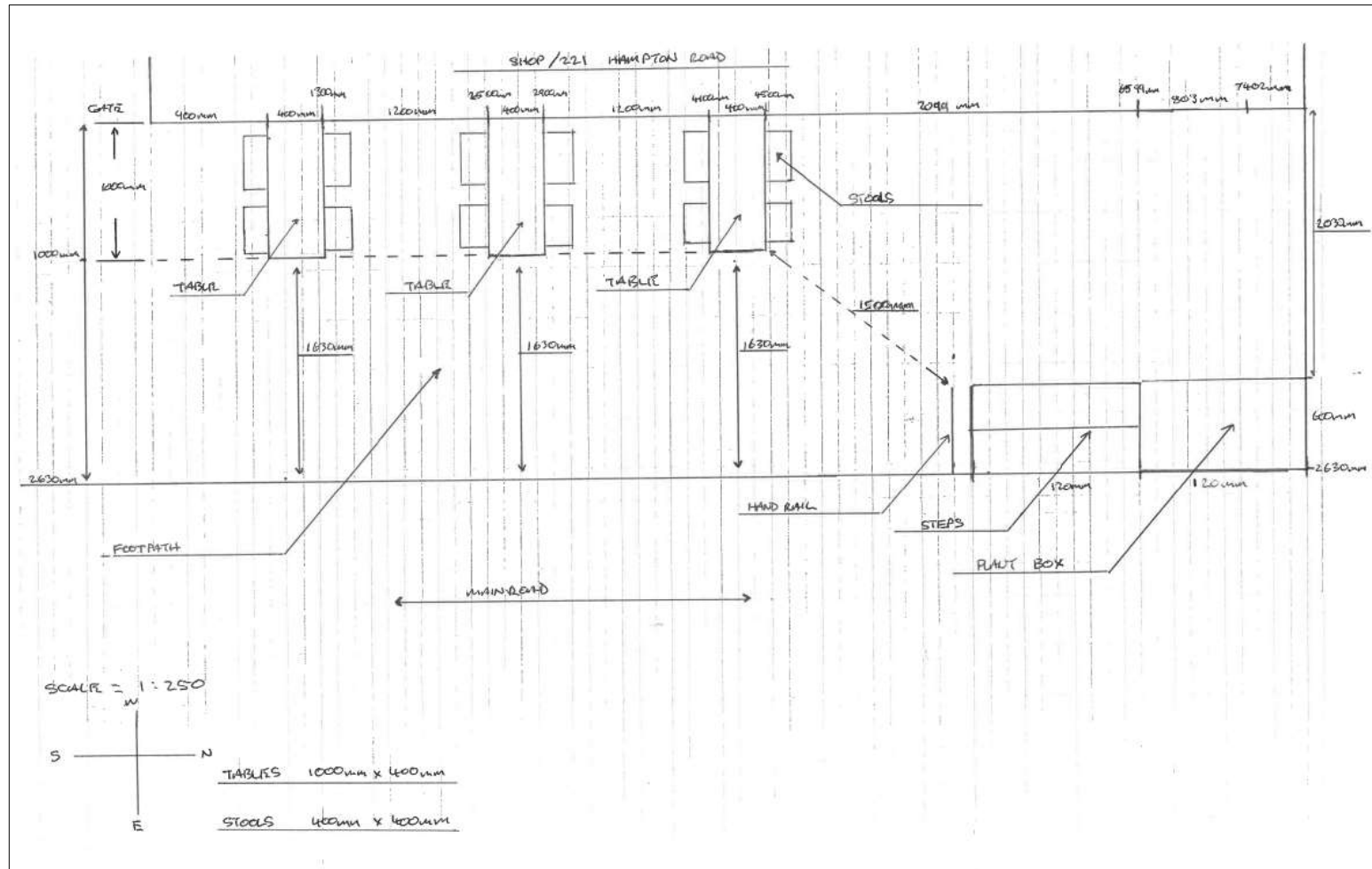
		<p>scooters, wheelchairs, prams and more than one person walking.</p> <p>associated with a 'Restaurant/Cafe' use. The Local Planning Strategy encourages <i>'expansion of employment opportunities particularly in tourism as a longer term economic driver by actively capitalising on the popularity of Northampton as a tourist "stopover".'</i> Furthermore, the Townsite Revitalisation Plan places a focus on retail activity and interaction by consolidating the town centre, diversifying businesses and enhancing the public realm with a focus on creating a pedestrian friendly environment. It is considered that the requirement for a reduction in the number of tables and stools will assist to mitigate potential conflict between pedestrian flow and retail/cafe activity.</p> <p>In keeping with Council's Local Planning Policy "Alfresco Dining" several conditions have also been applied to address valid concerns raised - .</p> <ul style="list-style-type: none"> <li>* The stamped approved plans will clearly define the area of approved use.</li> <li>*The Alfresco Dining will only be approved where the use is directly associated with an adjacent food establishment or business.</li> <li>*The tables and stools will be contained within the designated alfresco area to allow for unobstructed pedestrian movement with a minimum clearance distance established.</li> </ul>	<p>The following conditions are recommended:</p> <ol style="list-style-type: none"> <li>1.The alfresco dining area shall be limited to the portion of Hampton Road access/path way immediately adjacent to Shop 1 – Lot 12 (No. 221) Hampton Road, Northampton as marked in the attached approved plans dated 20 May 2022;</li> <li>2. The alfresco dining furniture shall be limited to the number of two (2) tall tables (each measuring 0.400m wide by 1 metre long) and eight (8) stools (each measuring 0.400m<sup>2</sup>);</li> <li>3.Temporary fixtures, such as tables and chairs, shall not be permanently fixed and must be removed from the access/path way area outside of trading hours, unless otherwise approved by the Shire of Northampton;</li> <li>4.The alfresco dining area must not be used in a manner to cause noise or nuisance to patrons or adjacent landowners or occupiers;</li> <li>5.The Applicant shall at all times ensure that tables and stools, equipment and furniture are contained</li> </ol>
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			*A requirement to prepare and implement a Complaints Handling Procedure will be applied.	<p>within the designated alfresco dining area, so as to allow for unobstructed pedestrian movement along the Hampton Road footpath, with a minimum clearance of 2 metres from the step and handrail to be maintained free for pedestrian access at all times.</p> <p>6.The Applicant shall prepare and implement a Complaints Handling Procedure and a Noise Management Plan to the approval of the local government. Complaints that are received by the Applicant shall be recorded in a complaints register, with this register to be made available to the local government upon request.</p>
3	19/04/2022	<p><b>OBJECTION</b></p> <p>1. In direct conflict to my business.</p> <p>2. Tourist business is seasonal approximately 9 months of the year. Another café with added outdoor seating will diminish profits.</p> <p>3. There are already two other cafes very close by both serving coffee and food.</p> <p>4. Northampton is not a holiday destination. Population does not swell to service these cafes adequately.</p> <p>5. Chairs and tables cover half the walkway and block passage especially for the elderly and prams.</p>	Economic competition is not a valid planning consideration	Submission not upheld

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4	20/04/2022	<b>SUPPORT</b> No objection as long as this does not impede the flow of gopher and pedestrian traffic.	No response required	Submission noted
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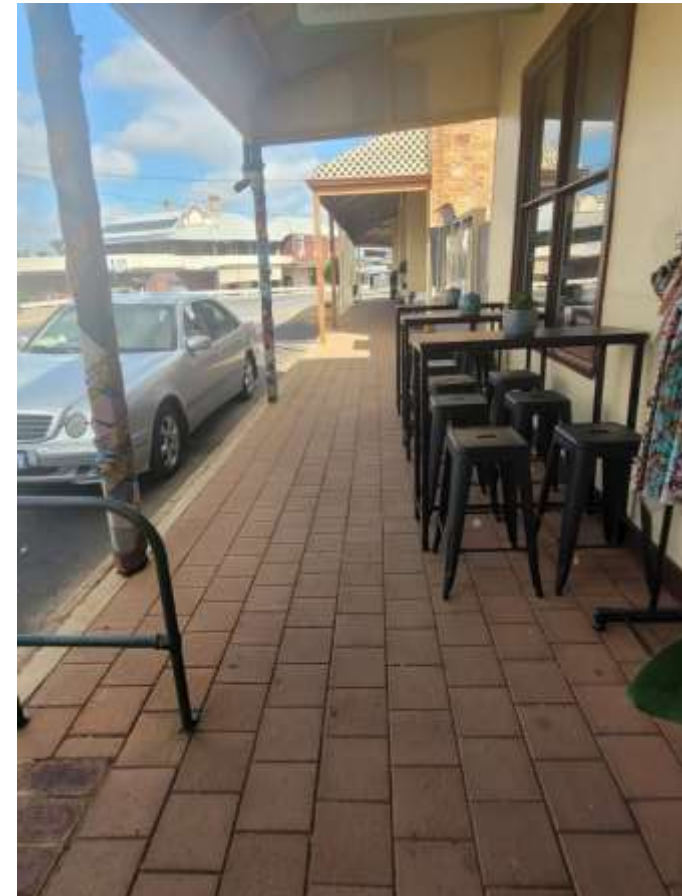
## APPENDIX 2 – SITE PLAN ALFRESCO AREA





**APPENDIX 3 – SITE PHOTOS**





### 7.3.3 SUMMARY OF PLANNING INFORMATION ITEMS

**DATE OF REPORT:** 13 May 2022  
**REPORTING OFFICER:** Michelle Allen – Planning Officer

#### COMMENT:

The following informs Council of the various planning items (including delegated approvals) that have been dealt with since last reported to Council. Further information regarding any of the items can be obtained from the Planning Officer.

REF	APPLICANT	LOCATION	PROPOSED DEVELOPMENT / USE	DATE
028	DJ & KJ Harrington	LOT 383 (NO. 61) WEST STREET, NORTHAMPTON	HOME OCCUPATION – ‘MICRO GREENS’	14 April 2022
029	L Crickmay	LOT 169 (NO. 6) STEMODIA STREET, KALBARRI	TEMPORARY SITING OF ONE (1) SHIPPING CONTAINER	19 April 2022
030	Modular WA	LOT 269 (NO. 12) CLIFTON PLACE, KALBARRI	SINGLE DWELLING (R-CODE VARIATION)	19 April 2022
031	WD Thomas	LOT 13 (NO. 27) GREY STREET, NORTHAMPTON	HOLIDAY HOUSE USE FOR SINGLE HOUSE	19 April 2022
032	SJ Parasiliti	LOT 43 (NO. 16) DIAMOND VISTA, KALBARRI	OUTBUILDING (R-CODE VARIATION)	21 April 2022
033	D Van Den Bosch	RESERVES 25307, 26591 AND 12996	EXPERIENTIAL USE ( 2-BBQ PONTOONS)	22 April 2022 Ordinary Meeting
034	G & P McCallum-Rowe	LOT 2 (NO. 4) JACQUES BOULEVARD, KALBARRI	OUTBUILDING (R-CODE & LPP VARIATION)	22 April 2022 Ordinary Meeting
035	Pippa Johnston	LOT 62 (NO. 7) HORAN WAY, HORROCKS	SINGLE DWELLING (R-CODE VARIATION)	3 May 2022

#### OFFICER RECOMMENDATION – ITEM 7.3.3

#### For Council Information

7.4.1	ACCOUNTS FOR PAYMENT	2
7.4.2	MONTHLY FINANCIAL STATEMENTS – APRIL 2022	10
7.4.3	BUDGET SUBMISSIONS 2022-2023	43

**7.4.1 ACCOUNTS FOR PAYMENT**

<b>FILE REFERENCE:</b>	<b>1.1.1</b>
<b>DATE OF REPORT:</b>	<b>10<sup>th</sup> May 2022</b>
<b>DISCLOSURE OF INTEREST:</b>	<b>Nil</b>
<b>REPORTING OFFICER:</b>	<b>Grant Middleton/Leanne Rowe</b>
<b>APPENDICES:</b>	<b>1. List of Accounts</b>

**SUMMARY**

Council to authorise the payments as presented.

**BACKGROUND:**

A list of payments submitted to Council on 20<sup>th</sup> May 2022, for confirmation in respect of accounts already paid or for the authority to those unpaid.

**FINANCIAL & BUDGET IMPLICATIONS:**

A list of payments is required to be presented to Council as per section 13 of the Local Government Act (Financial Management Regulations 1996).

**POLICY IMPLICATIONS:**

Council Delegation F02 allows the CEO to make payments from the Municipal and Trust accounts. These payments are required to be presented to Council each month in accordance with Financial Management Regulations 13 (1) for recording in the minutes.

**VOTING REQUIREMENT:**

Absolute Majority Required:

**OFFICER RECOMMENDATION – ITEM 7.4.1**

**That Municipal Fund Cheques 22204 to 22217 inclusive totalling \$89,496.91, Municipal EFT payments numbered EFT23408 to EFT23524 inclusive totalling \$1,213,489.99, Direct Debit payments numbered GJ01003 to GJ1010 inclusive totalling \$241,373.34 be passed for payment and the items therein be declared authorised expenditure.**

SHIRE OF NORTHAMPTON  
FINANCE REPORT – 20 MAY 2022

**MUNICIPAL FUND CHEQUES**

Chq #	Date	Name	Description	Amount
22204	19-04-2022	TINA LLOYD	REFUND BARKING COLLAR DEPOSIT	55.00
22205	19-04-2022	CITY OF GREATER GERALDTON	REFUSE DISPOSAL - MERU	18204.30
22206	19-04-2022	THE DOG LINE	BARKING COLLARS	592.00
22207	19-04-2022	GERALDTON MOWER & REPAIR SPECIALISTS	PLANT REPAIRS/PARTS	751.60
22208	19-04-2022	KLEENHEAT GAS	FACILITY FEE	85.80
22209	20-04-2022	SYNERGY	ELECTRICITY CHARGES	23595.42
22210	20-04-2022	PETTY CASH - NORTHAMPTON	PETTY CASH RECOUP	193.75
22211	21-04-2022	HOLDTRO GROUP PTY LTD	REFUND KERB BOND BA21022	500.00
22212	21-04-2022	WATER CORPORATION	WATER USE & SERVICE CHARGES	20488.20
22213	27-04-2022	AUSTRALIA POST	POSTAGE	234.35
22214	27-04-2022	BABA MARDA ROAD SERVICES (JUURLU BABA YAMITJI P/L)	KALB ROAD SHOULDER RECON/GRADE	4541.31
22215	27-04-2022	CITY OF GREATER GERALDTON	REFUSE DISPOSAL - MERU	11884.75
22216	27-04-2022	SHIRE OF ESPERANCE	LONG SERVICE LEAVE ENTITLEMENTS	7041.79
22217	27-04-2022	MCLEODS BARRISTERS & SOLICITORS	LEGAL FEES	1328.64
				<b><u>\$89,496.91</u></b>



SHIRE OF NORTHAMPTON  
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**ELECTRONIC FUND TRANSFERS – MUNICIPAL ACCOUNT**

EFT #	Date	Name	Description	Amount
EFT23408	19-04-2022	KALBARRI IGA	GOODS	126.44
EFT23409	19-04-2022	AUTO PIT STOP	131NR SERVICE	694.45
EFT23410	19-04-2022	BATAVIA COAST TRIMMERS	CYCLONE KAL PLAYGROUP SHADE SAILS	13282.00
EFT23411	19-04-2022	BENARA NURSERIES	NTON SEEDLINGS	561.00
EFT23412	19-04-2022	BRUCE ROCK ENGINEERING	TRUCK REPAIRS	3641.51
EFT23413	19-04-2022	BUNNINGS (GERALDTON WAREHOUSE)	PLANTS/POTTING MIX	462.74
EFT23414	19-04-2022	SAMANTHA CALDWELL	NCCA REFUND OVERPAID FEES	42.38
EFT23415	19-04-2022	CAT WEST PTY LTD	RESEAL AREAS EDGE REINSTATE	263208.00
EFT23416	19-04-2022	CATERLAAS	PLANT REPAIRS/SERVICES	5849.64
EFT23417	19-04-2022	CHOICES FLOORING	CYCLONE PT GREG HALL BLINDS/AWNINGS	5379.00
EFT23418	19-04-2022	CLEANAWAY OPERATIONS PTY LTD	RES/COMM REFUSE COLL/SITE MTCE	36985.43
EFT23419	19-04-2022	COFFEY SERVICES AUSTRALIA PTY LTD	SOIL SAMPLING	308.00
EFT23420	19-04-2022	COATES HIRE OPERATIONS PTY LTD	PT GREG WATER SUPPLY GENSET HIRE	417.66
EFT23421	19-04-2022	BOC GASES AUSTRALIA	INDUSTRY GASES	70.84
EFT23422	19-04-2022	WINC AUSTRALIA PTY LTD	P/COPIER MTCE	2260.80
EFT23423	19-04-2022	CORSIGN WA PTY LTD	SIGNS	1082.40
EFT23424	19-04-2022	TOLL TRANSPORT PTY LTD	FREIGHT	232.45
EFT23425	19-04-2022	HANNAH CROSS	NCCA REFUND OVERPAID FEES	51.41
EFT23426	19-04-2022	SIMON DRAGE	RSL HALL REPAIR FLOOR BOARDS	462.00
EFT23427	19-04-2022	GARY DUNGATE	FOOTPATH PAVING REPAIRS	1298.00
EFT23428	19-04-2022	ECO-FLORA CRANE, TRUCK & EXCAVATOR SERVICES	GRADE COASTAL CARPARKS	600.00
EFT23429	19-04-2022	FIVE STAR BUSINESS EQUIPMENT AND COMMUNICATIONS	PHOTOCOPIER COUNT/MTCE	158.75
EFT23430	19-04-2022	FORPARK AUSTRALIA	KAL NATURE PGROUND PARTS	140.80
EFT23431	19-04-2022	PHIL GRAYS TRANSPORT	GRAVEL CARTAGE	11088.00
EFT23432	19-04-2022	HASLEBYS HARDWARE SUPPLIES	COVID SCEENS, MESH, PUMP, HWARE	5521.72

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EFT #	Date	Name	Description	Amount
EFT23433	19-04-2022	C + J HANSON PLUMBING CONTRACTORS	HKS DUMP POINT, PLUMBING REPAIRS	8295.54
EFT23434	19-04-2022	HITACHI CONSTRUCTION MACHINERY (AUSTRALIA) PTY LTD	KAL LOADER AIRCON	2246.72
EFT23435	19-04-2022	HORROCKS COMMUNITY CENTRE INC	COUNCIL FUNCTION	1029.60
EFT23436	19-04-2022	INSTANT RACKING & SHELVING	VBFB PPE CABINET	300.00
EFT23437	19-04-2022	JETCO PLUMBING SERVICES	KAL SKATE PK TAP	550.00
EFT23438	19-04-2022	KALBARRI AUTO CENTRE	KALBARRI TIP VEHICLE MAINT	2112.00
EFT23439	19-04-2022	KALBARRI EXPRESS FREIGHT	FREIGHT	18.65
EFT23440	19-04-2022	KALBARRI CARRIERS	FREIGHT	441.32
EFT23441	19-04-2022	KALBARRI MENS SHED INC	KAL LIBRARY BOXES	200.00
EFT23442	19-04-2022	LANDMARK PRODUCTS LTD	CYCLONE KAL SHELTER	31911.00
EFT23443	19-04-2022	LIMITLESS PROMOTIONS	DOG TAGS	740.00
EFT23444	19-04-2022	JONATHON ROBERT MCLENNAN	RATE REFUND	862.48
EFT23445	19-04-2022	LGRCEU	PAYROLL DEDUCTIONS	164.00
EFT23446	19-04-2022	MIDWEST KERBING	KALBARRI GREY ST DUP ASPHALT	61699.00
EFT23447	19-04-2022	MIDWEST MULCHING MOWING	KAL RD VERGE MOW/MULCH	34452.00
EFT23448	19-04-2022	MIDWEST TURF SUPPLIES	NTN OVAL REHAB WORKS	4863.50
EFT23449	19-04-2022	MID WEST AUTO AIRCONDITIONING	KALBARRI TRUCK AIRCON MAINT	2176.00
EFT23450	19-04-2022	M L COMMUNICATIONS	TELSTRA LIDS	82.50
EFT23451	19-04-2022	MALCOLM MORGAN	RATE REFUND	517.34
EFT23452	19-04-2022	NORTHAMPTON IGA	GOODS/REFRESHMENTS	475.79
EFT23453	19-04-2022	NORTHAMPTON FAMILY STORE	UNIFORMS	1004.15
EFT23454	19-04-2022	GERALDTON CLEANPAK TOTAL SOLUTIONS	HANDSOAP DISPENSERS, FOAM HANDWASH	850.34
EFT23455	19-04-2022	OFFICE OF THE AUDITOR GENERAL	AUDIT 30 JUNE 2021	44880.00
EFT23456	19-04-2022	KALBARRI PALM RESORT	NTON CONST CREW ACCOMM	474.00
EFT23457	19-04-2022	PLATINUM ELECTRICIANS MIDWEST	WOM POLE REPLACE, ELECTRICAL	6833.10
EFT23458	19-04-2022	DPT PLANNING, LANDS & HERITAGE	MAPPING AMENDMENT	82.00
EFT23459	19-04-2022	PORT GREGORY CARAVAN PARK	DIESEL PORT GREGORY FIRE TRUCK	136.00
EFT23460	19-04-2022	PAUL SHERIFF	IT SUPPORT	110.00



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EFT #	Date	Name	Description	Amount
EFT23461	19-04-2022	SPALDING ELECTRICAL SERVICES	ELECTRICAL REPAIRS	887.70
EFT23462	19-04-2022	STAR TRACK EXPRESS	FREIGHT	141.38
EFT23463	19-04-2022	SUNCITY SIGNS AND GRAPHICS	DEPOT OHS NOTICE BOARD	418.00
EFT23464	19-04-2022	2V NET IT SOLUTIONS	COMPUTER MTCE	784.00
EFT23465	19-04-2022	LINDA VAN DER VELDE	NCCA REFUND OVERPAID FEES	199.46
EFT23466	19-04-2022	WEST AUSTRALIAN NEWSPAPERS LTD	ADVERTISING	1084.95
EFT23467	19-04-2022	WESTLINE CONTRACTING	NABAWA RD RESEAL REMOVE RRPM	1958.00
EFT23468	19-04-2022	WILSONS SIGN SOLUTIONS	HONOUR BOARD NAME PLATE	66.00
EFT23469	19-04-2022	WILLIAMS & HUGHES	LEGAL PROFESSIONAL FEES	2157.58
EFT23470	19-04-2022	AMY WILL	NCCA REFUND OVERPAYMENT OF FEES	49.86
EFT23471	19-04-2022	CT & L WOODCOCK & SON PTY LTD	SEPTIC TANK, RETIC, TOILET PAPERS	10132.75
EFT23472	19-04-2022	WREN OIL	OIL DISPOSAL	49.50
EFT23473	12-04-2022	J HINE AND SON CONSTRUCTION	CYCLONE ALMA SCHOOL REPAIRS	66000.00
EFT23474	14-04-2022	17 MAINTENANCE & HANDYMAN SERVICES	KALBARRI WHEELCHAIR STORAGE SHED	3219.26
EFT23475	14-04-2022	ALERTFORCE	ASBESTOS TRAINING	1950.00
EFT23476	14-04-2022	HAYLEY R WILLIAMS DEVISE URBAN PLANNING	PLANNING SERVICES	4433.00
EFT23477	14-04-2022	KEVIN JOHN MOSS	PT GREG WATER REIMB FUEL	95.94
EFT23478	14-04-2022	AUSTRALIAN TAXATION OFFICE	MARCH 2022 BAS	20184.00
EFT23479	04-04-2022	AUSSIE TREE SERVICES	CYCLONE DAMAGED TREE CLEANUP	3793.90
EFT23480	04-04-2022	LIONS CANCER INSTITUTE (INC)	LIONS CANCER SPONSORSHIP	600.00
EFT23481	20-04-2022	TELSTRA	TELEPHONE CHARGES	1096.27
EFT23482	27-04-2022	BLUESTAR EARTHMOVING	KAL TIP MTCE	3696.00
EFT23483	27-04-2022	LIBERTY NORTHAMPTON	FUEL HKS FSHORE	131.54
EFT23484	27-04-2022	BRUCE ROCK ENGINEERING	NTON OVAL POLE CAPS	71.50
EFT23485	27-04-2022	CENTRAL WEST PUMP SERVICE	KAL FSHORE NEW BORE PUMP	6119.30
EFT23486	27-04-2022	CLEANAWAY OPERATIONS PTY LTD	RES/COMM REFUSE COLL/SITE MTCE	35972.62
EFT23487	27-04-2022	PERTH COMPU-STOR	ARCHIVE BOXES	222.34
EFT23488	27-04-2022	TOLL TRANSPORT PTY LTD	FREIGHT	57.13

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EFT #	Date	Name	Description	Amount
EFT23489	27-04-2022	ENGIN	ENGIN CHARGES – TELEPHONE ACCOUNT	351.09
EFT23490	27-04-2022	EVERYDAY LANDSCAPING	KAL FSHORE DINGO HIRE	539.00
EFT23491	27-04-2022	FREEMANS LIQUID WASTE PTY LTD	KAL FSHORE SEPTIC PUMP OUT	2161.00
EFT23492	27-04-2022	GERALDTON LOCK & KEY SPECIALISTS	KVC REPAIR LOCKS	2109.00
EFT23493	27-04-2022	GERALDTON & MIDWEST SECURITY SERVICES	RSL/VISITOR CENTRE SECURITY SYSTEMS	2790.00
EFT23494	27-04-2022	GERALDTON AUTO WHOLESALERS	NEW DMAX SINGLE CAB 4X2 MAN	37772.25
EFT23495	27-04-2022	GERALDTON FUEL COMPANY PTY LTD	FUEL CARD PURCHASES	419.50
EFT23496	27-04-2022	GREAT SOUTHERN FUEL SUPPLY	DEPOT FUEL/FUEL CARD PURCHASES	21279.40
EFT23497	27-04-2022	C + J HANSON PLUMBING CONTRACTORS	NTON RSL PLUMBING REPAIRS	212.45
EFT23498	27-04-2022	KALBARRI EXPRESS FREIGHT	FREIGHT	227.47
EFT23499	27-04-2022	KALBARRI WAREHOUSE	SEASOL CONC, SPRAYER	417.05
EFT23500	27-04-2022	KINGS BODYWORKS	VEHICLE REPAIRS	6531.30
EFT23501	27-04-2022	KALBARRI SITEWORKS	KAL GREY ST INSTALL DUP	396.00
EFT23502	27-04-2022	STATE LIBRARY OF WESTERN AUSTRALIA	LIBRARY FREIGHT RECOUP	331.72
EFT23503	27-04-2022	LGRCEU	PAYROLL DEDUCTIONS	82.00
EFT23504	27-04-2022	MIDWEST MULCHING MOWING	KALB AIRSTRIP FIRE PREVENTION MULCH	8118.00
EFT23505	27-04-2022	M L COMMUNICATIONS	NTON OFFICE PHONE REPAIRS	1523.50
EFT23506	27-04-2022	MODERN TEACHING AIDS PTY LTD	NCCA CLEANING GOODS,	768.03
EFT23507	27-04-2022	NAPA	PLANT CRC/CLEANER	631.40
EFT23508	27-04-2022	NORTHAMPTON IGA	NCCA GOODS	44.89
EFT23509	27-04-2022	NORTHAMPTON LIONS CLUB	DRUM MUSTER	437.64
EFT23510	27-04-2022	GERALDTON CLEANPAK TOTAL SOLUTIONS	TOILET PAPERS, CLEANING GOODS	1538.31
EFT23511	27-04-2022	PROTECTOR FIRE SERVICES	21/22 FIRE EXTINGUISHER CHECKS	11980.65
EFT23512	27-04-2022	SANFORD VETERINARY CLINIC	STERILISATION SUBSIDY	20.00
EFT23513	27-04-2022	SPRAYER BARN GERALDTON PTY LTD	KAL BPACK SPRAY UNIT	382.80
EFT23514	27-04-2022	ST JOHN AMBULANCE WA	FIRST AID KIT SERVICING	793.14
EFT23515	27-04-2022	2V NET IT SOLUTIONS	COMPUTER MAINTENANCE/SUPPORT	574.00

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EFT #	Date	Name	Description	Amount
EFT23516	27-04-2022	TOTAL TOILETS	CYCLONE KAL FSHORE PORTABLE TOILETS	18871.90
EFT23517	27-04-2022	LANDGATE	VALUATION EXPENSES	719.61
EFT23518	27-04-2022	WESTRAC EQUIPMENT PTY LTD	NEW 2021 CAT 938K LOADER	357566.00
EFT23519	27-04-2022	WILLIAMS & HUGHES	LEGAL PROFESSIONAL SERVICES	1659.00
EFT23520	27-04-2022	XAP TECHNOLOGIES PTY LTD	NCCA KIDSXAP MONTHLY SUBSCRIPTION	139.00
EFT23521	28-04-2022	REBECCA MAY DAVIS	NCCA REIMB GOODS KMAR	58.41
EFT23522	28-04-2022	HITACHI CONSTRUCTION MACHINERY (AUSTRALIA) PTY LTD	PARTS	250.05
EFT23523	28-04-2022	CONNOLLY CREATIVE BUILDING CO	REFUND KERB DEPOSIT BA21005	500.00
EFT23524	29-04-2022	HAYLEY R WILLIAMS DEVISE URBAN PLANNING	PLANNING SERVICES	4290.00
				<b><u>\$1,213,489.99</u></b>

SHIRE OF NORTHAMPTON  
FINANCE REPORT – 20 MAY 2022

**DIRECT DEBITS**

Jnl #	Date	Name	Description	Amount
	04-04-2022	PAYROLL	ONE OFF PAY	948.00
	14-04-2022	PAYROLL	FN/E 13/04/2022	92419.00
	21-04-2022	SUPERCHOICE	SUPERANNUATION PAY FN/E 13/04/2022	22488.83
	28-04-2022	PAYROLL	FN/E 27/04/2022	98183.00
	29-04-2022	SUPERCHOICE	SUPERANNUATION PAY FN/E 27/04/2022	22666.96
<b>GJ1003</b>	30-04-2022	NATIONAL AUSTRALIA BANK	BANK FEES	135.28
<b>GJ1004</b>	30-04-2022	NATIONAL AUSTRALIA BANK	BANK MERCHANT FEES	329.27
<b>GJ1005</b>	30-04-2022	COMMONWEALTH BANK	BPOINT FEES	52.51
<b>GJ1006</b>	30-04-2022	NATIONAL AUSTRALIA BANK	BPAY	140.80
<b>GJ1007</b>	30-04-2022	NAB CEO CORPORATE CARD	BANK CHARGES	15.30
			ZOOM ANNUAL FEE	209.90
			STAPLES DESK	305.29
<b>GJ1008</b>	30-04-2022	NAB DCEO CORPORATE CARD	BANK CHARGES	9.00
			NCCA IINET	94.14
			KAL CHILD CARE IINET	79.99
			COMPUTER EXPS 2VNET/ADOBE	1,147.60
			MRD VEHICLE OVERSIZE PERMIT	50.00
			AUTO PITT STOP VEHICLE SERVICE	821.30
<b>GJ1010</b>	30-04-2022	NATIONAL AUSTRALIA BANK	LOAN 152 FACILITY FEE	1,274.17
				<b>\$241,373.34</b>

**7.4.2****MONTHLY FINANCIAL STATEMENTS – APRIL 2022**

<b>FILE REFERENCE:</b>	<b>1.1.1</b>
<b>DATE OF REPORT:</b>	<b>10<sup>th</sup> May 2022</b>
<b>DISCLOSURE OF INTEREST:</b>	<b>Nil</b>
<b>REPORTING OFFICER:</b>	<b>Grant Middleton</b>
<b>APPENDICES:</b>	<b>Monthly Financial Report for April 2022</b>

**SUMMARY**

Council to adopt the monthly financial reports as presented.

**BACKGROUND:**

This information is provided to Council in accordance with provisions of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.

The Monthly Statements of Financial Activity for the period ending 30 April 2022 are detailed from page 1 to page 26 per the attached Monthly Financial Report.

**FINANCIAL & BUDGET IMPLICATIONS:**

The 30<sup>th</sup> April 2022 financial position is comprised of the following:

Total operating revenue has a surplus position of \$4,840,021 and operating expenditure has a deficit position of \$1,126,885 to the end of April 2022.

The surplus revenue position is predominately due to the \$2,750,000 insurance payment from LGIS received during August and December and the \$1,884,110 advance FAG's payment for 2022/2023 received during April. The additional expenditure compared to budget relates predominately to Cyclone Seroja insurance repairs which will be offset by insurance revenue.

Investing and Financing variances will reconcile as the year progresses and it is anticipated there will be no significant adverse budget variations or overspends for the 2021/2022 financial year.

Further explanations of material variations are detailed by reporting program in Note 17 of the Monthly Financial Report.

**STATUTORY IMPLICATIONS:**

Local Government (Financial Management) Regulation 34 1996  
Local Government Act 1995 Section 6.4

**POLICY IMPLICATIONS:**

Council is required annually to adopt a policy on what it considers to be material as far as variances that require to be reported for Council. The current Council Policy sets the material variance at \$5,000.

**VOTING REQUIREMENT:**

Simple Majority Required:

**OFFICER RECOMMENDATION – ITEM 7.4.2**

**That Council adopts the Monthly Financial Report for the period ending 30 April 2022.**

**SHIRE OF NORTHAMPTON**  
**MONTHLY FINANCIAL REPORT**  
(Containing the Statement of Financial Activity)  
**For the period ending 30 April 2022**

LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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**MONTHLY FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 APRIL 2022**

**SUMMARY INFORMATION**

**PREPARATION TIMING AND REVIEW**

Date prepared: All known transactions up to 30 April 2022

**BASIS OF PREPARATION**

**REPORT PURPOSE**

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996*, Regulation 34. Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

**BASIS OF ACCOUNTING**

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not inconsistent with the *Local Government Act 1995* and accompanying regulations), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995*, and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**THE LOCAL GOVERNMENT REPORTING ENTITY**

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 14.

**SIGNIFICANT ACCOUNTING POLICIES**

**GOODS AND SERVICES TAX**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

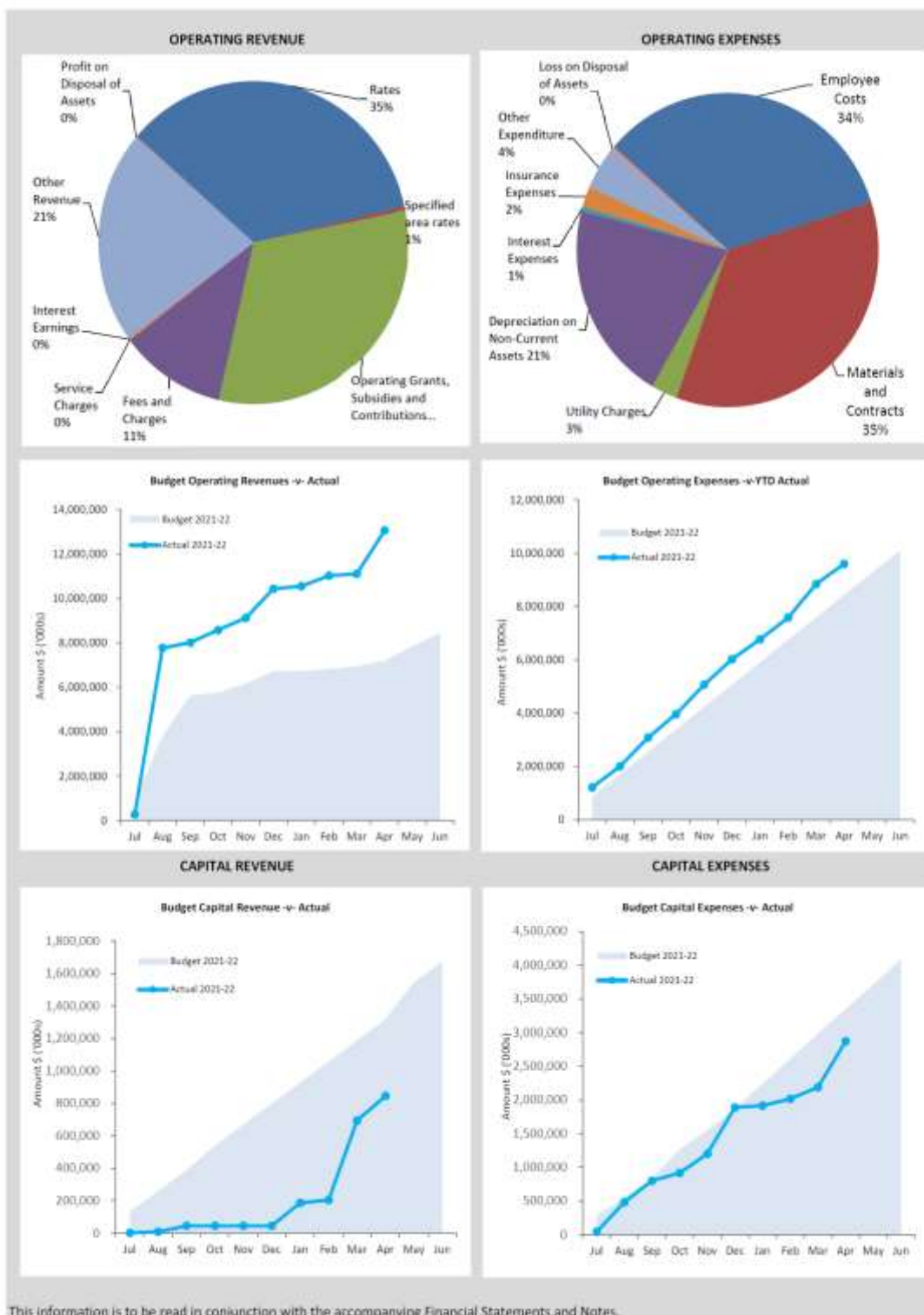
**ROUNDING OFF FIGURES**

All figures shown in this statement are rounded to the nearest dollar.



MONTHLY FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 APRIL 2022

SUMMARY INFORMATION - GRAPHS



Please refer to the compilation report

SHIRE OF NORTHAMPTON | 3

**KEY TERMS AND DESCRIPTIONS  
FOR THE PERIOD ENDED 30 APRIL 2022**

**STATUTORY REPORTING PROGRAMS**

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

**GOVERNANCE**

To provide a decision making process for the efficient allocation of scarce resources.

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

**LAW, ORDER, PUBLIC SAFETY**

To provide services to help ensure a safer and environmentally conscious community.

**HEALTH**

To provide an operational framework for environmental and community health.

**EDUCATION AND WELFARE**

To provide services to disadvantaged persons, the elderly, children and youth.

**HOUSING**

To provide and maintain shire housing.

**COMMUNITY AMENITIES**

To provide services required by the community.

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

**TRANSPORT**

To provide safe, effective and efficient transport services to the community.

**ECONOMIC SERVICES**

To help promote the shire and its economic wellbeing.

**OTHER PROPERTY AND SERVICES**

To monitor and control Shire's overhead operating accounts.

**ACTIVITIES**

Includes the activities of members of council and the administrative support available to the Council for the provision of governance of the district.

Rates, general purpose government grants and interest revenue.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Inspection of food outlets and their control, administration of health local laws and maintenance

Maintenance of child minding centre's, operational costs associated with the Northampton Child Care Association.

Provision and maintenance of shire housing.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Maintenance of public halls and buildings, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, other cultural facilities.

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Tourism and area promotion including the maintenance and operation of camping facilities. Provision of Building Services and Port Gregory Water Supply.

Private works operation, plant repair and operation costs and engineering operation costs.

STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	1,846,346	1,846,346	1,548,264	(298,082)	(16.14%)	
<b>Revenue from operating activities</b>							
Governance		55,530	46,260	76,889	30,629	66.21%	▲
General purpose funding	6	5,481,789	5,254,229	7,572,303	2,318,074	44.12%	▲
Law, order and public safety		91,166	75,940	107,353	31,413	41.37%	▲
Health		33,112	24,240	17,065	(7,175)	(29.60%)	▼
Education and welfare		199,723	166,420	204,677	38,257	22.99%	▲
Housing		76,240	63,520	43,827	(15,693)	(31.00%)	▼
Community amenities		1,278,003	1,186,482	1,058,117	(128,365)	(10.82%)	▼
Recreation and culture		612,449	510,330	85,376	(424,954)	(83.27%)	▼
Transport		206,300	193,619	194,874	1,255	0.65%	▲
Economic services		231,555	212,610	305,004	92,394	43.46%	▲
Other property and services		586,104	488,390	3,396,574	2,908,184	595.46%	▲
		8,851,971	8,222,040	13,062,061	4,840,021		▲
<b>Expenditure from operating activities</b>							
Governance		(917,940)	(775,663)	(759,976)	15,687	2.02%	▲
General purpose funding		(281,435)	(235,450)	(203,571)	31,879	13.54%	▲
Law, order and public safety		(371,591)	(318,940)	(367,801)	(48,861)	(15.32%)	▼
Health		(221,420)	(181,180)	(182,443)	(1,263)	(0.70%)	▼
Education and welfare		(247,577)	(206,966)	(244,257)	(37,291)	(18.02%)	▼
Housing		(80,882)	(68,468)	(74,690)	(6,222)	(9.09%)	▼
Community amenities		(1,611,155)	(1,344,042)	(1,447,053)	(103,011)	(7.66%)	▼
Recreation and culture		(1,898,598)	(1,591,036)	(1,378,542)	212,494	13.36%	▲
Transport		(3,842,840)	(3,191,822)	(2,710,517)	481,305	15.08%	▲
Economic services		(428,844)	(357,672)	(303,885)	53,787	15.04%	▲
Other property and services		(208,349)	(196,384)	(1,921,772)	(1,725,388)	(878.58%)	▼
		(10,110,631)	(8,467,623)	(9,594,508)	(1,126,885)		▼
Non-cash amounts excluded from operating activities	1(a)	2,337,800	1,945,518	2,015,155	69,637	3.58%	▲
<b>Amount attributable to operating activities</b>		1,079,140	1,699,935	5,482,708	3,782,773		▲
<b>Investing Activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	981,656	818,290	695,318	(122,972)	(15.03%)	▼
Proceeds from disposal of assets	7	157,000	156,996	115,000	(41,996)	(26.75%)	▼
Proceeds from self supporting loans	9	35,626	29,680	35,627	5,947	20.04%	▲
Purchase of property, plant and equipment	8	(3,886,400)	(3,182,652)	(2,734,863)	447,789	14.07%	▲
<b>Amount attributable to investing activities</b>		(2,712,118)	(2,177,686)	(1,888,918)	288,768		▲
<b>Financing Activities</b>							
Proceeds from new debentures	9	100,000	0	0	0	0.00%	
Transfer from reserves	10	0	0	16,790	16,790	0.00%	
Repayment of debentures	9	(196,293)	(163,578)	(137,895)	25,683	15.70%	▲
Transfer to reserves	10	(117,075)	(97,563)	(158,394)	(60,831)	(62.35%)	▼
<b>Amount attributable to financing activities</b>		(213,368)	(261,140)	(279,499)	(18,359)		▼
Closing funding surplus / (deficit)	1(c)	0	1,107,455	4,862,555			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to Note threshold. Refer to Note 17 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2021-22 year is \$5,000 or 0.00% whichever is the greater.

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

Please refer to the compilation report

SHIRE OF NORTHAMPTON | 5



**KEY TERMS AND DESCRIPTIONS**  
**FOR THE PERIOD ENDED 30 APRIL 2022**

**NATURE OR TYPE DESCRIPTIONS**

**REVENUE**

**RATES**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

**OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**GRANT REVENUE**

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

Assets that were acquired for consideration that was less than fair value principally to enable the Shire to further its objectives may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation have not been recognised in revenue and expenditure as the fair value of the services cannot be reliably estimated and the services would not have been purchased if they had not been donated.

**FEES AND CHARGES**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**SERVICE CHARGES**

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995, Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**EXPENSES**

**INTEREST EARNINGS**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**OTHER REVENUE / INCOME**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

**PROFIT ON ASSET DISPOSAL**

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

**EMPLOYEE COSTS**

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

**MATERIALS AND CONTRACTS**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**UTILITIES (GAS, ELECTRICITY, WATER, ETC.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**INSURANCE**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**LOSS ON ASSET DISPOSAL**

Loss on the disposal of fixed assets.

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation expense raised on all classes of assets.

**INTEREST EXPENSES**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**OTHER EXPENDITURE**

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	1,846,346	1,846,346	<b>1,548,264</b>	(298,082)	(16.14%)	▼
<b>Revenue from operating activities</b>							
Rates	6	4,595,218	4,595,218	<b>4,582,195</b>	(13,023)	(0.28%)	▼
Specified area rates	6	51,000	51,000	<b>50,193</b>	(807)	(1.58%)	▼
Operating grants, subsidies and contributions	12	2,883,980	2,351,110	<b>4,159,138</b>	1,808,028	76.90%	▲
Fees and charges		1,254,773	1,178,212	<b>1,447,448</b>	269,236	22.85%	▲
Interest earnings		51,500	46,500	<b>28,359</b>	(18,141)	(39.01%)	▼
Other revenue		0	0	<b>2,794,729</b>	2,794,729	0.00%	▲
Profit on disposal of assets	7	15,500	15,492	<b>14,501</b>	(991)	(6.40%)	▼
		<b>8,851,971</b>	<b>8,237,532</b>	<b>13,076,562</b>	4,839,030		▲
<b>Expenditure from operating activities</b>							
Employee costs		(3,837,409)	(3,212,262)	<b>(3,234,248)</b>	(21,986)	(0.68%)	▼
Materials and contracts		(2,809,898)	(2,341,590)	<b>(3,407,860)</b>	(1,066,270)	(45.54%)	▼
Utility charges		(326,395)	(271,780)	<b>(268,235)</b>	3,545	1.30%	▲
Depreciation on non-current assets		(2,353,300)	(1,961,010)	<b>(1,987,676)</b>	(26,666)	(1.36%)	▼
Interest expenses		(61,171)	(50,960)	<b>(47,204)</b>	3,756	7.37%	▲
Insurance expenses		(211,641)	(211,596)	<b>(200,543)</b>	11,053	5.22%	▲
Other expenditure		(510,817)	(433,917)	<b>(421,263)</b>	12,654	2.92%	▲
Loss on disposal of assets	7	0	0	<b>(41,980)</b>	(41,980)	0.00%	▼
		<b>(10,110,631)</b>	<b>(8,483,115)</b>	<b>(9,609,009)</b>	(1,125,894)		▼
Non-cash amounts excluded from operating activities	1(a)	2,337,800	1,945,518	<b>2,015,155</b>	69,637	3.58%	▲
<b>Amount attributable to operating activities</b>		<b>1,079,140</b>	<b>1,699,935</b>	<b>5,482,708</b>	3,782,773		▲
<b>Investing activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	981,656	818,290	<b>695,318</b>	(122,972)	(15.03%)	▼
Proceeds from disposal of assets	7	157,000	156,996	<b>115,000</b>	(41,996)	(26.75%)	▼
Proceeds from self-supporting loans	9	35,626	29,680	<b>35,627</b>	5,947	20.04%	▲
Payments for property, plant and equipment	8	(3,886,400)	(3,182,652)	<b>(2,734,863)</b>	447,789	(14.07%)	▲
<b>Amount attributable to investing activities</b>		<b>(2,712,118)</b>	<b>(2,177,686)</b>	<b>(1,888,918)</b>	288,768		▲
<b>Financing Activities</b>							
Proceeds from new debentures	9	100,000	0	<b>0</b>	0	0.00%	▲
Transfer from reserves	10	0	0	<b>16,790</b>	16,790	0.00%	▲
Repayment of debentures	9	(196,293)	(163,578)	<b>(137,895)</b>	25,683	15.70%	▲
Transfer to reserves	10	(117,075)	(97,563)	<b>(158,394)</b>	(60,831)	(62.35%)	▼
<b>Amount attributable to financing activities</b>		<b>(213,368)</b>	<b>(261,140)</b>	<b>(279,499)</b>	(18,359)		▼
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>0</b>	<b>1,107,455</b>	<b>4,862,555</b>			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold.  
Refer to Note 17 for an explanation of the reasons for the variance.  
This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

Please refer to the compilation report

SHIRE OF NORTHAMPTON | 7

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

NOTE 1  
STATEMENT OF FINANCIAL ACTIVITY INFORMATION

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.

	Notes	Adopted Budget	YTD Budget	YTD Actual (b)
<b>Non-cash items excluded from operating activities</b>				
			\$	\$
<b>Adjustments to operating activities:</b>				
Add/Deduct: Profit/Loss on asset disposals	7	(15,500)	(15,492)	27,479
Add: Depreciation on assets		2,353,300	1,961,010	1,987,676
<b>Total non-cash items excluded from operating activities</b>		<b>2,337,800</b>	<b>1,945,518</b>	<b>2,015,155</b>

(b) Adjustments to net current assets in the Statement of Financial Activity

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with Financial Management Regulation 32 to agree to the surplus/(deficit) after imposition of general rates.

		Last Year Closing 30-06-2021	This Year Opening 1 July 2021	Year to Date 30 April 2022
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	10	(839,610)	(839,610)	(981,214)
Less: Financial assets at amortised cost - self supporting loans	4	(35,627)	(34,126)	(35,627)
Less: Land Held for Resale		(235,000)	(235,000)	(235,000)
Add/less: Adjustments				187,398
Add: Borrowings	9	196,293	196,293	137,895
Add: Provisions - Employee	11	757,961	757,960	718,085
<b>Total adjustments to net current assets</b>		<b>(155,983)</b>	<b>(154,483)</b>	<b>(208,463)</b>

(c) Net current assets used in the Statement of Financial Activity

<b>Current assets</b>				
Cash and cash equivalents	2	2,558,150	2,524,567	5,500,944
Financial assets at amortised cost	2	0	34,126	35,627
Rates receivables	3	253,928	179,502	119,681
Receivables	3	423,158	408,171	206,659
Other current assets	4	240,791	240,791	327,203
<b>Less: Current liabilities</b>				
Payables	5	(490,296)	(569,592)	(263,115)
Borrowings	9	(196,293)	(196,293)	(137,895)
Contract liabilities	11	0	(200,441)	0
Provisions	11	(787,109)	(718,084)	(718,085)
<b>Less: Total adjustments to net current assets</b>	1(b)	<b>(155,983)</b>	<b>(154,483)</b>	<b>(208,463)</b>
<b>Closing funding surplus / (deficit)</b>		<b>1,846,346</b>	<b>1,548,264</b>	<b>4,862,555</b>

**CURRENT AND NON-CURRENT CLASSIFICATION**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

OPERATING ACTIVITIES  
NOTE 2  
CASH AND FINANCIAL ASSETS

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
<b>Cash on hand</b>								
Cash Deposits	Municipal	2,515,959		2,515,959		NAB		At call
Petty Cash	Cash on Hand	1,250		1,250				
Investment	Reserves	0	981,214	981,214		NAB	0.55%	30/06/2022
Cash Deposits	Trust	0	147,771	147,771	147,771	NAB		At Call
Investment	Term Deposit	500,510		500,510		NAB	0.20%	2/05/2022
Investment	Term Deposit	500,785		500,785		NAB	0.62%	30/06/2022
Investment	Term Deposit	1,001,226		1,001,226		NAB	0.70%	30/06/2022
<b>Total</b>		<b>4,519,730</b>	<b>1,128,985</b>	<b>5,648,715</b>	<b>147,771</b>			
<b>Comprising</b>								
Cash and cash equivalents		4,519,730	1,128,985	5,648,715	147,771			
		<b>4,519,730</b>	<b>1,128,985</b>	<b>5,648,715</b>	<b>147,771</b>			

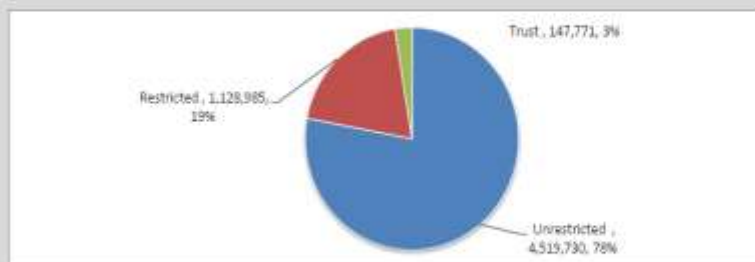
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

The local government classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



Total Cash	Unrestricted
\$5.65 M	\$4.52 M



OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES

	30-Apr-22	30 June 2021
Rates receivable	\$ 104,870	\$ 211,013
Opening arrears previous years	4,632,387	4,709,339
Levied this year	(4,617,577)	(4,815,282)
Less - collections to date		
Equals current outstanding	<b>119,681</b>	<b>104,870</b>
Net rates collectable	119,681	104,870
% Collected	97.5%	97.9%

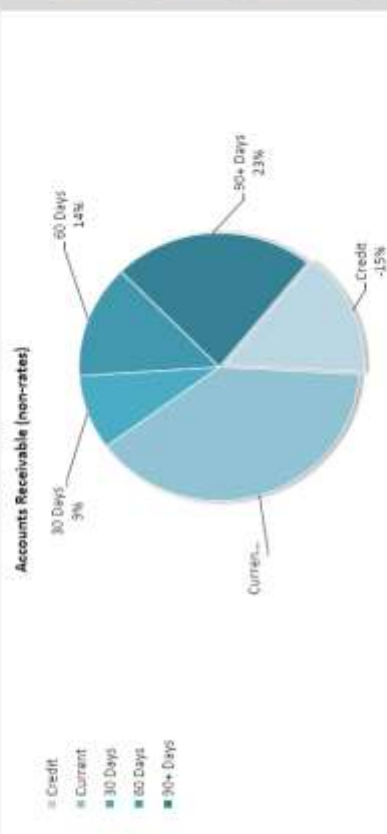
  

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
Receivables - general	(9,524)	24,678	5,716	8,672	14,677	44,220
Percentage	(21.5%)	55.8%	12.9%	19.6%	33.2%	
Balance per trial balance	(9,524)	24,678	5,716	8,672	14,677	44,220
Sundry receivable		88,004				88,004
GST receivable		26,996				26,996
Rubbish Receivables		(8,656)				(8,656)
Accrued income		56,094				56,094
Emergency Services Levy						
<b>Total receivables general outstanding</b>						<b>206,659</b>

Amounts shown above include GST (where applicable)

KEY INFORMATION

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.



Debtors Due	\$206,659
Over 30 Days	66%
Over 90 Days	33.2%

Please refer to the compilation report



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

OPERATING ACTIVITIES  
NOTE 4  
OTHER CURRENT ASSETS

	Opening Balance 1 July 2021	Asset Increase	Asset Reduction	Closing Balance 30 April 2022
<b>Other current assets</b>	\$	\$	\$	\$
<b>Inventory</b>				
Fuel & Materials	5,791	0	86,412	92,203
Land Held for Resale	235,000	0	0	235,000
<b>Total other current assets</b>				<b>327,203</b>
Amounts shown above include GST (where applicable)				

KEY INFORMATION

**Inventory**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

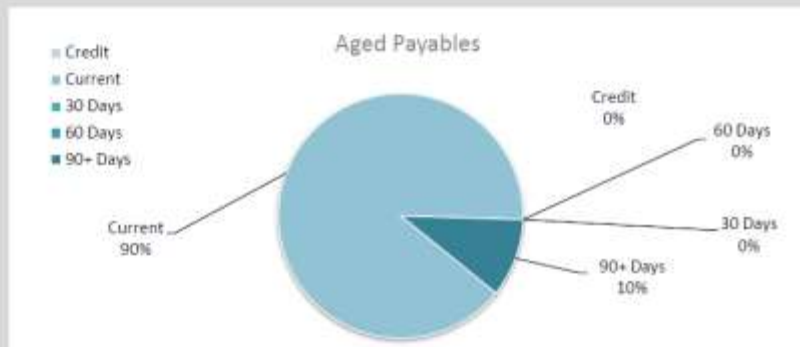
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

OPERATING ACTIVITIES  
NOTE 5  
Payables

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	3,558	0	0	412	3,970
Percentage	0%	89.6%	0%	0%	10.4%	
<b>Balance per trial balance</b>						
Sundry creditors	0	3,558	0	0	412	3,970
Sundry/Payroll Deductions		(40)			(87)	(127)
Tax Payable		77,263				77,263
Accrued salaries and wages		1,346				1,346
Bonds and Deposits		180,663				180,663
<b>Total payables general outstanding</b>	<b>0</b>	<b>262,790</b>	<b>0</b>	<b>0</b>	<b>325</b>	<b>263,115</b>
Amounts shown above include GST (where applicable)						

KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.



**Creditors Due**

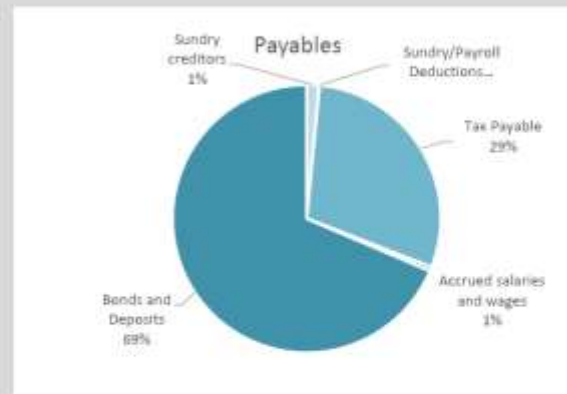
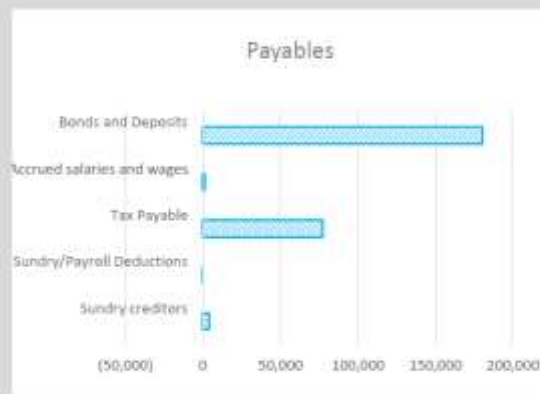
**\$263,115**

**Over 30 Days**

**10%**

**Over 90 Days**

**10.4%**



Please refer to the compilation report

SHIRE OF NORTHAMPTON | 12

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

OPERATING ACTIVITIES  
NOTE 6  
RATE REVENUE

General rate revenue	RATE TYPE	Rate in \$ (cents)	Number of Properties	Rateable Value	Budget				YTD Actual			
					Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
					\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross rental value</b>												
	General GRV	0.079956	1,459	20,058,557	1,591,761	0	0	1,591,761	1,603,612	(21,781)	(7,329)	1,574,502
<b>Unimproved value</b>												
	General UV	0.011983	428	203,434,031	2,338,452	0	0	2,338,452	2,338,747	3,296	80	2,342,123
	<b>Sub-Total</b>		<b>1,887</b>	<b>223,492,588</b>	<b>3,930,213</b>	<b>0</b>	<b>0</b>	<b>3,930,213</b>	<b>3,942,359</b>	<b>(18,485)</b>	<b>(7,249)</b>	<b>3,916,625</b>
<b>Minimum payment</b>												
	General GRV	565	1,116	3,390,741	630,540	0	0	630,540	636,755			636,755
	General UV	565	61	789,227	34,465			34,465	28,815			28,815
	<b>Sub-total</b>		<b>1,177</b>	<b>4,179,968</b>	<b>665,005</b>	<b>0</b>	<b>0</b>	<b>665,005</b>	<b>665,570</b>	<b>0</b>	<b>0</b>	<b>665,570</b>
	<b>Total general rates</b>							<b>4,595,218</b>				<b>4,582,195</b>
<b>Specified area rates</b>												
	Kalbarri Tourism	0.001821		16,484,984	30,000	0	0	30,000	30,095	(902)	0	29,193
	Port Gregory Water Supply	0.037394		561,586	21,000	0	0	21,000	21,000	0	0	21,000
	<b>Total specified area rates</b>			<b>17,046,570</b>	<b>51,000</b>	<b>0</b>	<b>0</b>	<b>51,000</b>	<b>51,095</b>	<b>(902)</b>	<b>0</b>	<b>50,193</b>
	<b>Total</b>							<b>4,646,218</b>				<b>4,632,387</b>

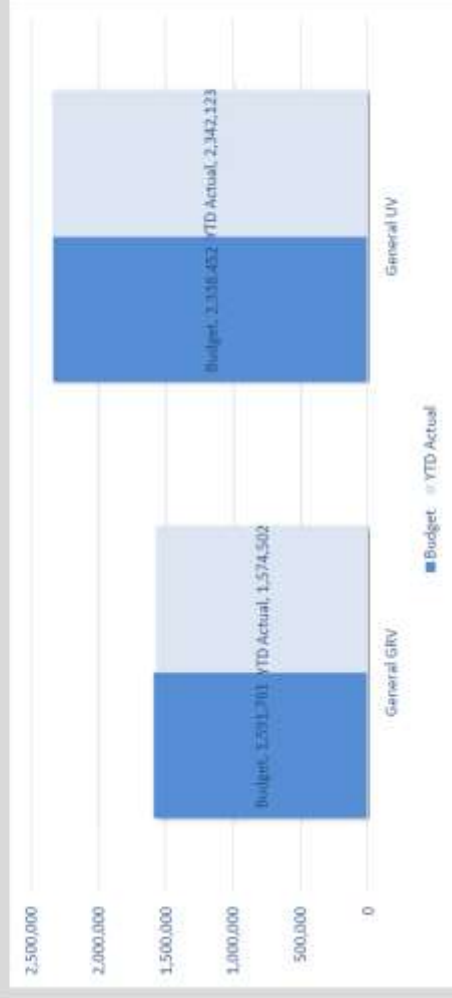
Please refer to the compilation report

OPERATING ACTIVITIES  
NOTE 6  
RATE REVENUE

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

KEY INFORMATION

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. From 1 July 2019 prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.



Please refer to the compilation report

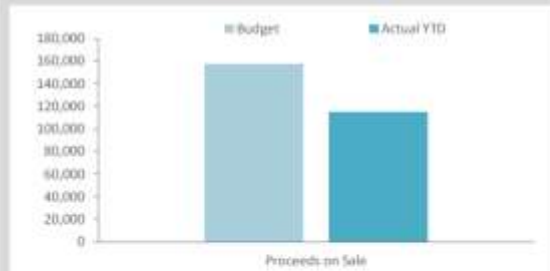
SHIRE OF NORTHAMPTON | 14

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

OPERATING ACTIVITIES  
NOTE 7  
DISPOSAL OF ASSETS

Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	<b>Buildings</b>								
	A/Block Kalbarri Marina	0	0	0	0	35,295	0	0	(35,295)
	<b>Plant and equipment</b>								
	<b>Health</b>								
41768	P282 - Kia Optima - EHO	11,000	15,000	4,000	0			0	0
	<b>Transport</b>								
41770	P284 - Ute LH Main't N'hpton	15,000	10,000	0	(5,000)			0	0
41758	P271 - Ute LH Road Construction	2,000	10,000	8,000	0			0	0
41676	P198 - Ute M'tce Grader Op	2,500	2,000	0	(500)			0	0
41736	P252 - Heavy Loader N'hpton	90,000	85,000	0	(5,000)	86,685	80,000	0	(6,685)
41715	P234 - M'tce Truck N'hpton	21,000	35,000	14,000	0	20,499	35,000	14,501	0
		<b>141,500</b>	<b>157,000</b>	<b>26,000</b>	<b>(10,500)</b>	<b>142,479</b>	<b>115,000</b>	<b>14,501</b>	<b>(41,980)</b>

KEY INFORMATION



Proceeds on sale		
Annual Budget	YTD Actual	%
<b>\$157,000</b>	<b>\$115,000</b>	<b>73%</b>



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

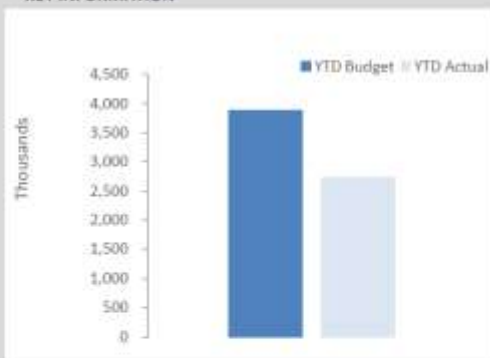
INVESTING ACTIVITIES  
NOTE 8  
CAPITAL ACQUISITIONS

Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Buildings	866,500	647,742	1,119,925	472,183
Furniture and equipment	10,000	8,330	24,404	16,074
Plant and equipment	759,015	670,166	653,475	(16,691)
Infrastructure - Roads	1,718,625	1,432,130	449,199	(982,931)
Infrastructure - Footpaths & Carparks	274,684	209,664	192,528	(17,136)
Infrastructure - Parks & Ovals	252,076	210,040	288,715	78,675
Infrastructure - Other	5,500	4,580	6,617	2,037
<b>Capital Expenditure Totals</b>	<b>3,886,400</b>	<b>3,182,652</b>	<b>2,734,863</b>	<b>(447,789)</b>
<b>Capital Acquisitions Funded By:</b>				
	\$	\$	\$	\$
Capital grants and contributions	981,656	818,290	695,318	(122,972)
Borrowings	100,000	0	0	0
Other (disposals & C/Fwd)	157,000	156,996	115,000	(41,996)
Cash backed reserves				
Leave Reserve	237,014	237,014	236,219	(795)
Roadworks Reserve	29,640	29,640	29,320	(320)
Kalbarri Airport Reserve	205,573	205,573	205,508	(65)
Building/Housing Reserve	131,864	131,864	114,574	(17,290)
Kalbarri Tourism Rate Reserve	6,975	6,975	6,975	0
Computer and Office Equipment Reserve	33,948	33,948	33,793	(155)
Land Development Reserve	311,671	311,671	354,825	43,154
Contribution - operations	1,691,059	1,250,681	943,332	(307,349)
<b>Capital funding total</b>	<b>3,886,400</b>	<b>3,182,652</b>	<b>2,734,863</b>	<b>(447,789)</b>

SIGNIFICANT ACCOUNTING POLICIES

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

KEY INFORMATION




























Acquisitions	Annual Budget	YTD Actual	% Spent
	\$3.89 M	\$2.73 M	70%
Capital Grant	Annual Budget	YTD Actual	% Received
	\$0.98 M	\$0.7 M	71%

Please refer to the compilation report

SHIRE OF NORTHAMPTON | 16

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

INVESTING ACTIVITIES  
NOTE 8  
CAPITAL ACQUISITIONS (CONTINUED)

Capital expenditure total Level of completion indicators					
Percentage Year to Date Actual to Annual Budget expenditure where the expenditure over budget highlighted in red.					
%	Account Description	Current Budget	Year to Date Budget	Year to Date Actual	Variance (Under)/Over
<b>Governance</b>					
	Office Generator	0	0	19,627	(19,627)
	Photocopier & Fuji Screen N'pton Office, LED Footings	10,000	8,330	24,404	(14,404)
	<b>Governance Total</b>	<b>10,000</b>	<b>8,330</b>	<b>44,031</b>	<b>(34,031)</b>
	St John's Building Port Gregory	0	0	129,460	(129,460)
	<b>Education and Welfare Total</b>	<b>0</b>	<b>0</b>	<b>129,460</b>	<b>(129,460)</b>
<b>Health</b>					
	EHO Vehicle	34,000	33,996	30,206	3,794
	<b>Education and Welfare Total</b>	<b>34,000</b>	<b>33,996</b>	<b>30,206</b>	<b>3,794</b>
	Purchase of Lot 72 Seventh Avenue Northampton	0	0	323,515	(323,515)
<b>Communities Amenities</b>					
	Marina Ablutions	156,000	104,000	121,330	34,670
	Sallys Tree ablutions	160,000	106,666	108,185	51,815
	Chinamans Ablutions	130,000	86,666	82,723	47,277
	Memorial Tree (LR&I Funding)	17,100	14,250	24,249	(7,149)
	Install Dump Point Horrocks	5,000	4,160	9,574	(4,574)
	Seal Access Road to Horrocks Dump Point	24,825	20,660	18,122	6,703
	<b>Communities Amenities Total</b>	<b>492,925</b>	<b>336,402</b>	<b>364,183</b>	<b>128,742</b>
<b>Recreation And Culture</b>					
	Horrocks Playground Equipment	5,720	4,760	8,737	(3,017)
	Pump Tracks Horrocks & Northampton	120,000	99,990	141,872	(21,872)
	Marina Playground	104,256	86,880	104,283	(27)
	Allen Centre - Tourist Bus Carpark	117,064	78,334	131,207	(14,143)
	Kalbarri Community Camp Kitchen	400,000	333,330	171,339	228,661
	Northampton Bowling Club Fence (Funded by the Club)	0	0	19,773	(19,773)
	Stud Breeders Shed - Northampton	0	0	150,000	(150,000)
	<b>Recreation And Culture Total</b>	<b>747,040</b>	<b>603,294</b>	<b>727,211</b>	<b>19,829</b>
<b>Transport</b>					
	Road Construction	1,693,800	1,411,470	431,077	1,262,723
	Footpath/Carpark Construction	157,620	131,330	61,321	96,299
	Maintenance Truck C/Over	167,515	139,593	517,899	(350,384)
	Truck & Trailer Tarpaulins	25,000	20,833	0	25,000
	Heavy Loader - Northampton	330,000	274,994	0	330,000
	Zero Turn Mower - Horrocks	10,500	8,750	10,135	365
	Ute Leading Hand Maintenance	52,000	37,000	34,361	17,639
	Ute Road Construction	55,000	55,000	0	55,000
	Ute Maintenance Grader	40,000	55,000	0	40,000
	Kalbarri Depot Ablution	20,500	17,080	13,600	6,900
	<b>Transport Total</b>	<b>2,551,935</b>	<b>2,151,050</b>	<b>1,068,393</b>	<b>1,483,542</b>
<b>Economic &amp; Other Property and Services</b>					
	Purchase Vehicle Building Surveyor	45,000	45,000	41,247	3,753
	Monitoring system - Port Gregory Water Supply	5,500	4,580	6,617	(1,117)
	<b>Economic &amp; Other Property and Services Total</b>	<b>50,500</b>	<b>49,580</b>	<b>47,864</b>	<b>2,636</b>
	<b>Capital Expenditure by Program Total</b>	<b>3,886,400</b>	<b>3,182,652</b>	<b>2,734,863</b>	<b>1,151,537</b>

Please refer to the compilation report

SHIRE OF NORTHAMPTON | 17

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

Repayments - borrowings

FINANCING ACTIVITIES  
NOTE 9  
BORROWINGS

Particulars	1 July 2021	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
		Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>									
Loan 154 - Staff Housing	189,159	0	0	18,145	36,586	171,014	152,573	3,066	5,773
<b>Recreation and culture</b>									
Loan 156 - RSL Hall Extensions	454,484	0	0	23,589	47,420	430,895	407,064	5,634	10,920
<b>Transport</b>									
Loan 153 - Plant Purchases	133,684	0	0	44,538	44,538	89,146	89,146	3,535	3,787
Loan 157 - Plant Purchases	340,000	0	0	15,997	32,122	324,003	307,878	3,532	6,864
Loan 158 - Plant Purchases	0	0	100,000	0	0	0	100,000	0	0
	1,117,327	0	100,000	102,268	160,666	1,015,059	1,056,661	15,767	27,344
<b>Self supporting loans</b>									
<b>Education and welfare</b>									
Loan 155 - Pioneer Lodge	358,026	0	0	15,726	15,726	342,300	342,300	14,580	15,723
<b>Recreation and culture</b>									
Loan 151 - Kalbarri Bowling Club	0	0	0	0	0	0	0	0	0
<b>Other property and services</b>									
Loan 152 - Staff Housing (CEO)	293,742	0	0	19,901	19,901	302,907	273,841	16,856	18,104
	651,768	0	0	35,627	35,627	645,208	616,141	31,437	33,827
<b>Total</b>	1,769,095	0	100,000	137,895	196,293	1,660,267	1,672,802	47,204	61,171
Current borrowings	196,293					137,895			
Non-current borrowings	1,572,802					1,522,371			
	1,769,095					1,660,267			

All debenture repayments were financed by general purpose revenue.

Self supporting loans are financed by repayments from third parties.

Please refer to the compilation report



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

New borrowings 2021-22

FINANCING ACTIVITIES

Particulars	Amount Borrowed		Institution	Loan Type	Term Years	Total Interest & Charges	Interest Rate	Amount (Used)		Balance Unspent
	Actual	Budget						Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
Loan 158 - Plant Purchases		100,000	WATC	Fixed	10	7,392	1.25			0
	0	100,000				7,392		0	0	0

## KEY INFORMATION

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.



Principal repayments	\$137,895
Interest expense	\$47,204
Interest earned	\$28,359
Reserves balance	\$98 M
Loans due	\$1.66 M

Please refer to the compilation report

SHIRE OF NORTHAMPTON | 19

OPERATING ACTIVITIES  
NOTE 10  
CASH RESERVES

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

Cash backed reserve

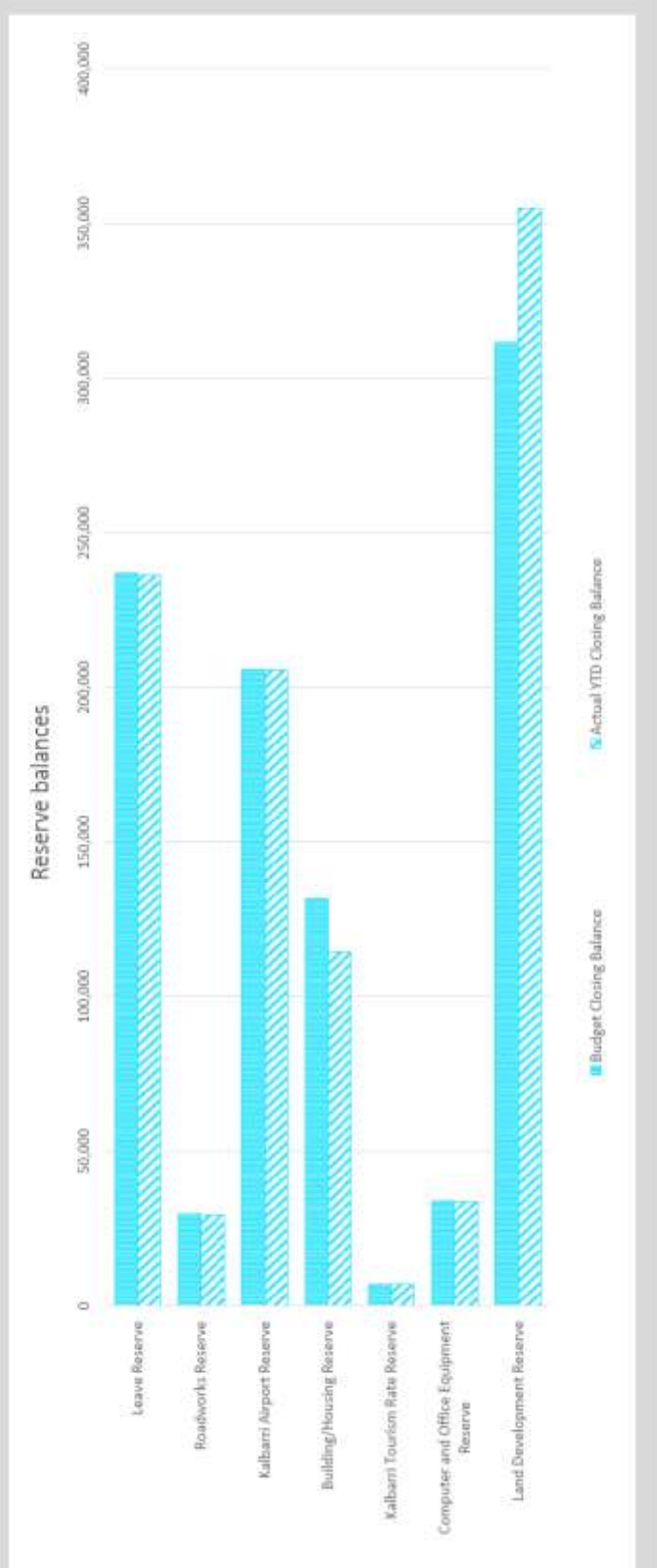
Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	230,764	1,250	455	5,000	5,000	0	0	237,014	236,219
Roadworks Reserve	29,140	500	180	0	0	0	0	29,640	29,320
Kalbarri Airport Reserve	105,473	100	35	100,000	100,000	0	0	205,573	205,508
Building/Housing Reserve	131,364	500	0	0	0	0	(16,790)	131,864	114,574
Kalbarri Tourism Rate Reserve	0	0	0	6,975	6,975	0	0	6,975	6,975
Computer and Office Equipment Reserve	33,698	250	95	0	0	0	0	33,948	33,793
Land Development Reserve	309,171	2,500	924	0	44,729	0	0	311,671	354,825
	<b>839,610</b>	<b>5,100</b>	<b>1,689</b>	<b>111,975</b>	<b>156,704</b>	<b>0</b>	<b>(16,790)</b>	<b>956,685</b>	<b>981,214</b>

Please refer to the compilation report.

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NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
 FOR THE PERIOD ENDED 30 APRIL 2022

KEY INFORMATION



Please refer to the compilation report

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

OPERATING ACTIVITIES  
NOTE 11  
OTHER CURRENT LIABILITIES

Other current liabilities	Note	Opening Balance 1 July 2021	Liability Increase	Liability Reduction	Closing Balance 30 April 2022
		\$	\$	\$	\$
<b>Provisions</b>					
Annual leave		258,553			258,553
Long service leave		459,531			459,531
<b>Total Provisions</b>		<b>718,085</b>	<b>0</b>	<b>0</b>	<b>718,085</b>
<b>Total other current assets</b>		<b>718,085</b>			<b>718,085</b>
Amounts shown above include GST (where applicable)					

KEY INFORMATION

**Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**Employee benefits**

**Short-term employee benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the calculation of net current assets.

**Other long-term employee benefits**

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

NOTE 12

OPERATING GRANTS AND CONTRIBUTIONS

Description/Provider	Unspent operating grant, subsidies and contributions liability				Operating grants, subsidies and contributions revenue			
	Liability 1 Jul 2020	Increase in Liability	Liability Reduction (As revenue)	Liability 30 Apr 2022	Current Liability 30 Apr 2022	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating grants and subsidies</b>								
General purpose funding								
Grants Commission - General/	0	0	0	0	0	426,350	319,761	1,802,190
LRCH Phase 1 & 2 unspent revenue from 20/21						0	0	200,441
Grants Commission - Roads/	0	0	0	0	0	357,000	267,750	950,398
Law, order, public safety								
Emergency Services Levy - BFB	0	0	0	0	0	44,445	37,035	39,334
Emergency Services Levy - SES	0	0	0	0	0	31,221	26,015	27,631
Education and welfare								
NCCA Operational Grant/Fundraising	0	0	0	0	0	72,000	60,000	70,000
Transport								
MRD - Maintenance	0	0	0	0	0	187,809	187,809	187,809
	0	0	0	0	0	1,118,825	898,370	3,277,802
<b>Operating contributions</b>								
Recreation and culture								
NCC Toilet Upgrade (Womens Football)	0	0	0	0	0	0	0	10,000
	0	0	0	0	0	0	0	10,000
<b>TOTALS</b>	0	0	0	0	0	1,118,825	898,370	3,287,802

Please refer to the compilation report

SHIRE OF NORTHAMPTON | 23



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

NOTE 13  
NON-OPERATING GRANTS AND CONTRIBUTIONS

Description/Provider	Unspent non operating grants, subsidies and contributions liability				Non operating grants, subsidies and contributions revenue			
	Liability 1 Jul 2020	Increase in Liability	Liability Reduction (As revenue)	Liability 30 Apr 2022	Current Liability 30 Apr 2022	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual (b)
	\$	\$	\$	\$	\$	\$	\$	\$
Non-operating grants and subsidies								
Recreation and culture								
Pump Tracks (LRCI Grant)	0			0		86,544	72,120	0
Backyard Cricket Grant (Library)				0		1,500	1,500	1,500
Marina Ablutions (Kalbarri)				0		83,461	69,550	0
Transport								
Regional Road Group Funding				0		356,667	297,220	285,334
Roads to Recovery Funding				0		453,484	377,900	408,484
	0	0	0	0	0	981,656	818,290	695,318

Please refer to the compilation report

SHIRE OF NORTHAMPTON | 24

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022**

**NOTE 14  
BONDS AND DEPOSITS**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 1 July 2021	Amount Received	Amount Paid	Closing Balance 30 Apr 2022
	\$	\$	\$	\$
Building Levies (BCITF & BRB)	7,920	69,981	(64,905)	12,996
Community Bus Bond	5,600	1,000	(1,200)	5,400
Unclaimed Monies - Rates	5,179	0	0	5,179
BROC - Management Funds	1	0	0	1
RSL Hall Key Bond	430	460	(230)	660
Special Series Plates	1,540	5,270	(3,400)	3,410
Northampton Child Care Association	12,797	11,712	(150)	24,359
Horrocks Memorial Wall	204	750	(291)	663
One Life	940	0	0	940
Rubbish Tip Key Bond	1,400	400	0	1,800
Horrocks - Skatepark	1,050	0	(1,050)	0
RSL - Kalbarri Memorial	16,130	0	0	16,130
DOT - Department of Transport	0	229,183	(229,183)	0
Cyclone Seroja Donations	23,219	36,540	(12,500)	47,259
Sale of Land	0	150,503	(119,742)	30,761
	<b>76,409</b>	<b>505,799</b>	<b>(432,650)</b>	<b>149,557</b>

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022**

**NOTE 15  
TRUST**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 1 July 2021	Amount Received	Amount Paid	Closing Balance 30 Apr 2022
	\$	\$	\$	\$
<b>Trust</b>				
Nomination Deposits	0	800	(640)	160
Public Open Space	0	0	0	0
	0	800	(640)	160



NOTE 16  
BUDGET AMENDMENTS

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
	Opening Budget Surplus Adjustment C/FWD @ 30/06/2021		Opening Surplus(Deficit)	\$ (298,082)	\$	\$	\$ 0
	<b>EXPENDITURE</b>						
	<b>Schedule 3 - General Purpose Income</b>						
4082	Rates - Reduced legal expenses associated with rates recovery				15,000		(283,082)
	<b>Schedule 4 - Members &amp; Administration</b>						
0372/4772	CCTV Security - Approved by Council (Northampton & Kalbarri Offices)						(287,982)
0452	Office Expenses - Additional Printing Costs					(4,900)	(291,982)
0342	Training Costs - Due to COVID restrictions savings depicted				6,000		(285,982)
0692	Legal Costs - Based on current expenditure trend, expect saving				3,000		(282,982)
0920	CEO Performance Review - Consultant to assist in review not budgeted for					(4,800)	(287,782)
0164	Generator Purchase & Installation - Approved by Council					(27,500)	(315,282)
0134	Photocopier - Cost less than budget provision				1,804		(313,478)
0134	LED Screen Footing - Account received after 30 June					(6,062)	(319,540)
0134	Video Conferencing System - Approved by Council					(9,955)	(329,495)
	<b>Schedule 5 - Law &amp; Order</b>						
1062	Fire Control - Purchase of bulk PPE (Ogilvie BFB) ESL Grant related					(23,106)	(352,601)
	<b>Schedule 6 - Education &amp; Welfare</b>						
1312	Edna Bandy Centre - Repair walls brickwork					(1,500)	(354,101)
	<b>Schedule 9 - Housing</b>						
3212	Fitzgerald St Residence - Replace eaves (approved by Council)					(9,440)	(363,541)
3492	Lot 14 Callion Way - Rebuild Reticulation - additional cost incurred					(3,052)	(366,593)
	<b>Schedule 10 - Community Amenities</b>						
	<b>Refuse Control</b>						
3860	Port Gregory Refuse Site - Illegally Dumeptd asbestos removal					(4,750)	(371,343)
3860	Port Gregory Refuse Site - Tip area clean up - dozer hire					(4,400)	(375,743)
3858	Binnu Refuse Site - Redevelop new tip area - cost less than estimated				7,900		(367,843)
	<b>Town Planning &amp; Regional Development</b>						
4372	Local Planning Strategy - Cost incurred not budgeted for					(5,000)	(372,843)

Please refer to the compilation report

**NOTE 16**  
**BUDGET AMENDMENTS**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
4282	Consultants Expenses - Additional costs due to extra planning submissions/enquiries			\$	\$	\$ (8,000)	\$ (380,843)
	<u>Other Community Amenities</u>						
4442	Hampton Gardens ablutions - Additional septic pump outs due to wet weather					(17,525)	(398,368)
4732	Horrocks Ablutions - Replace cisterns					(3,482)	(401,850)
3354	Northampton Cemetery Shelter - Additional costs for brick paving not budgeted for					(6,930)	(408,780)
	<b>Schedule 11 - Recreation &amp; Culture</b>						
4702	RSL Hall - Security Installation					(2,400)	(411,180)
4772	Allen Centre Car Park - Additional line marking costs					(5,698)	(416,878)
4952	Kalbarri foreshore Parkland - Replace pump (Allen Centre bore)					(3,800)	(420,678)
5072	Northampton Community Centre - Additional costs to rectify rising damp issue					(5,840)	(426,518)
5072	Northampton Community Centre - Additional costs associated with changeroom upgrades					(2,000)	(428,518)
5072	Northampton Community Centre - Reduced Sports Admin contribution due to vacancy				3,000		(425,518)
5122	Northampton Oval Upgrade - additional ground works plus generator hire					(44,000)	(469,518)
3670	Northampton Pump Track - additional costs due to restriction of works					(17,530)	(487,048)
4972	Horrocks foreshore - Replace BBQ (Approved at February Meeting)					(6,920)	(493,968)
5522	Old Police Station/Courthouse - Additional septic tank pump out costs - wet weather					(5,550)	(499,518)
	<b>Schedule 12 - Transport</b>						
5060	Coolcalalaya Road - Survey to rectify road reserve and road alignment					(35,000)	(534,518)
5060	Karina Mews - Reseal & replace kerb - defer to 22/23				30,000		(504,518)
5060	Smith Street (Asphalt Seal) - Cant get contractor until June, will go into 2022/23				87,000		(417,518)
5060	Grey St Kalbarri (Asphalt Seal) - Cant get contractor until June, will go into 2022/23				295,000		(122,518)
	<u>Footpath Construction</u>						
5090	Stephen Street, Northampton - Unable to secure contractors to undertake works be deferred to 2022/23				47,400		(75,118)
5090	Grey Street, Kalbarri - Unable to secure contractors to undertake works be deferred to 2022/23				40,800		(34,318)
	<b>Schedule 13 - Economic Services</b>						
	<u>Building Control</u>						
6412	Contract Building Surveyor - Due to employing of Building Surveyor, less cost for contract.				12,000		(22,318)
6412	Casual B/S Employee - Casual Building Surveyor not employed				24,500		2,182
5124	Building Surveyor Vehicle - Savings on purchase				3,750		5,932
Please refer to the compilation report							

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**NOTE 16**  
**BUDGET AMENDMENTS**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase In Available Cash	Decrease In Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
	<u>Tourism &amp; Area Promotion</u>						
6352	Little Bay - Camp grounds handed over, reduced wages				10,000		15,932
	<u>Building Control</u>						
6442	Contract Building Surveyor - Savings due to employing a Building Surveyor				12,435		28,367
	<b>Schedule 14 - Public Works Overheads</b>						
7582/7572	Occupational & Safety Officer - New employee approved by Council (estimate cost shown)					(40,000)	(11,633)
	<b>INCOME</b>						
	<b>Schedule 3 - General Purpose Income</b>						
4501	Rates - less rates levied due to value changes re Seroja					(7,290)	(18,923)
4541	Rates - Back rates levied				7,250		(11,673)
4611	Financial Assistance Grant - Additional Grant Allocated				374,620		362,947
4511/4591	Penalty/Instalment Interest - Reduced Interest					(10,000)	352,947
	<b>Schedule 4 - Members &amp; Administration</b>						
0153	Rebates & Commissions - Extra payment for good driving behaviour				4,200		357,147
0253	Info Search Fee - Additional Rates account Enquiries				6,800		363,947
	<b>Schedule 7 - Law, Order, Public Safety</b>						
0843	Illegal Camping Fines - Additional fines issued				1,690		365,637
	<b>Schedule 9 - Housing</b>						
2843	Residential Rental - Reduced income for Salamat Place (employee housing)					(10,000)	355,637
	<b>Schedule 10 - Community Amenities</b>						
3343	Refuse Charges Residential - Less income due to large number of properties cancelling refuse removal due to cyclone damaged buildings					(26,016)	329,621
3383	Refuse Charges - Business - Less income due to closure of some businesses					(5,496)	324,125
3323	Refuse Sites Charges - Additional income as a result of debris from Seroja				52,520		376,645
3363	Contributions - Sale of Scrap Metal				110,530		487,175
	<b>Schedule 11 - Recreation and Culture</b>						
4453	Reimbursements - Correction of GST revenue treatment associated with the synthetic bowling green contributions				15,325		502,500
	<b>Schedule 13 - Economic Services</b>						
5613	Little Bay Camping - Camp Ground handed over					(3,120)	499,380
5653	Building Permits - Additional building permit revenue to date, expect additional revenue				51,240		550,620

Please refer to the compilation report

NOTE 16  
BUDGET AMENDMENTS

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
5993	Port Gregory Water Supply - BASF charge for water consumption not included in budget				5,000		555,620
	<b>Schedule 14 - Other Property and Services</b>						
6623	Contributions - Seroja Disaster Relief Claim, additional income received				12,000		567,620
	<b>Current Liability</b>						
	LRCI Grant funding - Reversal of journal/unspent grant funds from 2020/2021		Non Cash Item	200,441			768,061

Please refer to the compilation report.

SHIRE OF NORTHAMPTON | 30



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 APRIL 2022

NOTE 17  
EXPLANATION OF MATERIAL VARIANCES

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2021-22 year is \$5,000 or 0.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
<b>Revenue from operating activities</b>				
Governance	30,629	66.21%	▲ Permanent	Var due to reimb of lease costs, ATO refund & additional agents fees
General purpose funding	2,318,074	44.12%	▲ Permanent	Variance due to FAG's advance payment for 22/23, additional FAG's General Grant 21/22 LRCI funding journalled from 20/21
Law, order and public safety	31,413	41.37%	▲ Permanent	Var due to (DFES Funded) SES outboard motor purchase.
Health	(7,175)	(29.60%)	▼ Timing	Lag with raising EHO billings
Education and welfare	38,257	22.99%	▲ Timing	Var associated with the reimbursement of workers compensation recoup
Housing	(19,693)	(31.00%)	▼ Permanent	Var due to reduced residential rental income
Community amenities	(128,365)	(10.82%)	▼ Timing	Var associated sale of scrap metal
Recreation and culture	(424,954)	(83.27%)	▼ Timing	Var associated with insurance reimbursement allocation for replacement of buildings (Kalbarri Camp)
Economic services	92,394	43.46%	▲ Permanent	Var due to additional building permit revenue
Other property and services	2,908,184	595.46%	▲ Permanent	Var due to recieval of LGIS Insurance pre-payments and DRFAWA reimbursement
<b>Expenditure from operating activities</b>				
Governance	15,687	2.02%	▲ Timing	Positive short term and will reconcile as the year progresses
General purpose funding	31,879	13.54%	▲ Timing	Minor short term variance
Law, order and public safety	(48,861)	(15.32%)	▼ Permanent	Var due to Kalbarri SES outboard motor purchase and large BFB PPE purchase (Ogilvie)
Education and welfare	(37,291)	(18.02%)	▼ Timing	Var due to increased NCCA payroll costs (inc workers compensation employee payments)
Housing	(6,222)	(9.09%)	▼ Permanent	Var due to insurance repairs post Seroja
Community amenities	(103,011)	(7.66%)	▼ Permanent	Var due to additional refuse site works
Recreation and culture	212,494	13.36%	▲ Timing	Variance will reconcile once building works/ repairs are completed (Cyclone Seroja)
Transport	481,305	15.08%	▲ Timing	Variance due to muni roads underspend, actuals and budget should reconcile as year progresses
Economic services	53,787	15.04%	▲ Timing	Budget profile issue only
Other property and services	(1,725,388)	(878.58%)	▼ Permanent	Var due to the costs associated with cyclone Seroja insurance and recovery works
<b>Investing activities</b>				
Non-operating grants, subsidies and contributions	(122,972)	(15.03%)	▼ Timing	Temporary short term variance
Self-supporting loan principal	5,947	20.04%	▲ Timing	Will reconcile, budget timing situation only
Capital acquisitions	447,789	14.07%	▲ Timing	Further Plant purchases to be completed in second half of the year
<b>Financing activities</b>				
Repayment of debentures	25,683	15.70%	▲ Timing	Will reconcile, budget timing situation only
Transfer to reserves	(60,831)	(62.35%)	▼ Permanent	Transfers processed October 21 & January 22

Please refer to the compilation report

SHIRE OF NORTHAMPTON | 31

#### 7.4.3 BUDGET SUBMISSIONS 2022-2023

<b>FILE REFERENCE:</b>	1.1.1
<b>DATE OF REPORT:</b>	10 <sup>th</sup> May 2022
<b>DISCLOSURE OF INTEREST:</b>	Nil
<b>REPORTING OFFICER:</b>	Garry Keeffe/Grant Middleton
<b>APPENDICES:</b>	1. Detailed Budget Submissions

#### SUMMARY:

Council to consider budget submissions from groups or organisations for funding in the 2022/2023 Budget.

#### BACKGROUND:

The public advertising period for the lodgement of Budget submissions for projects to be considered in the 2022/2023 budget closed on 18<sup>th</sup> March 2022 and was part of the mailout “Notice to Residents” Corporate Business Plan and Long Term Financial Plan 2022/2023 Review.

The submissions detailed below have been received and Council is requested to consider if these projects are to be included within the 2022/2023 Draft Budget for consideration. Details of the funding requests have been provided as an attachment to this agenda item. There are no deferred projects from the 2021/2022 budget process that need to be considered for 2022/2023.

It is also suggested that applicants actively pursue alternate funding opportunities where projects can be funded from other sources to offset expenditure. In some cases it may be prudent to defer items until 2023/2024 whilst funding is being sought.

It is requested that Council consider the following projects for listing in the draft 2022/2023 budget.

#### New Budget Requests

##### 1. Northampton Visitor Centre - \$35,000

The Northampton Tourist Association has requested an operating grant of \$35,000 for the 2022/2023 financial year.

*Management comment – The Visitor Center request of \$35,000 is the same amount that was approved by Council in the 2021/2022 budget. The group plans to upgrade the heritage walk and work on the Information Bay. The group is also responsible for the insurance of the AFL figures. The Northampton Tourist Association Operational Grant was \$25,000 for 2016/2017 - 2020/2021, and \$35,000 for 2021/2022*

#### VOTING REQUIREMENT:

Simple Majority Required:

**OFFICER RECOMMENDATION – ITEM 7.4.4**

**That Council consider the above projects for inclusion within the draft 2022/2023 Budget.**

Mr Grant Middleton  
Deputy Chief Executive Officer  
dceo@northampton.wa.gov.au

Dear Grant

**ref: Council's Annual Budget Financial year 2022/23**

Council's financial assistance each year is very much appreciated.

Because of cyclone SEROJA some of our projects have been put on hold.

\*Plans for upgrade to Heritage Walk are pending on buildings being repaired and available

\*AFL figures are now complete and Tourist Association is responsible for upkeep and insurance of that area. Some are still playing football and final plaques have to be done to replace the temporary ones.

\*The Information Bay replacement will probably be our largest expense.

\*Visitor numbers over the past months have been practically non existent. It is hoped tourists will improve dramatically for the wildflower season.

Our Invoice is emailed along with this letter.

Yours faithfully

Justeen Varney  
Treasurer Northampton Tourist Association Inc.  
M 0427 924405  
E [nokanena@bigpond.com](mailto:nokanena@bigpond.com)

April 22 2022



Northampton Tourist Association Inc  
239 Hampton Road  
Northampton WA 6535

[info@northampton.com.au](mailto:info@northampton.com.au)

Grant Middleton  
Deputy Chief Executive Officer  
Shire of Northampton  
Hampton Road  
Northampton WA 6535

**INVOICE 220422**

Annual Shire Funding for 2022/23

\$35,000.00

Bank Details  
BSB 086 886  
A/c 51761 2480

## ADMINISTRATION & CORPORATE REPORT

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**7.5.1 CORPORATE BUSINESS PLAN REVIEW**

<b>FILE REFERENCE:</b>	<b>4.2.4 &amp; 1.1.2</b>
<b>DATE OF REPORT:</b>	<b>11 May 2022</b>
<b>REPORTING OFFICER:</b>	<b>Garry Keeffe with assistance from all Senior staff</b>

**OPENING COMMNET:**

The Council as per statutory requirements must review the Corporate Business Plan which includes projects for the future.

The projects in this review have all been listed as unchanged, unless reported otherwise, and Council is requested to decide which ones should be undertaken and which ones should be deferred. Projects that are likely or are subject to grant funding should be retained.

If there are projects that the Council is adamant that they need to occur and have no other source of funding to assist, then the only option is for the project to be part of Councils own resources, which ultimately will result in a rate increase.

The Council does have reserve funds however these are set aside for specific purposes and should not be used for projects outside that reserve purpose.

**AGENDA REPORT SUMMARY:**

That Council reviews the Corporate Business Plan, including Asset Management Plans.

**AGENDA REPORT BACKGROUND:**

Council is required to review the Corporate Business Plan and the Asset Management Plans each year. This will allow the corresponding year of the Corporate Business Plan to accurately inform the annual budget. Each review is to be carried out with consideration of changing internal, external, community and business environments.

Each year the Council's Annual Report must contain:

- i. An overview of the Strategic Community Plan and the Corporate Business Plan, which together constitute the Plan for the Future
- ii. Major initiatives to commence or continue in the next financial year

- iii. Any modifications that were made to the Strategic Community Plan during the financial year; and
- iv. Any significant modifications that were made to the Corporate Business Plan during the financial year.

**AGENDA REPORT COMMENT:**

Council is required to progress through each individual Asset Management Plans (that forms the basis of the Community Development Plan). The revised CBP will provide Council with the level of rate increases required for 2022/23 and beyond due to the inclusion and deletion of projects.

The current CBP requires a rate increase of 3% to 5% to achieve the currently listed projects and for normal operation. Once the review has been completed a revised CBP including the Long Term Financial Plan will then be presented to the Council for formal endorsement at the June 2022 meeting.

Council in reviewing the plans must also take into consideration new projects that have been received from the community as a result of recent advertising calling for submissions for the 2022/23 budget and future budgets. A list of community requests is presented at the opening of each CBP Classification report.

Within some areas updated costs have not been available however if projects are included within the 2022/23 budget, then updated costs will be within the budget.

**STRATEGIC PLAN PROJECTS**

There are no projects identified in the current Community Strategic Plan that can be considered within the Corporate Business Plan.

**LOCAL ROADS & COMMUNITY INFRASTRUCTURE PROJECTS**

Council, as per previous advice, will receive \$980,602 available as from January 2022 and the grant is to be fully expended by December 2023.

Approval has been granted for the following projects:

- Little Bay Road - \$550,000
- Northampton recreation Ground Ablution - \$140,000
- Porter Street Car Park - \$90,602
- Kalbarri Aerodrome Strip & Apron reseal - \$200,000

Each project is listed in the recommended changes of the CBP asset sections.

### **COMMUNITY CONSULTATION**

Community consultation was undertaken with advertising in local newspapers and Council's web site. Submissions were to be lodged to the CEO by 18<sup>th</sup> March 2022.

Overall nine submissions for individual projects were received and are reported within the CBO preview.

**CP1 CORPORATE BUSINESS PLAN REVIEW 2022 - BUILDINGS****CP 1.1 CAPITAL UPGRADE/NEW BUILDINGS****1.1.1 COMMUNITY REQUEST****1.1.1.1 Carole Teakle**

Submission was for the complete re-roofing of Chiverton House. This forms part of an insurance claim as a result of Cyclone Seroja and therefore does not need to be considered in the CBP.

A cost for the roof replacement has been received and is with the insurance assessor for approval.

**RECOMMENDATION – ITEM 1.1.1.1**

**That no further action be taken on this submission.**

**1.1.1.2 Port Gregory Progress Association**

The Port Gregory Progress Association has again submitted a request for the construction of new ablutions at the existing park and playground area. Estimated cost of \$100,000 to \$170,000 depending on design and material type.

As advised at the CBP review in 2021, the location of a toilet in this vicinity will be difficult due to the high water table in the area which will affect the operations of a septic tank and leach drain system. This advice was provided to the PGPA however they have cited that the existing ablutions are not large enough to cater for the influx of tourists to the town.

Another issue with providing toilets at the park is that tourist buses could park on Port Street to allow passengers to use the ablutions. This will no doubt cause traffic congestion during the busy holiday periods.

**RECOMMENDATION – ITEM 1.1.1.2**

**That Council reiterate its previous decision that it will not approve the construction of new ablutions at the existing park and playground area due to the high water table and the inability to provide sufficient depth for operation of a septic tank and leach drain system.**

**1.1.1.3      Binnu Tennis Club – Binnu Hall Ceiling Installation**

A submission has been received from the Binnu Tennis Club who are now the management body for the Binnu Hall, to have a ceiling installed to allow for improved air-conditioning to also be installed. The hall does have air-conditioning in the form of evaporative however the club advise that these units are inefficient due to the high ceiling in the main hall area.

The CEO has progressed with seeking quotes for these works however a number of factors are preventing quotes being received at this stage. The main issue is that the ceiling will need to be basically a “hung” ceiling and in discussion with a building contractor, they indicated that they would not provide a quote until a structural engineer has assessed and provided advice of the integrity of the existing structure to allow a hung ceiling to be installed. Subsequently a quote was received from a locally based structural engineer and to undertake the assessment and provide advice. The cost is in the vicinity of \$5,000 to \$6,000, depending on type of ceiling to be installed. This cost was provided to the Binnu Tennis Club and they in association with the Northern Agriculture Group will provide the funding up to \$6,000 for the engineering assessment and advice.

The current status is that a building contractor inspected the hall to determine a type of ceiling that could be installed. Upon receipt of that advice then the structural engineer will assess and provide their report which will allow for accurate costing.

With a number of processes still to occur it is unlikely that the request can be accommodated in 2022/23 and it is therefore recommended to Council to advise Binnu Tennis Club that the proposal is to be listed for consideration in the 2023/24 financial year of the CBP.

### **RECOMMENDATION – ITEM 1.1.1.3**

**That Council consider the installation of a ceiling in the Binnu Hall upon receipt of costings for the works and these works be reconsidered in 2023/24.**

## **1.1.2 STAFF COMMENT**

### **1.1.2.1 Kalbarri Multi-Purpose Community Centre**

The Council through community consultation is proposing for the construction of a multi-purpose community centre for Kalbarri. The project is still in its conceptual stages however this project needs to be recognised in the CBP.

For the project to progress it is subject to the receipt of grants as well as utilising insurance claim payouts and Council funds.

For the purpose of forward planning it is envisaged that the project could commence in 2024/25 however no costs can be provided for inclusion within the CBP.

### **New Works Program – Buildings**

Year	Description	Estimate
<b>2022/23</b>	Northampton Recreation Ground Ablutions	\$140,000
	(Funded by LRCI grant)	
<b>2022/23</b>		<b>\$140,000</b>
<b>2023/24</b>	Binnu Hall Ceiling Installation	TBA
<b>2023/24</b>	<b>Total</b>	<b>TBA</b>
2024/25	Kalbarri Multi-Purpose Community Centre	TBA
<b>2024/25</b>	<b>Total</b>	<b>TBA</b>



**CP 1.2 CAPITAL UPGRADE BUILDING RENEWAL 2022 REVIEW****1.2 COMMUNITY REQUEST****1.2.1 RSL Hall - Northampton**

For the 2021/22 review the Northampton RSL Subbranch have requested consideration for:

1. Installation of an acoustic ceiling
2. Hall floor to be re-sanded, holes repaired and re-polished.

The flooring works were approved and are now complete.

In regard to the ceiling, quotes have been requested however to date only one quote has been received, being \$10,000, however this quote was provided in the 2021/22 review and unfortunately revised quotes have been very difficult to obtain. If this project does have Council support, it is recommended that the provision be increased to \$15,000 to ensure cost increases since the original quote are accounted for. These works are in the CBP to occur in 2022/23 and the amount has been increased to \$15,000.

**RECOMMENDATION – ITEM 1.2.1**

**For Council information.**

**1.3 STAFF COMMENT****1.3.1 Previously Approved Projects**

Changes to previously listed projects in the CBP have occurred due to repairs being undertaken as a result of cyclone Seroja. In this section the only change now is the withdrawal of the replacement of gutters and fascias to the Allen Centre, Kalbarri.

**Buildings - Projected 10 year Capital Renewal Works Program - Revised 2021/22**

Planned Renewal Year	Asset ID	Works Description	Renewal Cost (\$)
2022/23	RSL Hall	Install acoustic ceiling	\$15,000
			<b>\$15,000</b>
2023/24	Administration	Allen Centre Kalbarri – Guttering/Fascia's	\$40,000
			<b>\$40,000</b>
2024/25	Health	Northampton Doctors Surgery - floor coverings	\$15,000
			<b>\$15,000</b>

**CP2 CAPITAL - RECREATION 2022 REVIEW****2.1 COMMUNITY REQUEST:****2.1.1 CONSTRUCT STAIRS FOR BALANCE OF WHITING POOL STAIRWAY**

Submission submitted by Murray Criddle requesting that the existing access from Glance Street to the beach known as the Whiting or Grannies pool have steps constructed for a safer access.

As per the below photos, there are steps at the top of the access for approximately 6m however the balance is a combination of pine logs retaining sand/dirt which is soft, wind creates holes in the area and overall can be a safety concern for users, especially elderly.

A new path is required which is approximately 32m in length.





The best option for the construction of steps is the use of recycled plastic materials which the Council has used at the existing and other coastal steps/access paths. This material is durable, everlasting and basically maintenance free.

As with most intended works, obtaining quotes is very difficult. Therefore the cost is based on the recycled materials for approximately 32m of staircase and landings combinations. One contractor who has undertaken similar works indicated that the cost to undertake the construction would be in the vicinity of \$15,000. With materials estimated at \$40,000 the estimated project cost is \$55,000.

**RECOMMENDATION – ITEM 2.1.1**

**Council to determine if these works are to be progressed and in which year/s.**

**2.1.2 PORT GREGORY OVAL – REFURBISH STORAGE SHED**

The Port Gregory Progress Association is seeking the refurbishment of the old shed near hall and install a new fence around it so they have a secure compound where they can store water pipe and fittings and other items needed for general maintenance for the town which are currently stored in the Gregory fire station.

Costing provided are clean up, install a fence around the shed, new roller door to shed, new door and shelving \$25,000.

With these costs a better option would be for the installation of a new shed in preference to refurbishment if the project is supported by Council.

**RECOMMENDATION – ITEM 2.1.2**

**Council to determine if these works are to be progressed and in which year/s.**

**2.2 STAFF COMMENT****2.2.1 Kalbarri Foreshore Redevelopment**

Due to Cyclone Seroja all future foreshore redevelopments to be deferred until an overall infrastructure improvement plan has been formally adopted and outcome of grant applications to assist with the works are known.

As per email to Councillors 22 March 2022, a scope of works and costings for redevelopments at Jacques Point, Blue Holes, Chinaman's and Sally's Tree area were submitted to DFES for consideration for funding through the WA disaster relief fund as part of the recovery process from Cyclone Seroja. At the time of compiling this report no response has been received on the funding application and Council will unfortunately need to leave these works in abeyance until such time the funding application has been determined.

The only alternative is for Council to consider undertaking some works where those works are related to cyclone damage only and budget for it accordingly, however the costs for the redevelopment works are high as per the below estimates that have been provided through the architect who developed the redevelopment plans.

**Blue Holes Costs**

Works/Infrastructure	Item	Amount	Cost per item	Subtotal
<b>Demolition</b>				
Remove carpark and re-establish beach	Item	1	\$5,324	\$5,324
<b>Paving</b>				
Concrete paths with rolled non slip finish	m2	943	\$244	\$229,856
<b>Roads</b>				
Bitumen paving 250 thick road base and 30 thick asphalt	m2	3208	\$116	\$372,353
Bitumen paving to road junction 250 thick road base and 30 thick asphalt	m2	254	\$116	\$29,482
Pedestrian crossing markings to existing bitumen	No	1	\$1,491	\$1,491
Flush kerbing to new carpark	m2	844	\$170	\$143,801
Line marking to carpark	m2	432	\$21	\$9,202
				<b>\$791,508</b>

**Sally's Tree Foreshore area northwards from Central Boat Ramp**

Works/Infrastructure	Item	Amount	Cost per item	Subtotal
<b>Walls</b>				
<u>Limestone Block</u>				
1400 high retaining wall with 600 high balustrade wall over including capping	m	99	\$1,510	\$149,475
Steps	m	37	\$745	\$27,581
Ramp	No	1	\$1,491	\$1,491
				<b>178,547</b>



### Chinaman's Cost

Works/Infrastructure	Item	Amount	Cost per item	Subtotal
Earthworks	Item			\$20,455
<b>Roads</b>				
Raised pedestrian crossing including kerb ramps	No	1	\$15,505	\$15,505
Bitumen paving 250 thick road base and 30 thick asphalt	m2	4823	\$116	\$559,806
Pedestrian crossing markings to existing bitumen	No	4	\$1,491	\$5,963
Kerbing to existing bitumen paving	m	1466	\$128	\$187,340
Kerb ramp	No	8	\$1,704	\$13,630
Line marking to new & existing bitumen	m	434	\$21	\$9,244
<b>Stone sea wall</b>				
Stone sea wall	tonne	1575.6	\$532	\$838,912
<b>Fishing Platform</b>				
<u>Elevated walkway</u>				
Walkway 2000 wide	m	19	\$4,000	\$76,000
Balustrade	m	25	\$1,249	\$31,236
Platform	m2	39	\$2,777	\$108,284
				<b>\$1,866,375</b>

### Jakes Point

Works/Infrastructure	Item	Amount	Cost per item	Subtotal
Earthworks				\$40,000
<b>Roads</b>				
Bitumen paving 250 thick road base and 30 thick asphalt	m2	3449	\$116.07	\$400,325
Kerbing to road and carpark	m	755	\$127.79	\$96,481
Line marking to existing bitumen	m	296	\$21.30	\$6,305
Chevron marking	m2	15	\$106.49	\$1,597
Disabled symbol and sign	No	2	\$638.93	\$1,278
Bollard	No	1	\$638.93	\$639
<b>Walls</b>				

<u>Limestone Block</u>				
3000 high retaining wall with 1000 high balustrade wall over including capping	m	187	\$3,644.17	\$681,460
Steps	m	36	\$745.42	\$26,835
				<b>\$1,254,921</b>

#### **RECOMMENDATION – ITEM 2.2.2**

**For Council determination.**

### **CP3 CORPORATE BUSINESS PLAN 2022 REVIEW – ROAD PROJECTS**

#### **ROAD PROJECT PROGRAM**

Regrettably due to the non-availability of contractors and cleanup works following cyclone Seroja taking longer than expected a number of road projects that were to occur in 2021/22 will not proceed and therefore will now be deferred to 2022/23 which effects future years programs. Road works that will now not occur are as per the following:

Karina Mews – reseal and replace kerb	\$ 41,640
Smith Street – asphalt seal, replace kerb	\$ 90,175
Grey Street (Kalbarri) – Stage 1 asphalt seal	\$295,000
Glance Street (Horrocks) - reseal	\$ 22,000
(provision used to asphalt seal dump point access road)	

Further comment on the Grey Street asphalt re-seal is provided further in this report.

For Regional Road Group projects, Local Governments have to now submit three year program therefore the CBP plan will need to be amended to reflect this change. As the Council has not determined Regional Road Group projects in some of these years the following has been submitted, and is subject to change by Council:

2023/24	Kalbarri Rd, SLK 48 to 58, reseal (final section to be resealed) works cost \$372,000, Regional Road Group Grant funding \$248,000
2024/25	Binnu East Rd SLK 1.0, reconstruct floodway works cost \$160,000, grant funding \$106,666 Ogilvie East Road – reconstruct last 12km, stage 1 works cost \$840,000, Regional Road Group Grant \$200,000, Roads to Recovery Grant \$453,484



2025/26      Ogilvie East Road – reseal stage 1  
works cost \$240,000, Regional Road Group Grant \$166,000

It is not known if the funding for the Ogilvie East Road will be approved due to the low traffic volume however this won't be known until the submission for funding has been submitted and assessed by the Regional Road Group.

Council is reminded that Regional Road Group Funding can only be used on the roads of regional significance being Horrocks Road, Northampton-Nabawa Road, Ogilvie East Road, Balla Whellarra Road, Binu East Road, Binu West Road, Port Gregory Spur Road (section from George Grey Drive to Gregory) and the Kalbarri Ajana Road.

The construction of the Little Bay Road has been scheduled for 2023/24, however as funds must be expended by December 2023, and if all the native vegetation clearing permits and Aboriginal Heritage Sites approvals are received then works will commence earlier. All works to be undertaken by contractors at this stage.

Years 2024/25 and 2025/26 are low on road construction projects and Council is encouraged to list projects for these and future years.

**COMMUNITY REQUEST:**

No requests received.

### **3.1 STAFF COMMENT**

#### **3.1.1 Binnu East Road – Reconstruct Section 12.6 to 13.6 SLK**

The section 12.6 to 13.6 SLK has pavement failures and requires reconstruction and raising of the road within the section, refer to photos below. The estimated costs for these works is \$220,000 which includes plant depreciation component of \$8,200.

It is recommended that these works be undertaken as soon as possible to prevent further degradation of the road surface and integrity.



#### **RECOMMENDATION – ITEM 3.1.1**

**That Council list the reconstruction of section 12.6 to 13.6SLK in the 2022/233 financial year and be further determined within the 2022/23 Budget.**

#### **3.1.2 Fifth Avenue – Storm Water Installation**

There is a need to install underground storm water drainage (400m) to the west side of Fifth Avenue, Northampton from the southern section to the intersection with Fourth Avenue to assist in the control of storm water. Proposal is for Council workforce to undertake preliminary preparation and a contractor to then install all underground pipe drainage and side entry pits and new kerb.

Estimated costs for these works is \$320,00 which includes plant depreciation component of \$3,840.

**RECOMMENDATION – ITEM 3.1.2**

**Council to determine if these works are to be progressed and in which year/s.**

**3.1.3 Grey Street, Kalbarri – Asphalt Re-seal**

Within the 2021/22 Budget and CBP, an asphalt re-seal of a section of Grey Street, Kalbarri was to occur. However to date the securing of an asphalt contractor has been very difficult however one has now been secured but are unable to undertake the works until 2022/23.

Within the 2022/23 year stage 2 of this asphalt seal was to occur. The preferred contractor in liaison with the Manager for Works has indicated that their preference would be to undertake both stages 1 and 2 in the one year to minimise costs for mobilisation/demobilisation.

The original estimated cost for both sections was \$555,000, the revised quote now received for both sections is \$610,000. The works programme has been amended to reflect this price increase.

Part of the cost of works is to be funded through the Roads to Recovery programme.

Council is requested to consider if both stages are to now occur in 2022/23 or be undertaken over two years as originally proposed.

**RECOMMENDATION – ITEM 3.1.3**

**For Council determination.**

**PROPOSED ROAD WORKS 2022/23**

Road Name	Works Description	2022-23	Funding Sources		
			Own Resources	- RRG	- R2R
<b><u>Carried Over from 2021/22</u></b>					
Karina Mews	Reseal & Replace Kerb	\$ 41,640	\$ 41,640		
Smith Street	Asphalt Seal and replace kerb	\$ 90,175	\$ 90,175		
Grey Street (Kalbarri)	Stage 1 – Asphalt Reseal	\$ 306,000	\$ 306,000		
Glance Street (Horrocks)	Reseal	\$ 22,000	\$ 22,000		
<b><u>New Works 2022/23</u></b>					
Bruce Road	Reseal	\$ 44,000	\$ 44,000		
Smith Street	Kerb renewal and seal (0.0 to 0.40 & (0.66 to 0.77)	\$ 110,000	\$ 110,000		
Kalbarri Road	Reseal (38 – 48 SLK)	\$ 363,000	\$ 121,000	\$ 242,000	
Anchorage Lane	Reseal	\$ 13,000	\$ 13,000		

Essex Street	Reseal (0 – 0.27 SLK)	\$ 12,000	\$ 12,000		
John Street	Reseal (0.21 - 0.38 SLK) off Forrest	\$ 31,000	\$ 31,000		
O'Connor & Lauder Streets School route - Binu	Seal O'Connor and section of Lauder	\$ 67,000	\$ 67,000		
Parker & Wundi	Construct and seal 2.3km of Parker & Wundi Roads	\$ 455,000	\$ 296,516		\$ 158,484
Grey Street, Kalbarri	Stage 2 Asphalt re-seal	\$ 304,000	\$ 11,000		\$ 295,000
<b>Estimated Cost</b>		<b>\$ 1,860,815</b>	<b>\$ 1,165,331</b>	<b>\$ 242,000</b>	<b>\$ 453,484</b>

**PROPOSED ROAD WORKS 2023/24**

Road Name	Works Description	2023/24	Funding Sources			
			Own Resources	- RRG	- R2R	LRCI
Little Bay Road	Construct new road to Little Bay Fully funded through LRCI Programme	\$ 550,000				\$ 550,000
Balla Whelarra Road	Reseal	\$ 455,000	\$ 134,325		\$ 320,675	
Kalbarri Road	Reseal (48 - 58 SLK)	\$ 372,000	\$ 124,000	\$ 248,000		
Burgess Street - Northampton	Construct and bitumen seal	\$ 60,000	\$ 60,000			
Binnu East Road	Reconstruct floodway at SLK 2.85	\$ 150,000	\$ 17,191		\$ 132,809	
<b>Estimated Cost</b>		<b>\$ 1,587,000</b>	<b>\$ 335,516</b>	<b>\$ 248,000</b>	<b>\$ 453,484</b>	<b>\$ 550,000</b>

**PROPOSED ROAD WORKS 2024/25**

Road Name	Works Description	2024/25	Funding Sources		
			Own Resources	- RRG	- R2R
Ogilvie East Road	Stage 1 - construct eastern 12km section	\$ 840,000	\$ 186,516	\$ 200,000	\$ 453,484
Binnu East Road	Reconstruct floodway at SLK 1.00	\$ 160,000	\$ 53,334	\$ 106,666	
Maver Street	Install Kerb	\$ 11,000	\$ 11,000		
<b>Estimated Cost</b>		<b>\$ 1,011,000</b>	<b>\$ 250,850</b>	<b>\$ 306,666</b>	<b>\$ 453,484</b>



**PROPOSED ROAD WORKS 2025/26**

Road Name	Works Description	2025/26	Funding Sources		
			Own Resources	- RRG	- R2R
Ogilvie East Road	Stage 2 - construct eastern 12km section	\$ 840,000	\$ 386,516		\$ 453,484
	Re-seal Stage 1	\$ 240,000	\$ 74,000	\$ 166,000	
Murchison House Station Road	Reconstruct with gravel	\$ 393,000	\$ 393,000		
Mortimer Street	Reconstruct and Drainage	\$ 80,000	\$ 80,000		
<b>Estimated Cost</b>		<b>\$ 1,553,000</b>	<b>\$ 933,516</b>	<b>\$ 166,000</b>	<b>\$ 453,484</b>

**PROPOSED ROAD WORKS 2026/27**

Road Name	Works Description	2026/27	Funding Sources		
			Own Resources	- RRG	- R2R
Nanda Drive	Construct unmade section from Walker onto Smith Street	\$ 360,000	\$ 85,000		\$ 275,000
Ogilvie East Road	Reseal Stage 2	\$ 250,000	\$ 84,000	\$ 166,000	
Chilimony Road	Realign and construct section north of Rob Road for 1km	\$ 275,000	\$ 96,516		\$ 178,484
<b>Estimated Cost</b>		<b>\$ 885,000</b>	<b>\$ 265,516</b>	<b>\$ 166,000</b>	<b>\$ 453,484</b>

### 3.3 CAR PARK DEVELOPMENT WORKS 2022 REVIEW

#### 3.3 COMMUNITY REQUESTS

##### 3.3.1 Port Gregory Progress Association

Port Gregory Progress Association have submitted the following request.

Redevelopment of the beach car park area,

The removal of the old picnic benches and BBQ.

Install a new footpath along the limestone wall 2.5w x 40m long with a non-mount-able kerb, in this area have 3 bench seat close to the limestone for viewing of the bay.

A new paved aera of 20m x 6m on the west side near the existing beach shower and install 1 new bench with seats and overhead protection.

PGPA believes this will enhance the area and would be a boost for tourism to the town.

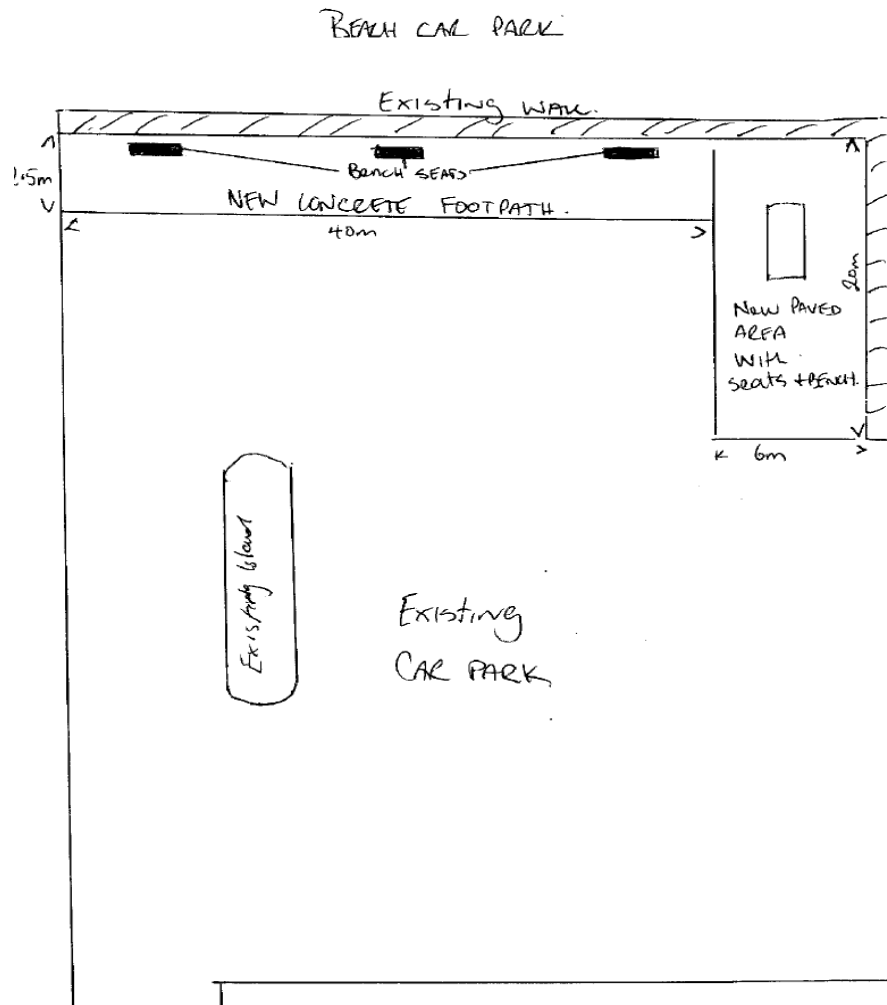
Cost breakdown

Site Cleanup	\$10,000
Concrete footpath	\$ 8,000
Paved area	\$ 9,000
Bitumen area	\$58,500
Bench seats & table	\$ 5,000
<b>Total</b>	<b>\$ 95,500</b>

Add 2 new BBQs, 3 more table and benches with overhead protection, with Decorative Pierced Aluminum Plating at the back to provide a wind block from the south westerly winds.

Decorative Pierced Aluminum Plating	\$27,000
New BBQs, tables, benches and overhead protection	\$18,000
<b>Total</b>	<b>\$45,000</b>

Following is a plan of their proposal.



A similar proposal was considered in the 2021/22 CBP review where the Council resolved that as the area was subject to sand drift and is situated on land not under the control of Council, that the project be deferred to 2023/24 for consideration.

The status on the land tenure is still progressing and should be resolved within the 2022/23 financial year.

The CBP has been altered to reflect the cots shown above.

#### RECOMMENDATION – ITEM 3.3.1

That Council determine if these works are to remain planned for the 2023/24 financial year or be brought forward to 2022/23.

### **3.4 STAFF COMMENT**

#### **3.4.1 Overall Program Adjustment**

As reported in the opening section of this report, funding from the LRCl program for the sealing of the Porter Street carpark near the skate park has been approved, cost provide is \$125,000, grant to be used \$90,602

In addition within the 2021/22 financial year, provision was made for the construction and sealing of the Marina Car Park, Kalbarri. Unfortunately these works have not progressed and are re-listed to occur in 2022/23 at a revised cost of \$200,000.

Depending on the outcome of the submission to DFES for redevelopment of the Jacques Point car park, if funding is approved either in full or partially, this project will require adjusting in the CBP.

As a result other planned works will now need to be deferred to future years and this change is shown in the table on page 28.

#### **RECOMMENDATION – ITEM 3.4.1**

**That Council adopt the amended CBP for car parks works as presented.**

#### **3.4.2 Kalbarri Boat Pens Car Park**

Within the 2021/22 year, a request was received from the users of the Kalbarri Boat Pens if the area between the existing car park and the retaining rock wall of the boat pens can be tidied up/rectified. The area is sandy, lawn/grass does not appear to want to establish itself within the area.

Two solutions can be considered to resolve this situation, construct a dual use pathway along the existing car park, or extend the car park further toward the river. The estimated costs for these options are:

Install DUP	\$41,000 includes plant depreciation of \$600
Extend car park	\$53,000 includes plant depreciation of \$1,200

#### **RECOMMENDATION – ITEM 3.4.2**

**That Council determine if these works are to progress and in what year.**

**CAR PARK DEVELOPMENT WORKS PROGRAM**

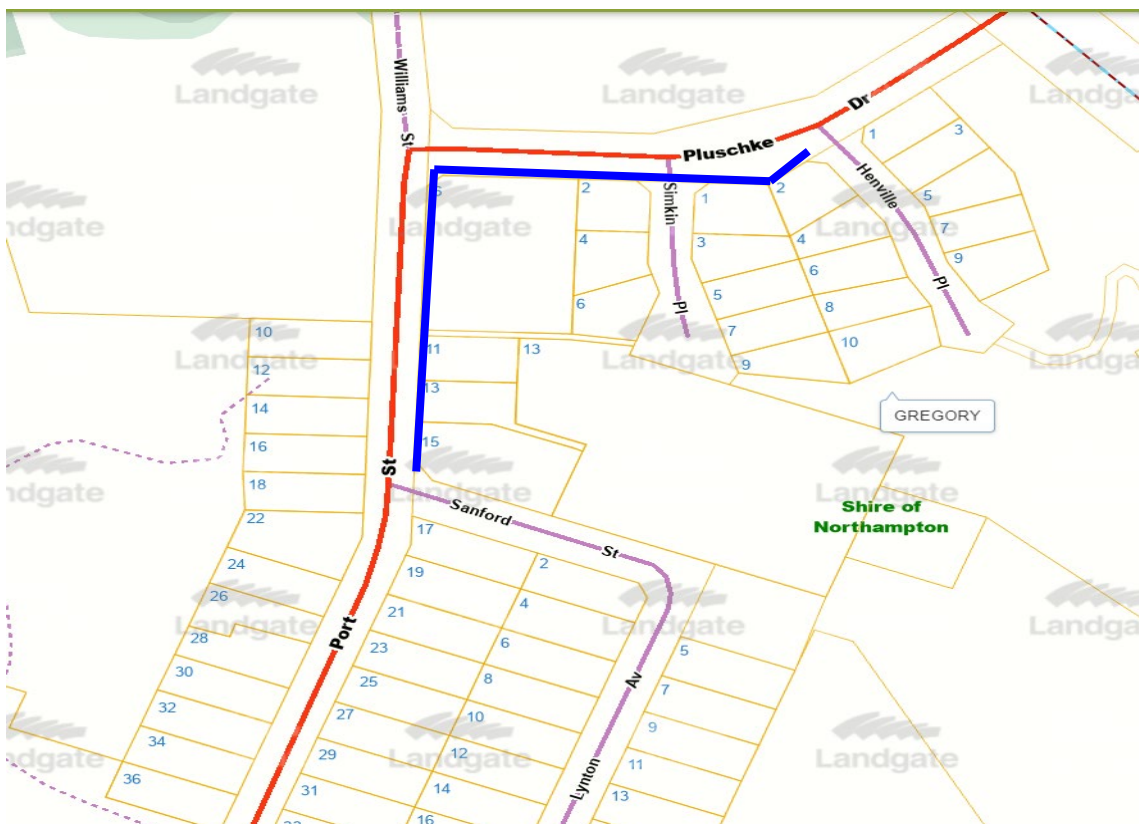
CAR PARK	Works Description	Year Works planned				
		2022/23	2023/24	2024/25	2025/26	2026/27
Land Back Wharf	Seal unsealed parking and access road areas	\$ 200,000				
Jakes Beach	Seal access road and car park				\$ 190,000	
Back Beach	Seal access road & car park		\$ 150,000			
Porter Street	Skate Park Car Park (Funded by LRCI)	\$ 125,000				
Siphons	Seal access road & car park			\$ 115,000		
Essex Street	Car parking on north of Hampton Gardens			\$ 83,000		
Port Street	Re develop car park and BBQ area		\$ 140,000			
<b>Estimated Cost</b>		<b>\$ 325,000</b>	<b>\$ 290,000</b>	<b>\$ 198,000</b>	<b>\$ 190,000</b>	

**CP4 CORPORATE BUSINESS PLAN 2022 REVIEW – FOOTPATHS**

**4.1 COMMUNITY REQUEST**

**4.1.1 FOOTPATHS – GREGORY TOWNSITE**

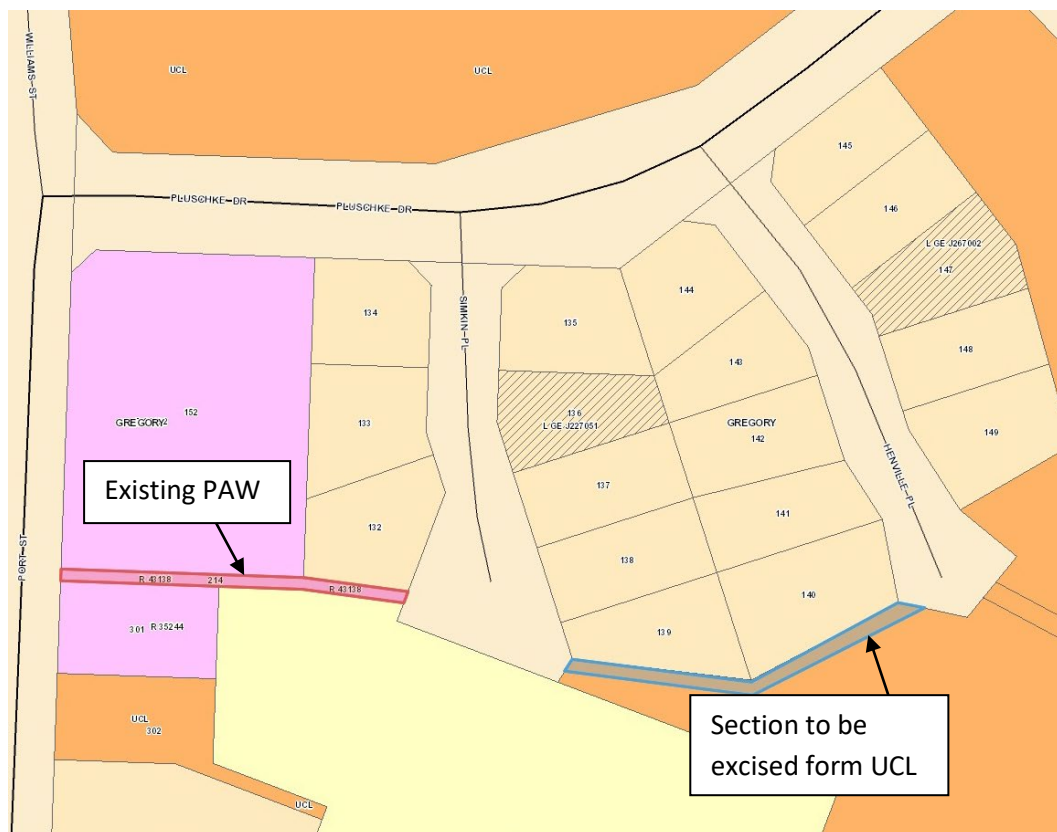
Submission lodged by the Port Gregory Progress Association to have dual use pathways constructed along Pluschke Drive from intersection of Henville Place to Port Street and then along Port Street to the intersection of Sanford and Port Streets, shown in blue on the below plan:



Estimated costs for these works are based on current contracting rates:

Henville to Port Street along Pluschke Drive	\$76,000
Park/Playground to Sanford Street corner	\$23,000

An alternative option for a DUP in this area is to utilise an existing PAW and portion of UCL to allow a pathway to be constructed from the end of Henville Place through to the park/playground area and then construct a pathway from the playground to the corner of Sanford and Port Streets as per below:



Advice on this proposal was sought from the Department of Planning Lands and Heritage and their advice is that they would support such a proposal. The Port Gregory Progress Association advise they support this option however their preference is for the DUP to travers along Pluschke Drive and Port Street.

Costs for this section is estimated at \$60,000.

#### **RECOMMENDATION – ITEM 4.1.1**

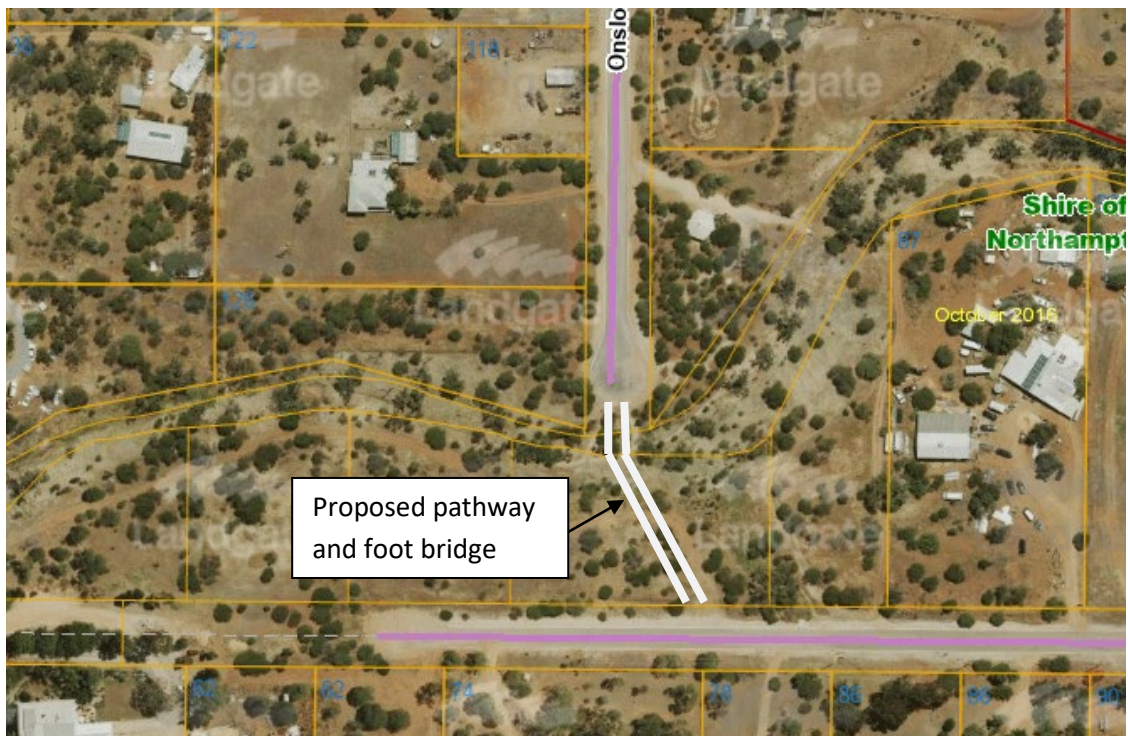
**That Council determine if these works are to progress and in what year.**

#### **4.1.2 FOOTPATH AND FOOT BRIDGE TO PROVIDE ACCESS FROM JOHN STREET TO ONSLOW STREET, NORTHAMPTON**

The Northampton Environmental Group have lodged a submission requesting consideration for a pathway and foot bridge across Nokanena Brook to provide a all year pedestrian crossing from John Street to Onslow Street. The group provided an indicative cost of \$1,500.



No actual plan for the pathway location was provided in the submission however it is presumed to be as per the below plan this has been done to utilise existing cleared areas that are currently being used as pedestrian tracks. Note the area of land where the proposed pathway could go is a crown reserve under the control of Council. The Nokanena Brook however is not under the control of Council but that of the Department of Water therefore any proposed structure that crosses the Brook will need that Department's approval.



No costings have been undertaken on this proposal. Reason being is that the construction of a foot bridge is not a simple matter and will require engineer design to ensure safety to users and the bridge can withstand flooding of the Brook. The flooding is also a concern to any proposed pathway where it could be damaged.

Council direction on whether this project is to be pursued for future years is requested. If the project is to be pursued then the 2022/23 or future budget will need to allow for the engaging of an engineer to design the footbridge which could range from \$5,000 to \$10,000.

**RECOMMENDATION – ITEM 4.1.2****For Council determination.**

## **4.2 STAFF COMMENTS**

### **4.2.1 Current Plan Status**

Again regrettably due to Cyclone Seroja, new pathway projects being Stephen Street, Northampton and Grey Street, Kalbarri being the section in front of the Allen Centre will not progress in the current financial year and therefore will have to be re-scheduled to occur in 2022/23.

In addition Council at the 2021/22 review approved of the Kaiber Street path (Kalbarri) to be undertaken in 2022/23.

The above will result in all other projects now being deferred for another respective year and the plan now reflects this.

### **4.2.2 Red Bluff Road Pathway**

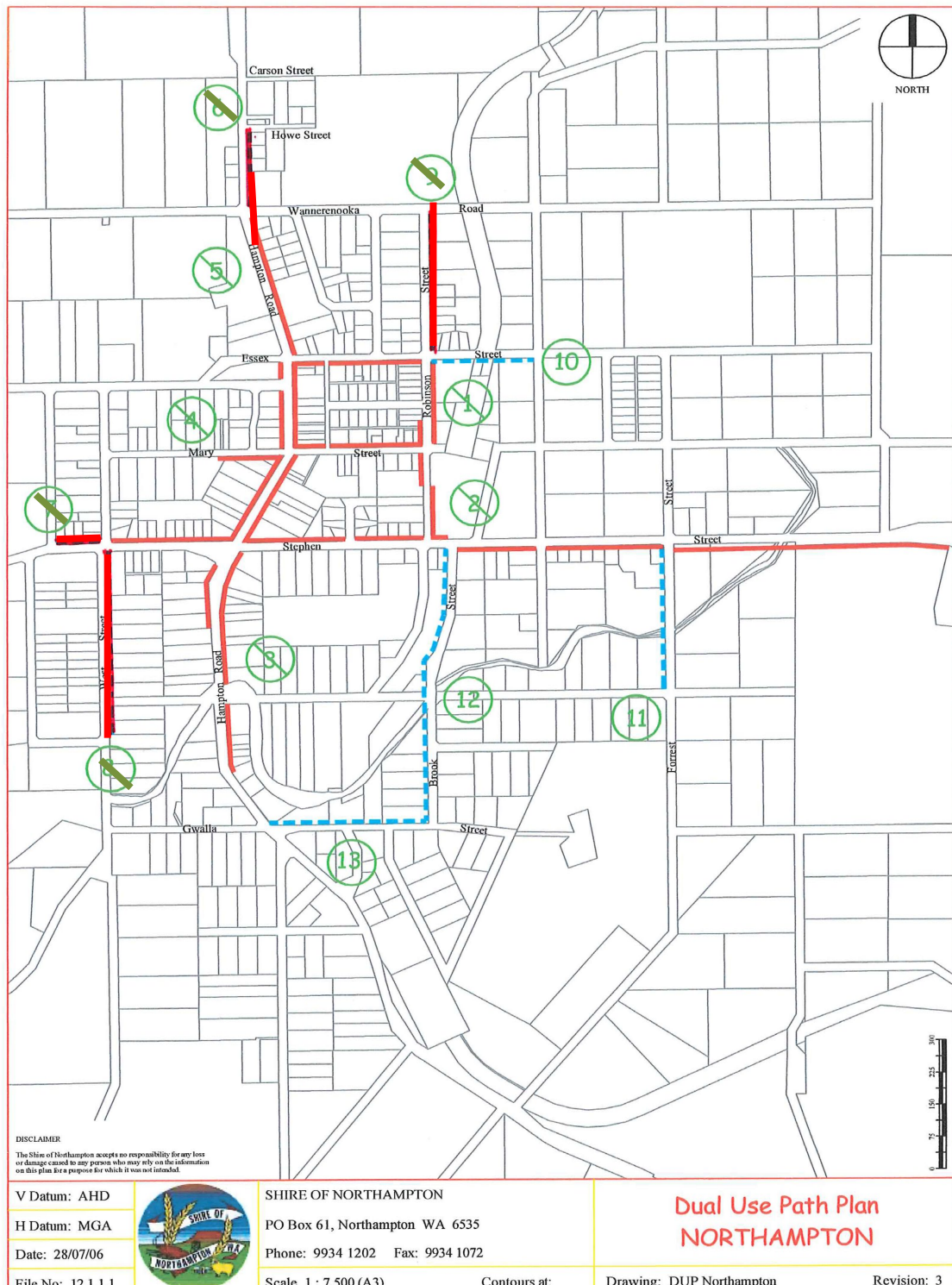
The current plan proposes that a dual use pathway be constructed along Red Bluff Road from Red Bluff Beach Road through to the Eco Flora Resort.

At the 2021/22 review Management advised that the Department of Transport requested if Council could undertake the project in 2022/23 and as a result funding to the value of \$61,000 will now be provided in 2022/23.

### **RECOMMENDATION – ITEM 4.2.2**

**That Council review the amended footpath plan.**

Road Name	Works Description	2022/23	2023/24	2024/25	Beyond 2025
<b><u>Carried Over from 2021/22</u></b>					
Stephen Street	Renew from Hampton Rd to West Street	\$ 57,000			
Grey Street	Replace section at Allen Centre	\$ 50,000			
<b><u>Future Projects</u></b>					
Auger Street	Smith to Mallard		\$ 48,000		
	Mortimer to Mallard		\$ 29,000		
Clotworthy Street	Grey to Smith (240)	\$ 53,000			
Callion Way	Waikiri to Gantheaume (230)				\$ 52,000
Gantheaume Crescent	Construct Dual Use Pathway Waikiri to Sequita (192)				\$ 43,000
George Grey Drive	Red Bluff to Eco Flora (note grant of \$61,000 awarded)	\$ 123,000			
Hasleby Street	Construct Dual Use Pathway End of existing to Golf Club				\$ 38,000
Kaiber Street	Whole Street, east side	\$ 73,000			
Nanda Drive	Red Bluff to Pederick (950)			\$ 210,000	
Nanda Drive & Porter St	Porter Street to Sun River Chalets				\$ 75,000
Orabanda Close	Batavia to Gantheaume (120)				\$ 27,000
Ralph Street	Gantheaume to Walker via Harvey (600)		\$ 124,000		
Sequita Way	Gallant to Gantheaume (180)				\$ 64,000
Blue Holes	From Malaleuca Trail to Car Park				\$ 37,000
	<b>Total Estimated Cost</b>	<b>\$ 356,000</b>	<b>\$ 201,000</b>	<b>\$ 210,000</b>	<b>\$ 336,000</b>



Note: Council has resolved not to progress with the Gwalla Street or the Brook Street pathways due to the difficult terrain on the road verge where pathways are to be placed





**DISCLAIMER**

The Shire of Northampton accepts no responsibility for any loss or damage caused to any person who may rely on the information on this plan for a purpose for which it was not intended.

V Datum: AHD

H Datum: MGA

Date: 28/02/06

File No: 12.1.1.1



SHIRE OF NORTHAMPTON

PO Box 61, Northampton WA 6535

Phone: 9934 1202 Fax: 9934 1072

Scale 1 : 7,500 (A3)

Contours at:

**Dual Use Path Plan  
KALBARRI**

Drawing: DUP Kalbarri

Revision: 2

**CP5 PLANT REPLACEMENT PROGRAM 2022 REVIEW**

The plant replacement program has been in operation for some years prior to the implementation of the Corporate Business Plan and to date has operated fairly efficiently with only some deferments being made due to changing circumstances at the time of replacement and budget restrictions.

**5.1 Current Plan Status**

With the 2021/22 programme there was a proposal to replace the Case Tractor. A report was presented to Council at the December 2020 meeting recommending that this tractor not be replaced in 2020/21 and that a second backhoe be considered for purchase in 2021/22, this was not approved in the 2021/22 Budget. A price for this new machine has now been included within the 2022/23 programme.

In addition to the above proposal, if the Case tractor was to be disposed of, that consideration be given for it to be donated to the Kalbarri Golf Club for their use. The golf club did request this when the machine was being considered for disposal in 2020/21 and this is the reason why no trade is shown for the purchase of the new backhoe.

Note the backhoe is a second machine and is not replacing the existing machine. Proposal is to have two backhoes to provide further flexibility on works across the shire where in many instances when the current backhoe is on a construction works site, it is at times required for maintenance works, by having a second machine this will alleviate this concern and transportation requirements in shifting the machine from one works site to another. It also allows the second backhoe to be transported to Kalbarri and not jeopardize works in the Northampton area.

Updated quotes have been obtained for all vehicle replacements for 2022/23.

**Northampton Shire Council**  
**Projected Capital Upgrade/New Works Program - Plant and Equipment**

Year	Item	Description	Est Purch Price	Estimate Sale Price	Estimate Nett
2022/23	1	4WD Wagon - CEO	\$ 60,000	\$ 52,000	\$ 8,000
	2	Utility - Kalbarri Leading Hand	\$ 50,000	\$ 12,000	\$ 38,000
	3	Grader	\$ 440,000	\$ 140,000	\$ 300,000
	4	Free Roller	\$ 77,000		\$ 77,000
	5	Back Hoe (no trade)	\$ 420,000		\$ 420,000
	6	Vehicle - WOHS Coordinator (half share with CV)	\$ 24,000		\$ 24,000
		<b>Total</b>	<b>\$ 1,071,000</b>	<b>\$ 204,000</b>	<b>\$ 867,000</b>

Year	Item	Description	Est Purch Price	Estimate Sale Price	Estimate Nett
2023/24	1	Utility - Kalbarri M'tce	\$ 43,000	\$ 8,000	\$ 35,000
	3	4WD Wagon - Manager of Works	\$ 65,000	\$ 30,000	\$ 35,000
	4	AWD/FWD Car - Deputy CEO	\$ 45,000	\$ 20,000	\$ 25,000
	5	Utility - Northampton Gardener	\$ 43,000	\$ 13,000	\$ 30,000
	6	Utility - Kalbarri Ranger (trade Horrocks ute)	\$ 53,000	\$ 5,000	\$ 48,000
	7	Multi Tyred Roller	\$ 190,000	\$ 20,000	\$ 170,000
	8	Loader - Kalbarri	\$ 250,000	\$ 70,000	\$ 180,000
		<b>Total</b>	<b>\$ 689,000</b>	<b>\$ 166,000</b>	<b>\$ 523,000</b>

Year	Item	Description	Est Purch Price	Estimate Sale Price	Estimate Nett
2024/25	1	2WD Car - EHO	\$ 38,000	\$ 15,000	\$ 23,000
	2	Utility - Northampton Mntce/cleaner	\$ 41,000	\$ 10,000	\$ 31,000
	3	Utility - Northampton Grader Operator	\$ 41,000	\$ 10,000	\$ 31,000
	4	Tip Truck - Northampton (Water Truck)	\$ 250,000	\$ 75,000	\$ 175,000
	5	Truck Trailer	\$ 100,000	\$ 15,000	\$ 85,000
	6	2wd Light Truck - Dual Cab	\$ 90,000	\$ 25,000	\$ 65,000
	7	Kalbarri Mower (trade Northampton mower)	\$ 70,000	\$ 7,500	\$ 62,500
	8	Utility - Northampton Mechanic	\$ 75,000	\$ 10,000	\$ 65,000
		<b>Total</b>	<b>\$ 705,000</b>	<b>\$ 167,500</b>	<b>\$ 537,500</b>

Year	Item	Description	Est Purch Price	Estimate Sale Price	Estimate Nett
2025/26	1	4WD Wagon - CEO	\$ 70,000	\$ 30,000	\$ 40,000
	2	Utility - Northampton Ranger	\$ 55,000	\$ 15,000	\$ 40,000
	3	Utility - Kalbarri Gardener	\$ 45,000	\$ 5,000	\$ 40,000
	4	Loader/Backhoe (small )	\$ 200,000	\$ 35,000	\$ 165,000
	5	Tip Truck - Northampton	\$ 272,000	\$ 50,000	\$ 222,000
		<b>Total</b>	<b>\$ 642,000</b>	<b>\$ 135,000</b>	<b>\$ 507,000</b>

Year	Item	Description	Est Purch Price	Estimate Sale Price	Estimate Nett
2026/27	1	4WD Wagon - Manager of Works	\$ 70,000	\$ 30,000	\$ 40,000
	2	AWD/FWD Car - Deputy CEO	\$ 50,000	\$ 20,000	\$ 30,000
	3	Utility - Leading Hand Main't Northampton	\$ 52,000	\$ 10,000	\$ 42,000
	4	Utility - Leading Cons't Northampton	\$ 54,000	\$ 10,000	\$ 44,000
	5	Grader - Northampton	\$ 460,000	\$ 70,000	\$ 390,000
		<b>Total</b>	<b>\$ 686,000</b>	<b>\$ 140,000</b>	<b>\$ 546,000</b>

Year	Item	Description	Est Purch Price	Estimate Sale Price	Estimate Nett
2027/28	1	Utility - Kalbarri Ranger	\$ 55,000	\$ 5,000	\$ 50,000
	2	2WD Car - EHO	\$ 30,000	\$ 15,000	\$ 15,000
	3	Tip Truck Northampton	\$ 280,000	\$ 50,000	\$ 230,000
	4	Grader - Northampton Maintenance Grader	\$ 280,000	\$ 50,000	\$ 230,000
		<b>Total</b>	<b>\$ 645,000</b>	<b>\$ 120,000</b>	<b>\$ 525,000</b>



**CP6 CORPORATE BUSINESS PLAN 2022 REVIEW – KALBARRI AERODROME**

The re-seal of the runway and apron areas at the Kalbarri aerodrome was scheduled to occur in 2021/22 with an estimated cost of \$400,000, however due to unsuccessful grant applications to assist with project the works were deferred to 2022/23.

The project is now to be funded through a combination of LRCl grant and Council reserve funds held for this purpose being \$200,000 LRCl and \$200,000 respectively.

The actual costs will not be known until tenders have been received which may result in the need to either change the LRCl allocations or for Council to commit to further funding from its own resources.

Tender documents are currently being prepared and tenders are likely to be invited within the very near future.

**RECOMMENDATION – ITEM CP6**

**For Council information.**

**CP7 CORPORATE BUSINESS PLAN 2022 REVIEW**

From a Management perspective there are no proposals for any major changes with the current level of staff.

**RECOMMENDATION – ITEM CP7**

**For Council determination.**

**CP8 TOURISM ACTIVITIES****8.1 – PROMOTIONAL SIGNAGE - KALBARRI**

For the 2021/22 review, a submission was lodged requesting that Council consider the installation of large photographic promotional signage for Kalbarri, same as ones recently installed for Northampton, Horrocks and Port Gregory.

Such signage depicting Kalbarri were installed on the Northwest Coastal Highway some years ago, but no others were progressed.

The cost for each of the signs that are in place are \$3,000 to \$4,000 each depending on the type of design required.

If Council is to install such signs, then the likely locations would be on the Kalbarri Road at the intersection of the Northwest Coastal Highway and on the Port Gregory Road prior to the George Grey turn off. There is no feasible reason why such signs should be located near Kalbarri as the traveler is already on their way to that destination as opposed to the Northampton, Horrocks and Gregory signs where it is endeavoring to entice travelers to that destination.

The Council decision at the 2021/22 review was to defer consideration of promotional signage being requested to the 2022/23 review.

**RECOMMENDATION – ITEM 8.1**

**For Council determination**

**CP9 LONG TERM FINANCIAL PLAN 2022 REVIEW – LOAN FUNDS****9.1 – LOAN FUNDS**

No loan funds are proposed for the near future of the CBP however this is determined during the annual budget process depending on plant purchases and major works if approved in that budget.

<b>7.5.2</b>	<b>ELECTION OF DELEGATE</b>
<b>FILE REFERENCE:</b>	<b>11.1.3</b>
<b>DATE OF REPORT:</b>	<b>25 March 2022</b>
<b>REPORTING OFFICER:</b>	<b>Grant Middleton</b>

**SUMMARY:**

Council to determine the appointment of a delegate for the Horrocks Community Centre and the Batavia Local Emergency Management Committee.

**BACKGROUND:**

Horrocks Community Centre

The Horrocks Community Centre have approached Cr Robert Horstman and Council in relation to Councillor Horstman being invited to the Management Committee of the Horrocks Community Centre.

Batavia Local Emergency Management Committee

Councillor Horstman has requested Council appoint an alternate member of the Batavia Local Emergency Management Committee due to his work commitments and other Council commitments as Deputy President and chairing the Local Recovery Coordination Group.

**COMMENT:**

Horrocks Community Centre

Cr Horstman has accepted the request of appointment. Currently Council does not have a nominated position on the Management Committee. Council delegates are normally elected at the Special Meeting of Council held after the two yearly Council election cycle.

Batavia Local Emergency Management Committee

The next meeting of the Batavia Local Emergency Management Committee is scheduled for Thursday 26th of May 2022. The meetings are held four times per year. The delegate will chair the meetings and the Deputy CEO has responsibility for the executive officer functions until December 2023.

### FINANCIAL & BUDGET IMPLICATIONS:

No Budget of financial Implications

### STATUTORY IMPLICATIONS:

*Shire of Northampton Community Strategic Plan 2020-2030*

3.	<i>Our People</i>			
3.1	To support our local communities in a place management approach to services, facilities, and lifestyle enhancement			
	Key Outcomes	Objectives	Success Measures	Timelines
3.1	Providing community and recreation facilities within budget constraints	Asset development and management plans in place	Community satisfaction and level of facility use	Ongoing
3.2	Support community action groups wherever practicable to achieve positive outcomes in their locality to enhance lifestyle	Each community has a progress or community association that is supported by Council	Level of activity or number of community projects in each locality	Annually reviewed
3.3	Advocate for services or facilities the Shire cannot provide	Increased services or facilities	Reduction of the gaps in services or facilities	Review 2-yearly

### VOTING REQUIREMENT:

*Simple Majority Required:*

#### OFFICER RECOMMENDATION – ITEM 7.5.2

**That Council appoints Cr Robert Horstman as a delegate for the Horrocks Community Centre for a term of 18 months ceasing October 2024.**

**That Council appoints Cr \_\_\_\_\_ as a delegate for the Batavia Local Emergency Management Committee a term of 18 months ceasing October 2024.**

7.5.3	KALBARRI AIRPORT – RPT OPPORTUNITIES REPORT
	<p><b>LOCATION:</b> Kalbarri Airport</p> <p><b>FILE REFERENCE:</b> 12.2.3</p> <p><b>CORRESPONDENT:</b> Icon Tourism</p> <p><b>DATE OF REPORT:</b> 10 May 2022</p> <p><b>REPORTING OFFICER:</b> Garry Keffe/Grant Middleton</p> <p><b>APPENDICES:</b></p> <ul style="list-style-type: none"> <li>1. Copy of Pre-Feasibility Study Business Case RPT Service Perth to Kalbarri (provided under separate cover due to size)</li> <li>2. Minister for Transport correspondence</li> </ul>

#### **SUMMARY:**

Council to consider the Pre-Feasibility Study Business Case Report on RPT Service from Perth to Kalbarri prepared by ICON Tourism Consulting.

#### **BACKGROUND:**

At the September 2019, October 2019, December 2019 meetings discussion occurred on a regular passenger transport (RPT) service to Kalbarri. Council determined at the February 2021 meeting to engage Icon Tourism to prepare a Business/Economic Plan to encourage airlines to operate a regular passenger transport service to Kalbarri.

There is a strong desire within the community, local tourism operators and businesses for a regular RPT service to operate between Perth and Kalbarri. Icon Tourism Consulting Pty Ltd is a boutique tourism consulting firm operating in Western Australia (WA), led by Manny Papadoulis and assisted by Senior Associate Rod Quartermain. In April 2021, Icon Tourism was engaged by the Northampton Shire to prepare a small pre-feasibility report to assess whether there is potential to set up and operate Regular Public Transport (RPT) flights to Kalbarri Airport, that could be utilised by locals, businesses and tourists.

#### **COMMENT:**

A copy of the plan provided by Icon Tourism has been forwarded to Councillors under separate cover due to its size.

The author Manny Papadoulis has provided the following report summary:

## **1) Introduction**

There is a strong desire within the community, local tourism operators and businesses for a regular RPT service to operate between Perth and Kalbarri.

The long delay in presenting the report in the first part was due to the Covid and the cyclone last year but in recent times due to the rapidly changing aviation operating environment that is now only just emerging from the pandemic. Up until recently, the airlines have been consolidating their traditional routes and have not been prepared to consider new operations. If they had submitted the report last year it would have been outdated and largely irrelevant to the future of aviation in Australia, especially in regional areas. And only late last month did Icon Tourism make contact with Bonza Airlines based in Queensland which is going to operate a new regional model where they service regional towns that larger airlines wouldn't consider. Other issues include the emergence of resource projects in the area that will support the viability of service to Kalbarri.

## **2) Conclusion**

Given the available desk top information, airline interviews along with DoT and other stakeholders, have given an indicative clear position that as of today there is not a business case for an RPT service into Kalbarri given the following :

- A small population base and catchment area, plus an airport within a 90-minute drive from Kalbarri, (this is disputed by Council Management) shows that the outbound market from Kalbarri is not large enough for a sustainable RPT service.
- There is currently not a large viable cargo factor out of Kalbarri and what there is, once again is transported to Geraldton if it is required to be shipped to Perth and beyond.
- While tourism numbers in recent years have grown into Kalbarri dramatically due to the iconic tourism assets like the Skywalk being built and the pent up demand in the intrastate market for travel due to COVID-19. This is not guaranteed to continue once the world is opened up. While the borders were only opened on March 3rd, there is an early indication of highly competitive market forces (\$99 Bali airfares) which suggests that within 12 months the intrastate market will have reduced somewhat from record-high numbers.

- Domestic visitor markets were rising at 8% per annum before COVID-19 up until March 2020. It is too early to say if this will return and when. While record investment by the State Government is now commencing on the east coast, the market is highly competitive.
- International visitor markets were growing into WA at higher figures than the domestic market, however, the same questions can be asked of the international market.
- Kalbarri with the cyclone lost much of its leisure accommodation, an inventory that will take some years to repair and bring back the lost bed numbers.
- All RPT intrastate services are supported by VFR and corporate business as their main markets. Tourism is not enough to support an RPT service. Qantas has stated quite clearly that if Exmouth did not have the resource industry, then there would be no RPT services in Exmouth. Recently in the last few months, a weekly charter service has commenced in Kalbarri for a local mining company. This is discussed further in the report and provides opportunities but currently is not enough to have a regular leisure service.
- Government policy currently does not support incentives for subsidies for airlines to operate RPT services in regional towns. Funding is being provided to reduce airfares on established RPT services which is a Government election commitment.
- All airlines indicated that they would not provide an RPT service soon unless it was substantially subsidised by the State Government or the Shire. There were two suggestions, being a through-fare from Perth to Geraldton with a flight then from Geraldton to Kalbarri. Another was a spoke and hub operation based in Geraldton. These options are discussed further in the report however they don't set up an RPT service from Perth-Kalbarri.
- Airlines also quoted that even with an incentive, they like to see a whole community approach and support for the service. Support from the local Visitor Centre along with local operators who maybe need to provide industry assisted pricing on services. That is a united community and all stakeholders singing from the same song sheet.



### **Moving Forward**

While an RPT service business case cannot be established as of March 2022, Icon Tourism believes that a business case and service could be operating within one to three years. It would require commitment and action from the Shire to move it forward

#### **Action Requirements:**

- Set up a working group led by the Shire to secure an RPT service. The group should be made up of Shire, Midwest Development Commission, ACC, TWA, Kalbarri stakeholders and the companies mentioned above.
- Seek funding from state and federal government with support and sponsorship from industry both the mining and tourism sectors. This would include an application to the Commonwealth Government's Regional Airports Program to bring the airstrip up to RPT standards.
- Develop a plan that proactively promotes/attracts an RPT service to Kalbarri.
- Meet regularly with Department of Transport.
- The working group should have a prominent Chair that becomes the spokesperson for the group.
- Meet regularly with the two airlines that have expressed interest, as well as Skippers who currently operate the weekly charter.
- Define goals and timelines.
- Council to assist with potential incentives e.g. six-month free landing fees.
- Develop relationships with key government agencies, i.e. TWA, DoT.
- Lobby local members of both state and federal government.
- Seek full community support.
- The group/Shire to actively pursue input into state and federal government industry and regional growth strategies/plans that support the growth of tourism products into the national park.

- Shire to develop growth plans for more short-term stay accommodation.
- Open up discussions with mining companies who are developing in and around Kalbarri

### **CEO Comment**

The main concern with the above recommendation is that the report highlights that a RPT service for Kalbarri is not feasible for the next five years. However the report recommends that a working party be formed to start the process of trying to attract RPT services. It is questionable if this is the correct process to start at this point in time due to the continuation of the COVID pandemic as appears fruitless starting a working group now knowing the COVID is still with us and likely to be around for a number of years yet. It is suggested that the establishment of a working group be undertaken when the future in relation to COVID is known.

The report also states to seek funding to bring the airport up to RPT standard but does not indicate what standards are to be met. The airport does currently meet RPT standards to certain sizes of aircraft. If RPT services were to progress to jet aircraft, then full screen security would be required to be installed by the Council and not the airline.

Following on from the February 2022 Council meeting and discussion held with the Hon Vince Catania in relation to RPT services, the CEO corresponded to the Minister for Transport as per the following:

*"It is our understanding that the current air route from Perth to Denham and Carnarvon is to be reviewed within the near future. We encourage the Minister to please consider the inclusion of Kalbarri to be a part of the flight route to provide a regular passenger transport service from Perth to Kalbarri.*

*There is no doubt that with the borders now opening that tourist traffic to our region will again increase, with the new Sky Walk within the Kalbarri National Park being a major draw card as well as other well-known tourist sites in the Kalbarri area.*

*In addition to tourism there is a new garnet mine opening approximately 24km south of Kalbarri . The construction phase has commenced and has already instigated a charter service for workers from Perth to Kalbarri through Skippers Aviation for required and qualified employees. It is the mine proponent's preference to have their workers housed in Kalbarri however it is up to the employee to find their own accommodation which at present is*

*relatively difficult due to limited stock available and with construction of new premises, limited building contractors, materials and lending institutions restrictions where they will not provide loans for housing purchases and construction in our area unless large deposits of 40% (which is what we have heard) is paid. If accommodation cannot be provided in Kalbarri for the garnet mine operations employees, it is now likely that this fly in fly out arrangement will continue.*

*Also there is a very large, scaled Hydrogen Plant being proposed approximately 30km north of Kalbarri which will again require a large workforce for construction and operations and again due to accommodation restrictions it is likely that the Kalbarri Airport will be required for workers both in the construction and operating phase.*

*Our preference is for workers from both operations to reside in Kalbarri however if workers, employers or other investment firms are not willing to invest in purchasing/constructing residences then the operations of the above will be reliant on air-charter operations.*

*All of the above we consider are a catalyst to allow for a RPT service for local residents and visitors in conjunction with the mining operations that would make the service viable.*

The Minister has responded and basically indicated that a RPT service to Kalbarri would not be considered in the foreseeable future, please refer to Appendices 2.

#### **FINANCIAL & BUDGET IMPLICATIONS:**

The total cost of preparing the plan was \$7,000 excluding GST per the 2021/2022 Budget provision.

#### **STRATEGIC IMPLICATIONS:**

*Shire of Northampton Community Strategic Plan 2020-2030*

<b>1</b>	<b><i>Our Economy</i></b>			
<b>1.1</b>	To maintain or grow our population through land development to attract and support residents, visitors, and business initiatives.			
	<b>Key Outcomes</b>	<b>Objectives</b>	<b>Success Measures</b>	<b>Timelines</b>
1.1.1	Population maintenance and growth through diversity in land zoning reflecting the diverse nature of residential needs	Population remains stable or increases	Population Data School Enrolments	Ongoing
1.1.2	Provision of effective town planning scheme to support visitor expectations or needs and appropriate business development support for local business initiatives	Maintained or increased businesses across towns and locations of the Shire for economic and employment benefits	Trends and the Number of businesses at each Census period	Ongoing
1.1.3	To maintain a tourism strategy within budget possibilities to have tourist facilities of the highest standard that the Council can afford.	Increase in numbers of visitors accessing local businesses and tourist attractions	Trends in visitor numbers and tourist enterprises operating	Ongoing
1.3.4	Support for visitor attraction and for community driven events-based and tourism	Increase of events that attract overseas, regional, and local people to support the local economy.	Increase or decrease of visitors and number of events held.	Ongoing

## VOTING REQUIREMENT:

*Simple Majority Required:*

### OFFICER RECOMMENDATION – ITEM 7.5.3

**That Council consider the report and the recommendation of forming a working group to further pursue regular passenger transport services to the Kalbarri Airport.**

**APPENDICES 2 – Minister for Transport Letter**



GLK  
12-2-3

**Minister for Transport; Planning; Ports**

Our ref: 72-37692  
Your ref: 12.2.3/OCR37464

Mr Garry Keeffe  
Chief Executive Officer  
Shire of Northampton  
council@northampton.wa.gov.au

Dear Mr Keeffe

**REGULAR PUBLIC TRANSPORT AIR SERVICE BETWEEN PERTH AND KALBARRI**

Thank you for your correspondence dated 8 March 2022 regarding your request for a regular public transport (RPT) air service between Perth and Kalbarri.

The Perth-Carnarvon-Monkey Mia air route is fully regulated under a deed of agreement between the State and Regional Express Airlines until 30 June 2023. The State Government, through the Department of Transport, aims to issue a tender for this route in mid-2022, along with other fully regulated routes in WA.

As has been the case in previous tenders, the upcoming competitive tender process for regional air routes will provide flexibility for airline proposals. Tenders will be invited that consider the existing RPT routes in WA; however, bids proposing additional regional connections on a network configuration basis, that would be commercially viable, will also be encouraged.

I note that the previous RPT service to/from Kalbarri was withdrawn on 1 July 2013 at the request of the Shire of Northampton due to low passenger numbers, and the significant costs required to maintain RPT operations of Kalbarri Airport. If a viable opportunity for Kalbarri RPT services is presented as part of the tender process, it will be considered by the Government.

Thank you for raising this matter.

Yours sincerely



**HON RITA SAFFIOTI MLA**  
**MINISTER FOR TRANSPORT**  
12 APR 2022

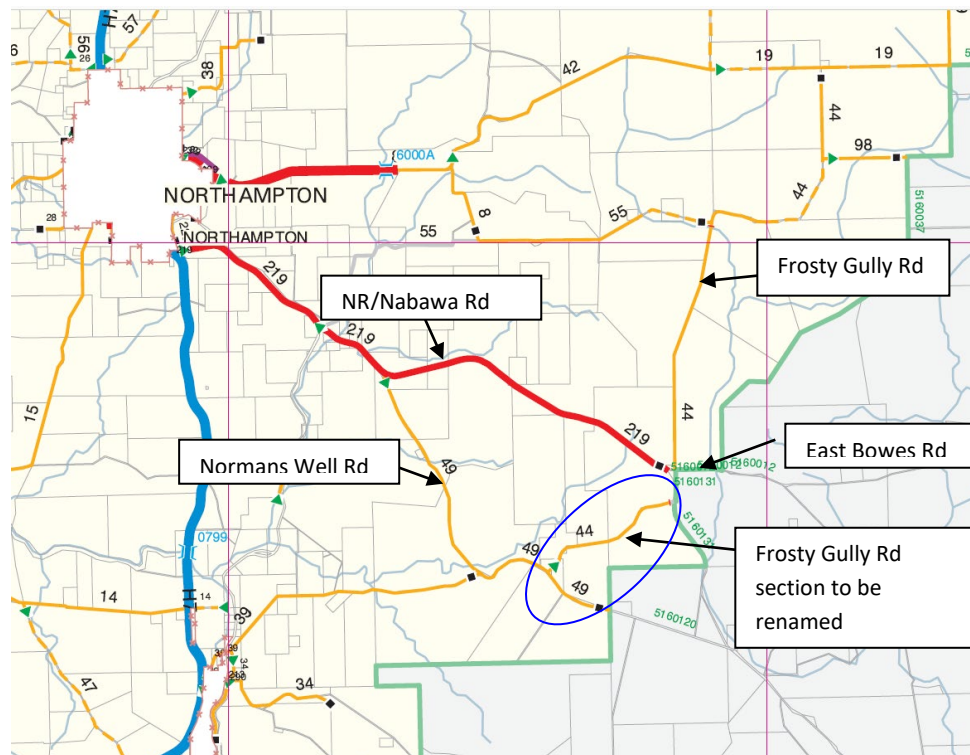
#### 7.5.4 REQUEST FOR RENAMING OF A PORTION OF FROSTY GULLY ROAD

<b>LOCATION:</b>	<b>East Bowes</b>
<b>FILE REFERENCE:</b>	<b>12.1.4</b>
<b>CORRESPONDENT:</b>	<b>Deanne Shaw</b>
<b>DATE OF REPORT:</b>	<b>10 May 2022</b>
<b>REPORTING OFFICER:</b>	<b>Garry Keeffe</b>

#### SUMMARY:

Council to consider a request to rename a section of Frosty Gully Road to eliminate confusion on the locality of the road.

#### LOCALITY PLANS:



#### BACKGROUND:

Ms Shaw has advised that due to the Frosty Gully Road being in two separate sections, that it is causing confusion to persons wishing to get to their property.

The road as per the above plan #44 depicts the Frosty Gully Road, #39 depicts the Isseka Road and #49 depicts the Normans Well Road and #219 depicts the Northampton Nabawa Road.

As can be seen the Frosty Gully Road is divided by sections of East Bowes Road and the Northampton Nabawa Road. Ms Shaw has suggested that the names be amended to read Frosty Gully North and Frosty Gully East or similar to clearly identify to users which is the correct road they are to use.

**COMMENT:**

The above request certainly has merit and the confusion to road users is certainly evident by the separation.

If the Council does wish to rename either section of the road the following must be undertaken:

- Determine a new name for one of the sections of the road and then advertise the proposal to change the name. It is recommended that the small section from Normans Well Road to the Northampton Nabawa Road be renamed to Frosty Gully East Road, or other name as determined by Council.
- Advertise the proposal to change the name of this section of the said road.
- Upon completion of advertising, determine submissions on the proposed name change.
- Should no objections to the proposed name change be received then refer the matter to the Geographical Names Committee of Landgate for formal approval of the name change.

If an entirely new name is to be considered then the Geographical Names Committee will require at least three suggested names and reason for those names, being historical, geographical feature etc. A road name cannot be of a living person.

**FINANCIAL & BUDGET IMPLICATIONS:**

Apart from advertising costs, there are no other financial implications for the Council.

**STATUTORY IMPLICATIONS:**

*State: Land Administration Act*

**VOTING REQUIREMENT:**

*Simple Majority Required:*

**OFFICER RECOMMENDATION – ITEM 7.5.4**

**That Council progress with the changing of the section of the Frosty Gully Road from Normans' Well Road to the Northampton Nabawa Road to (insert name) and advertise this proposal accordingly with all submissions received on this proposed change to be presented to Council for consideration**



**7.5.5 LOT 81 KITSON CIRCUIT**

<b>LOCATION:</b>	<b>81 Kitson Circuit, Northampton</b>
<b>FILE REFERENCE:</b>	<b>10.8.2.3</b>
<b>CORRESPONDENT:</b>	<b>John Van Maanen</b>
<b>DATE OF REPORT:</b>	<b>8 March 2022</b>
<b>REPORTING OFFICER:</b>	<b>Garry Keeffe</b>

**SUMMARY:**

Council to amend the initial lease term on the proposed lease to two years to comply with building requirement.

**LOCALITY PLANS:**



**BACKGROUND:**

At the March 2022 meeting, Council resolved to approve the leasing of Lot 81 initially for a twelve-month period and at completion of that period the lot be offered for sale to John Van Maanen for the purpose of a laydown and storage area for fabrication equipment, machinery, steel supplies and workspace subject to:

- (a) that the lessee to construct a commercial grade security fence on the boundary of Lot 81 within six months from the commencement of the lease term; and
- (b) that the lessee to construct a light industrial shed on the lot with the same material and colours as existing sheds in the area within two years from the commencement of the

**COMMENT:**

Following from that decision advice has been received from Councils legal advisors that as there is a two year stipulation to construct an industrial shed then the initial lease period will also need to be two years.

Council therefore is requested to formally resolve that the initial lease period to two years be amended accordingly.

**VOTING REQUIREMENT:**

*Simple Majority Required:*

**OFFICER RECOMMENDATION – ITEM 7.5.5**

**That Council amend the initial lease period for Lot 81 Kitson Circuit, Northampton, from one year to two years due to the requirement for the lessee to construct an industrial shed on the lot within a two year period.**

## **ADMINISTRATION & CORPORATE REPORT**

### **LATE ITEMS**

7.5.6	JUNE 2022 COUNCIL MEETING – START TIME CHANGE REQUEST .....	2
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**7.5.6 JUNE 2022 COUNCIL MEETING – START TIME CHANGE REQUEST**

<b>FILE REFERENCE:</b>	<b>4.1.1</b>
<b>DATE OF REPORT:</b>	<b>19 May 2022</b>
<b>REPORTING OFFICER:</b>	<b>Garry Keeffe</b>

**SUMMARY:**

Council to approve a change in the start time for the 17 June 2022 Council meeting.

**COMMENT:**

The June Council meeting is to be held Friday 17<sup>th</sup> June 2022 to commence at the normal time of 1.00pm.

As approved by Council at the April meeting, the President, Deputy President and CEO will be attending the Australian Local Government Association National General Assembly in Canberra commencing Sunday 19 June and therefore need to fly to Canberra on Saturday 18<sup>th</sup> June. The flights have been booked and leave on Saturday at 8.00am from Perth.

To allow the participants to travel to Perth on Friday 19<sup>th</sup> at a reasonable time, it is requested that the June meeting commence at 9.00am and not 1.00pm as previously approved.

Advertising of this change if approved by Council is required as per below.

**STATUTORY IMPLICATIONS:**

*State: Local Government Act 1995 – Local Government (Administration) Regulations 1996.*

12. Publication of meeting details (Act s. 5.25(1)(g))

(1) In this regulation —

meeting details, for a meeting, means the date and time when, and the place where, the meeting is to be held.

(2) The CEO must publish on the local government's official website the meeting details for the following meetings before the beginning of the year in which the meetings are to be held —

- (a) ordinary council meetings;
  - (b) committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public.
- (3) Any change to the meeting details for a meeting referred to in subregulation (2) must be published on the local government's official website as soon as practicable after the change is made.

**VOTING REQUIREMENT:**

*Simple Majority Required:*

**OFFICER RECOMMENDATION – ITEM 7.5.1**

**That Council amend the start time for the 17<sup>th</sup> June 2022 Council meeting from 1.00pm to 9.00am and advertise this change accordingly as per requirements of Regulation 12(3) of the *Local Government (Administration) Regulations 1996*.**



# Kalbarri Airport

Report on opportunities for a RPT Kalbarri Service

*Pre-Feasibility Study Business Case  
RPT Service Perth - Kalbarri*



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## Introduction

Icon Tourism Consulting Pty Ltd is a boutique tourism consulting firm operating in Western Australia (WA), led by Manny Papadoulis and assisted by Senior Associate Rod Quartermain.

In April 2021, Icon Tourism was engaged by the Northampton Shire to prepare a small pre-feasibility report to assess whether there is potential to set up and operate Regular Public Transport (RPT) flights to Kalbarri Airport, that could be utilised by locals, business and tourists.

Kalbarri Airport was opened by the Honourable Michelle Roberts on the 22<sup>nd</sup> of September 2001. The funding for the development of the airport was provided by both the Shire of Northampton and Shire of Greenough, with significant contributions received from Arkona Holdings and Westralia Airports Corporation. Currently the airport is owned by the Shire of Northampton.

Access is the first and most important principle of tourism development and in recent years (pre COVID-19) the WA State Government via Tourism WA (TWA) and in partnership with Perth Airport, has invested heavily negotiating new direct flights from international destinations into Perth. There is no doubt that this had contributed to the growth of tourism throughout WA up to March 2020. However, until recently, COVID-19 has put a stop to all tourists using international flights in the last 18 months and, until recently all domestic flights. Even with domestic visitors, there still is a considerable amount of uncertainty caused by outbreaks of infections in other states.

A functioning active regional airport can provide employment and other non-tourism benefits, as well as tourism opportunities for the town and its surrounds. Interviewing local residents and business operators for this project, there was a very strong desire for there to be a regular flight service in and out of Kalbarri.

The positive momentum for Kalbarri prior to Cyclone Seroja in April 2021, continued to build with the opening of the Skywalk and the pent-up demand for Western Australians to travel post the original COVID-19 lock down in 2020. This presented an opportunity to review the Kalbarri Airport and potential for a business case to determine whether the airport could operate as a fully operational regional airport with a RPT service.

This report is a small overview and not a detailed comprehensive business case report for a RPT service. A pre-feasibility business and sustainability case is an initial overview of the project and is based on preliminary research and market conditions and should give an initial indication if it is likely/unlikely that the RPT service and airport could be a feasible proposition.

A comprehensive detailed business case requires the following steps, all large projects within themselves. This report and project was not funded to complete comprehensive studies into the following:





This report can assist in deciding whether it is worth moving forward to complete a more detailed feasibility and establish a RPT committee, made up of key stakeholders to drive the potential outcome of achieving a RPT service.

Two major incidents have impacted this project:

1. First the airline industry in Australia and around the world has been brought to its knees with COVID-19. This has cast a huge shadow over airline travel in general around WA. Prior to COVID-19, growth into and around WA was growing in double digits. Which airlines will still be operating into the near future (2-5 years), will dictate the success or otherwise of regional tourism in WA and also the opportunities that airlines may be able to take up subject to aircraft and pilot availability.
2. The second major event that will affect the outcome of this report is the impact of Cyclone Seroja. This severe tropical cyclone brought historic flooding and landslides to portions of southern Indonesia and East Timor and later went on to impact WA's Mid West region, becoming one of the first to do so since Cyclone Elaine in 1999. It caused widespread damage in the Mid West, the worst hit being the small towns of Kalbarri and Northampton, with 70% of buildings damaged or destroyed. It is expected the rebuild for Northampton and Kalbarri could take up to three years to complete.

The work on this report from March 2021 to August 2021 was interrupted by two COVID-19 lock downs and Cyclone Seroja. In the Month of March 2022 the war in the Ukraine started, which has dramatically increased the price of aviation fuel. Forecasting and sentiment has been changing constantly and rapidly during this time. The report was developed by desktop research, stakeholder interviews, airline interviews and Zoom calls in place of field trips.



## About Kalbarri Airport

### Location

The Kalbarri Airport is located on Fawcett-Broad Drive. The turnoff is 10 kilometres east of Kalbarri on the Kalbarri-Ajana Road, it is well sign posted and is visible from the Kalbarri-Ajana Road.

### Details of Runway

1,600m × 30m

### Services at the Airport

An airport terminal is located at the airport with ablution facilities. A free telephone service is available at the airport, however calls are restricted to local calls to Kalbarri.

### Landing Fees

The fee to land at the Kalbarri Airport is \$15.00. This can be paid at the airport or Shire office in Kalbarri at the Allen Centre on Grey Street.

### Permanent Private Aircraft Parking

Private aircraft can be parked permanently at the airport. There is a fee of \$264.00 per annum and is payable in lieu of any landing fees.

### Limitations of this Report

This document has been prepared for use by the Shire of Northampton in accordance with the agreement between the Shire and Icon Tourism. This agreement includes constraints on the scope, budget and time available for the services with interruptions from COVID-19 and Cyclone Seroja. The consulting services and this document have been completed with the degree of skill, care and diligence normally exercised by Icon Tourism and performing services of a similar nature.

Icon Tourism prepared this report primarily from information available to Icon Tourism from desk top research and interviews with external stakeholders, including airlines and the Department of Transport (DoT). The passage of time or impacts of immediate past events including COVID-19, the cyclone and other possible future events may require further analysis and re-evaluation of the findings, observations and conclusions expressed in this report.

No other warranty, expressed or implied, is made as to the accuracy of the data and professional advice included. This document has not been prepared for use by parties other than the Shire of Northampton and its councillors. It may not contain sufficient information for the purposes of other parties or for other uses. Icon Tourism Consulting takes no responsibility for the completeness or form of any subsequent copies of this document. Copying this document without the permission of Shire of Northampton or Icon Tourism Consulting is not permitted.

### Methodology Purpose and Objective of the Project

To provide context around attracting commercial air service to the Kalbarri Airport, Icon Tourism started by reviewing the airline decision making process.

With the overall objective of achieving a suitable financial return, airlines develop their route networks with a focus on maximizing the return on aircraft assets. These assets typically cost hundreds of millions of dollars, representing a large upfront capital investment from which airlines need to make a suitable return. However, unlike capital investments in fixed assets such as factories, aircraft assets are mobile; they can be deployed to fly between different markets Australia wide depending on the market conditions. To maximize their profitability and return on investments, the network planning team at an airline are tasked with aircraft deployment decisions (i.e. which routes to fly and at what level of service). Icon Tourism interviewed a number of airlines for this project and at time of meetings the emphasis from airlines was on survival and recovery.

The high cost of operating an airline means high volume/numbers are required. In the diagram below we are not suggesting that these aircraft size can utilise Kalbarri airport, instead we are showing this diagram to highlight, due to the high cost, the required numbers for airlines to be viable and thus a route successful.

Aircraft Type	Seats Per Flight	Annual Passenger Requirements
Boeing 747	400	219,000
Airbus A340	280	153,300
Boeing 767-300	220	120,450
Boeing 737-700	140	76,650
Regional Jet	100	54,750

Annual Operating Cost:  
~ US\$50 million

In order to respond to changing market needs, the airline network planning process is a continuous activity. Market demand can vary greatly from year to year, and season to season, therefore airline network planners are constantly designing new route network schedules and adjusting current ones to maximize profitability. Network planning activities can be categorized into short, medium, and long-term.

In the short-term, network planners track booking patterns for the existing schedule and adjust the aircraft size and frequency as needed to meet closer-in demand fluctuations. These efforts are closely coordinated with the airline's operations department to ensure sufficient crewing and airport ground resources to perform the scheduled flying as planned. The network planning team also work closely with the revenue management department to ensure booking and revenue trends are on track as per their forecast.

For the medium-term strategy, airline network planners design the route network for the year, sometimes splitting the year into summer and winter seasons to reflect the different demand patterns. The focus is on the one to two year time horizon for this element of the process. In order to allow sufficient time for passengers to purchase tickets and make reservations, new route schedules are typically finalised and released at least six to nine months in advance of the flying date.

In the case of tourism, where passengers (pre COVID-19) typically book their vacations well in advance, the schedules may even be finalised twelve months in advance. As such, airlines work on fairly strict "planning cycles" and any air service development efforts from Kalbarri will need to be aligned with these timelines. In order to select new routes, airline network planning teams conduct extensive research and analysis on market opportunities and then prepare forecasts for potential new routes. For routes that are deemed to hold potential, a detailed business case is prepared and then sent to senior management for approval.

A fundamental component of the business case is demonstrating that the new route can provide a sufficient financial return. At the route level, profitability is driven by load factor

(passenger volume) and yield (average fare). Airlines might accept a lower volume of passengers if they are able to charge higher fares on a segment – this is often the case for business travel. Conversely, if fares are low, airlines will require high load factors (a full or nearly full plane) in order to achieve the same results. Since aircraft are relatively easy to re-deploy to other routes, airlines will generally add new markets based on expected financial performance. Similarly, airlines tend to exit routes that do not meet their financial expectations.

Having said that, there may be strategic reasons for an airline to enter and maintain a service for a regional destination. This can be negotiating with governments for other destinations or routes. For example, to achieve access to Carnarvon, airlines are made to service Shark Bay.

Airlines yield manage routes and look at ways to maximise yield. Long-term network planning typically focuses on the three to five year time horizon. The planning team researches new aircraft technologies and sets out the airline's overall network growth strategy for the long-term. This strategy is developed in close coordination with the airline's internal finance and government relations departments to ensure the proper fleet and regulatory approvals are in place for network expansion. Further in this report we will show that Kalbarri may be able to secure a RPT service in 5 years after innovative planning.

In order to attract a commercial RPT service to Kalbarri, an airline must thoroughly understand the air service market potential of Kalbarri and surrounding region. Network planners must understand the potential demand (inbound and outbound) and the expected average fare of the proposed air service route before making a launch decision. Other factors such as aircraft availability, ground staff and crew training, and other considerations need to be considered as well.

Icon Tourism interviewed all major airlines, both national and local, to assess their interest in RPT service for Kalbarri. A measured and conservative approach to the air service market potential for Kalbarri was expressed by all airlines. Most of the larger airlines who operate within WA sited data-driven approach, in which market potential is calculated based on recent data points and/or actual statistics collected by trusted sources. This process is particularly important when explaining and defending the market research and route analysis to network planners, who hold the responsibility to make the market launch decisions at an airline. If airlines are not confident that the research and analysis is accurate, they will discount the business case as being unrealistic.

Kalbarri has not had a RPT service since 2012. Existing and planned major resource projects in the Mid West Region combined with increasing tourism via the newly built Kalbarri Skywalk has pre cyclone, resulted in further significant population movement to mid-western townsites locations and will result in further pressures and increases in demand for residential, employment, tourist and recreational choices in Kalbarri. The Shire has therefore decided to review the potential of restarting a RPT service for Kalbarri.

The objective of this small report study is to review secondary data and interview stakeholders, airlines and government agencies and prepare a pre-feasibility into the potential or otherwise of a regular RPT service. The report utilises available visitor data sources from government



agencies, tourism organisations, and local business. A key component of this study will be to determine the propensity for active WA airlines and charter airlines to consider a RPT service for Kalbarri.

To achieve the study's objectives, this report will cover the following areas:

- SWOT Analysis
- Strategic Case
- Economic Case
- Market Potential

Icon Tourism Consulting via interviewing stakeholders, government departments, Kalbarri tourism businesses and airlines and using their professional experience, knowledge and available data, will provide an opinion and options at the conclusion of this report in respects of the RPT service for Kalbarri.

### Data Environment

In preparing this report a number of data sources were used including:

- IVS/NVS
- Department of Biodiversity, Conservation and Attractions (DBCA) Kalbarri National Park visitor statistics
- TWA reports
- Shire of Northampton visitor statistics
- Fare Scrapes - we looked at return airfares between Geraldton and Perth
- WA Review of Regulated RPT routes





## History and Overview Kalbarri Airport

Kalbarri Airport (IATA: KAX, ICAO: YKBR) located in Kalbarri, WA, opened on 22 September 2001 and was jointly developed by the Greenough and Northampton shires. The total construction costs for the airport was \$1.7 million. The airport is approximately 10 kilometres (6.2 mi) from the town centre.

The Shire of Greenough submission to the Enquiry into Aviation Services in 2002, states the Kalbarri Airport was primarily developed to support tourism in the region.

### Background

Kalbarri is located in the Mid West Region of WA, approximately 600 kilometres north of Perth and 150 kilometres north of Geraldton, at the northern extent of the Shire of Northampton. The townsite is situated on the southern banks of the Murchison River and is substantially north facing, a favoured orientation along the WA coast as a consequence of the degree of protection afforded from on-shore breezes.

Primary access to Kalbarri is via road, approximately six hours from Perth and 90 minutes from Geraldton. The current airport was built to replace an old airport which was located 7

kilometres south of Kalbarri, which was only suitable for light aircraft 5-10 seats and at the time did not meet the recommended standard for use by the Flying Doctor Service.

The current site was identified by a study conducted by the Shire and the WA DoT in 1988. The study undertaken by Wallace Emery and Associates considered projected air traffic demand, cost, engineering requirements, aviation safety and long term expansion potential, along with impact on the Kalbarri National Park.

Following the site identification, the site of the airport was exercised from Kalbarri National Park by Parliament in 1994. Between 1994 and 1999 the Shire of Northampton and State Government agencies undertook further planning and feasibility analysis of options for developing the present site. This was then referred to the Environmental Protection Agency (EPA) in November 1998. The area of the airport reserve was 633 hectares, of which 48 hectares was cleared for runways, a facility area and access road. Once approval was obtained by the EPA with conditions in 2000, construction started immediately and the airport was opened in Sept 2001.

The runway is sealed and is designed and constructed to take aircraft up to the size of the BAe 146 or equivalent. Currently, there is a basic terminal building. As a consequence of the distance from the airport to town, overall noise exposure noise from aircraft operations have never impacted the town. Additionally, single event noise forecasts, such as on take-off, also had minimal impact on the town.

From 2001 Kalbarri airport has had RPT services operating to their conclusion in 2012. Initially the service was operated through Skippers Aviation then it was changed to Skywest.

Kalbarri up until 2011, was serviced by four flights a week by a Fokker F50 on the Perth to Geraldton / Carnarvon route. The aircraft had a seating capacity of 40 persons but because of through flight bookings, seat availability to Kalbarri was frequently limited and sometimes not available. From mid-2011 Skippers Aviation serviced Carnarvon, Kalbarri and Shark Bay, with three Dash-8 36-seater return services per week through Geraldton. It ceased servicing Kalbarri in 2012.

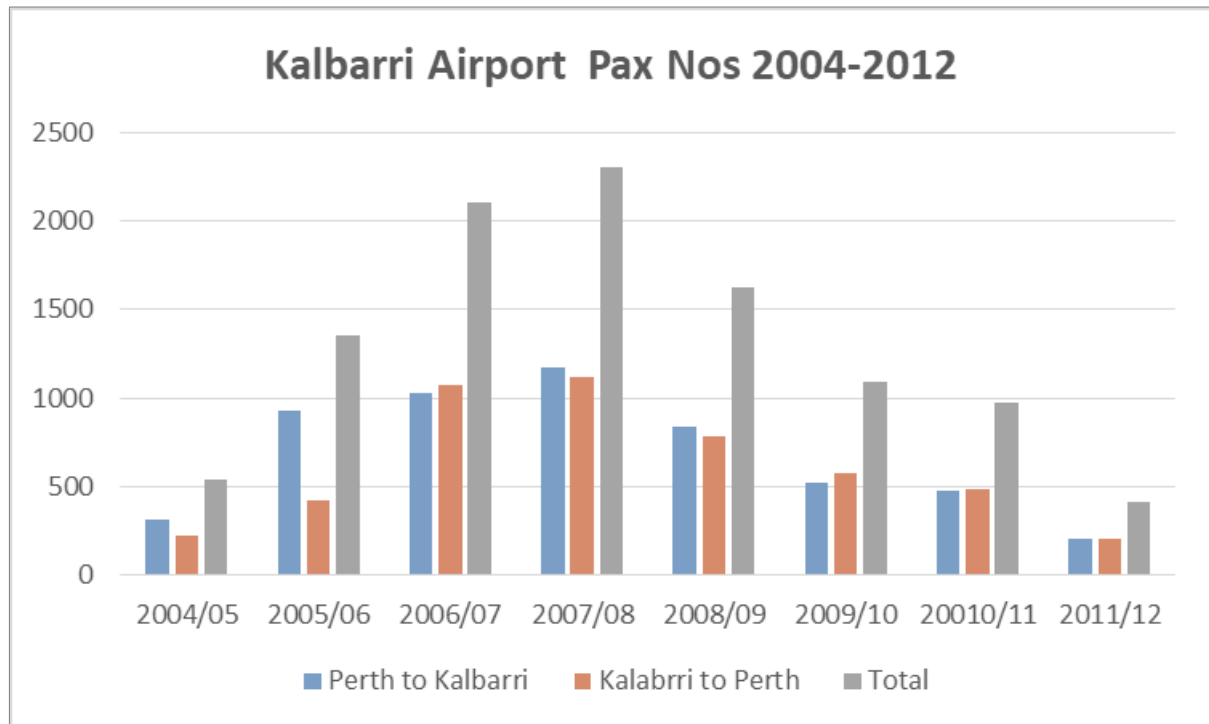
Initially number of passengers into Kalbarri were not at an acceptable level. However numbers continued to grow yearly, particularly when Skywest (who at the time were a leisure based airline) took over. However from around 2007 numbers began to decline. The reasons for the decline could be attributed to a number of factors:

- 1) Time and cost to travel were a disincentive to the local population. E.g. if local Kalbarri residents wished to fly from Kalbarri to Perth, they were required to fly via Carnarvon.
- 2) Packages and prices offered to tourism trade operators who sold Kalbarri were very high compared to other local destinations and even international destinations. Kalbarri as a destination was not competitive if flights were involved.
- 3) At the time there was not a large business/FIFO numbers working in or around Kalbarri. In recent times this has changed with FIFO workers living in Kalbarri and flying out of Geraldton.



- 4) Limitations or aircraft that were flying the route. E.g. Skippers often used planes with no toilets or adequate luggage capacity.
- 5) While initially supported by tourism trade, as numbers didn't materialise, third party intermediary operators focused on other more lucrative markets.

With RPT numbers decreasing, it placed a large cost and staff time onto the Shire and this put further pressure on continuing to support a RPT service.



Year	Perth to Kalbarri	Kalabarri to Perth	Total
2004/05	318	224	542
2005/06	928	428	1356
2006/07	1030	1073	2103
2007/08	1177	1123	2300
2008/09	841	781	1622
2009/10	520	575	1095
20010/11	481	490	971
2011/12	203	211	414

Source: Shire of Northampton Administration and Corporate Report 17th August 2012.

As the resource boom in WA started to take hold in WA, one negative impact was the decline in leisure tourism. This came about as the corporate and resource numbers of started taking over room nights in Perth and pushed out the leisure market. This had a knock on effect in the

regions and leisure numbers all over the state declined. The impact was that leisure tourism declined until 2014 when the resource boom concluded.

However it wasn't until 2017 that numbers of tourists and spend within the regions, including Kalbarri, started to increase. From 2014, WA struggled with a reputation of being an expensive place to visit and it wasn't until marketing changes were made in TWA that leisure tourism numbers started to increase. By this time though, the Kalbarri RPT service had already stopped.

Around 2012 as a licensed airport, Kalbarri was allowed aircraft with 30 plus seats and also allowed to operate at night. As leisure numbers declined the cost to operate the airport for the Shire became a burden. Airport technical inspections by an independent qualified inspector was required every two years. Safety audits, maintaining required manuals, undertaking risk management inspections, training exercises and general administration increased costs for the Shire as revenue from the airport started to decline.

It appears that the airport never operated in a surplus since its opening in 2001. The initial business plan for the airport did indicate that for the first ten years an operating deficit would occur. However the forecast deficit for the 2012/13 year for the Council was \$32,780 with only an estimated income of \$5,000 from the RPT service currently operating.

It was decided to change the registration and keep the airport to standard for a RPT service. Options were looked at during this period in 2012. The main option was to try and seek a government subsidy for the Kalbarri route which would make airfares cheaper and the route more viable to an operator. Before the new airport was constructed a charter RPT service was subsidised, however that ceased when the new airport was constructed and changes to RPT services throughout WA were amended.

Another option considered at the time was shuttle service with smaller aircraft between Kalbarri and Geraldton (Source Minutes of Ordinary Meeting of Council held at the Council Chambers, Hampton Road, Northampton on the 17 August 2012).

Both sides of government have not expressed a willingness to subsidise Kalbarri. Monkey Mia currently receives four RPT air services per week. All four services are direct from Perth to Monkey Mia but indirect on the return leg, that is, Monkey Mia is an intermediate stop on flights from Carnarvon to Perth. It should be noted that under the 2011 regulatory model, the Coral Coast route also included some services to/from Kalbarri. However, due to the extremely low number of passengers (generating virtually no revenue) and the high costs associated with airport maintenance, RPT services connecting Kalbarri were, in consultation with the community, permanently removed by the State Government.

*Source Review of Regulated Regular Public Air Routes in Western Australia Final Public Report 2015.*

In the State Government Aviation Strategy 2020, released in Feb 2020, it stated that Kalbarri along with other regional towns would not receive RPT services and that future services if they happened would be subject to licensing.

The challenge for setting up a new RPT for Kalbarri is enormous. This was confirmed to Icon Tourism Consulting when meeting with the DoT recently.

## Concept

Anecdotal evidence shows that the population of Kalbarri would appreciate and support a RPT service subject to the price of airfares. This has mainly been driven by the local tourism sector.

In recent times Kalbarri and its surrounds have seen strong economic growth and a dramatic increase in visitor numbers to the National Park as a result of the opening of the Skywalk. This combined with the growth in intrastate tourism brought about by COVID-19 and the Wonder out Yonder campaign, has the Shire of Northampton taking initial steps in investigating if these factors may influence the viability of a new RPT service for Kalbarri.

However, Cyclone Seroja in April 2021 as a Category 3 system, crossed the State's coast much further south than would normally be the case, in a region not used to such weather systems and not classified as cyclone-rated. It caused widespread damage in the Mid West, the worst hit being Kalbarri and Northampton, with 70% of buildings damaged or destroyed. The town of Kalbarri was decimated when the rare weather system battered the towns.

Cyclone victims could be left homeless and are facing a two-year wait to rebuild amid labour and materials shortages in Australia as they deal with the aftermath of Tropical Cyclone Seroja.

The cyclone has delayed delivery of this report and meant that the Icon Tourism team were unable to complete a field trip to Kalbarri to research and seek information from local Stakeholders.

For the purpose of this report it will be assumed that Kalbarri will be back to pre-cyclone conditions in reference to infrastructure within two years. What impact the cyclone will have on population and business within Kalbarri remains to be seen.

The broader Mid West Region despite the cyclone is experiencing considerable growth, generated largely by the resources sector. At the same time Kalbarri is also experiencing tourism growth.

The Mid West has a historical background in mining but major mining activity ceased in the 1970's with the completion of existing contracts for iron ore, more particularly, the development and rapid expansion of major ore bodies in the Pilbara.

Recent years has seen a major re-birth in the iron ore industry within the broader Mid West region, with a number of major mines having been established with on-going exploration revealing considerable high grade long term resources. The expansion of mining in the region is projected to require an additional direct workforce in excess of 2,500 persons. Indirectly, the resource industry has far more significant economic and employment impacts including, ultimately, the construction of a new major deep water port at Oakajee.

As a consequence of Kalbarri's proximity to Geraldton there is an increasing trend for fly in/fly out (FIFO) workers to reside in Kalbarri and commute to Geraldton airport. No FIFO services currently operate from the Kalbarri Airport.

Additionally, tourism to the Mid West region has been growing steadily with visitor nights now exceeding 500,000 per annum. Intrastate tourists represent 80% of the tourist market with interstate and international visitors representing a further 10% each. Domestic tourism has been growing in recent years at 1% per annum.

*See Appendix 4 - LGA Northampton Visitor Fact Sheet 2019.*

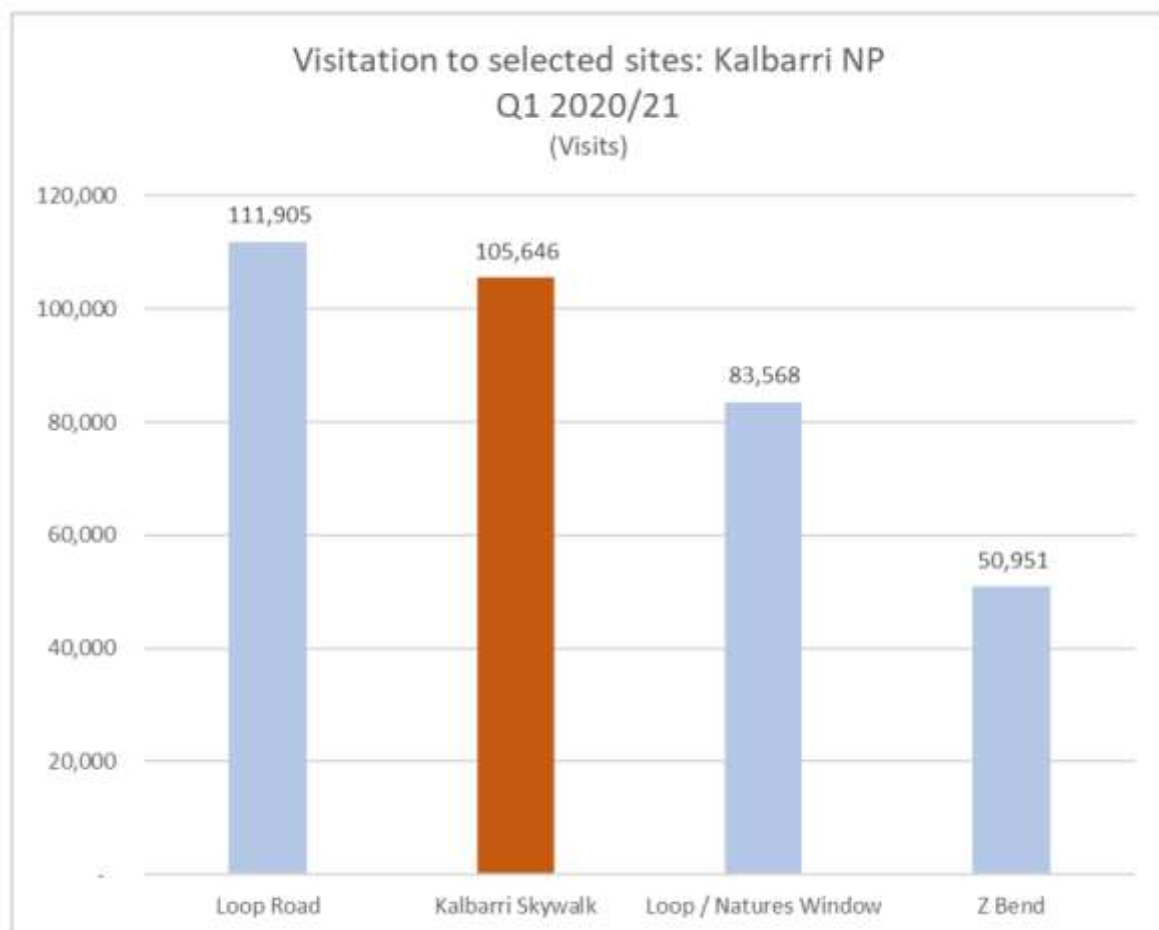


### Kalbarri Skywalk

The Kalbarri Skywalk was opened on 12 June 2020 at a cost to the State Government of \$24 million dollars. Immediately the impact of increase of tourism was felt and numbers into the Kalbarri National Park begun to increase dramatically.

The 100-metre high Skywalks, which project 25 and 17 metres beyond the cliff face complement the existing natural beauty of the surrounding area. In 2021, the park saw an increase in numbers of 40% within a year.

The \$24 million skywalk has not only been a major contributor to the huge increase in visitor numbers to the Park, but has also seen an increase in both day visits and overnight visits to the town. The dramatic rise in numbers extends way beyond initial forecasts.



The increase in Kalbarri Tourism continued through the COVID-19 pandemic as intrastate tourism increased throughout the state of WA, except for some areas e.g. Perth and Kununurra.

The overall increase in numbers into Kalbarri as a result of the opening of the Skywalk and the Wonder Out Yonder campaign has been the catalyst for the Shire to conduct this initial, prefeasibility review into a business case for a RPT service Perth- Kalbarri-Perth.

## SWOT

A high level overview, strategic assessment of the strengths, weaknesses, opportunities and threats for the Kalbarri Airport has been developed below. This SWOT analysis has been considered in the development of a potential renewal of a RPT service to Kalbarri.

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>• New iconic attraction – Skywalk, increase in visitation</li> <li>• Existing airport facilities able to take F100 jet</li> <li>• Strategically located close to town</li> <li>• Has room for expansion</li> <li>• Kalbarri via Skywalk and growth in intrastate travel is experiencing strong tourism growth despite COVID-19 (cyclone excluded)</li> <li>• Being close to Geraldton airport which could allow for Hub and Spoke into Kalbarri via smaller charter operators putting on a short RPT service Geraldton – Kalbarri</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• No navigation equipment. Unable to land at night or in bad weather</li> <li>• Driving distance to nearest airport (Geraldton) is less than 2 hours</li> <li>• Does not qualify for Protected Route funding from DoT</li> <li>• Low local population</li> <li>• Attracting an airline will rely on them making a commercial decision</li> <li>• Planning for the future is difficult due to the volatile operational environment</li> <li>• Current terminal layout is sub-optimal with basic upgrades required to address required upgrades</li> <li>• Airports are capital intensive assets, whereby compliance with regulatory determinations is non-negotiable</li> <li>• Lack of support services</li> <li>• Being too close to Geraldton Airport</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• The airport could become a key community asset providing wider economic benefit to Kalbarri</li> <li>• Potential for further revenue product and service growth if a 7 day a week RPT service is developed</li> <li>• Hub regional airline in Geraldton to make Kalbarri just one of a number of regional or interregional destinations</li> <li>• Through ticket arrangements with Qantas out of Perth</li> <li>• Develop new service business in town</li> <li>• Package other regional attraction. Link to Shark Bay/Ningaloo/Pilbara</li> <li>• Resource sector contracts, if proposed hydrogen development proceeds</li> <li>• FIFO workers have begun to reside in Kalbarri for projects in the Midwest and for departure from Geraldton</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Local tourism product not suitable for airline passengers</li> <li>• Low local uptake if fares too high</li> <li>• Unable to attract funding to upgrade airport facilities</li> <li>• COVID-19 has meant airlines are unsure of the future</li> <li>• The rebuild from Cyclone Seroja will push back any chance for setting up a RPT service</li> <li>• Stricter CASA regulations since 2013</li> <li>• Currently Australia is experiencing a skill shortage</li> <li>• WA State Government policy on subsidising regional travel</li> </ul>



## Strategic Case for RPT Service Kalbarri

Aviation in WA is essential to the economies of regional communities and for the social and health needs of regional people, who are dependent on sustainable, safe and reliable air services. Air services are often the most efficient mode of transport for WA's dispersed communities. Air services are also critical for mining and business operations across the State, as well as bringing visitors to the regions, growing tourism markets.

Aviation policy is complex; there are many volatile factors in the dynamic and multi-layered environment of RPT air services. In the WA aviation context, key factors that affect the aviation environment include the volatility of global commodity prices, higher costs of regional operations, one-way passenger demand, demand for closed charter (FIFO) operations, capacity and infrastructure of regional airports, changing trends in the aircraft fleet operating within WA, changing aircraft technology and other factors. The complexity is further increased by the differing components of the air service market in WA including:

- intrastate (regional)
  - intra-regional (i.e. between regional centres in a single region)
  - inter-regional (between regional centres in different regions)
- interstate (domestic)
- international

*\* Source: WA Air Services – Western Australia Aviation Strategy 2020 February.*

Finally, the biggest strategic impact on successfully establishing a new RPT service for Kalbarri is the impact of COVID-19 on airlines all over the world.

The Australian Competition and Consumer Commission's (ACCC) latest Airport Monitoring Report March 2021, has confirmed the significant losses that the Australian aviation sector has endured due to the ongoing impacts of the COVID-19 pandemic.

The Australian Airports Association's has said that while the report only considered the first few months of the pandemic, the early impacts still led to a significant drop in 2019-20 results across Australia's four major airports (Sydney Airport (SYD), Melbourne Airport (MEL), Brisbane Airport (BNE) and Perth Airport (PER)). Many regional airports have register more or less than major city airports except those on a mining FIFO route.

The annual report showed that passenger numbers dropped by 26.5% compared to the previous financial year and profits dropped by more than 55%.

The ACCC notes the rapid and dramatic effects that the pandemic has had on airports and the devastating impacts of government decisions to close borders. 2022 report will show the full impact that COVID-19 has had on the sector, which was one of the first hit and will be one of the last to recover. The lockdown in many States of Australia late last year is a reminder of how unstable the situation remains for aviation businesses and how the snap border closures and continued uncertainty will make recovery slow and difficult. In Australia, Virgin went into Administration before being saved by a US Equity buy out.



## Regional Airports COVID-19

Many council owned airports are currently struggling for their survival and are calling for a government bailout to help them remain viable, ahead of a senate inquiry into the future of the aviation industry in a post COVID-19 Australia as report in Government News, Jan 2021.

More than 200 council airports across Australia provide essential services for the local community including passenger transport, tourism, postal services, air ambulances, emergency services, crop dusting, surveying and flight training.

But peak council and aviation bodies say COVID-19 has put huge pressure on these operations and the exclusion of local government from JobKeeper has disproportionately affected council operated airports, putting at risk their ability to provide aviation services and straining already stretched council budgets.

## Current Situation RPT Services Government Policy

The 2017 Parliamentary Inquiry into Regional Airfares in WA prompted a review of the State's regulatory approach, and the introduction of new measures such as additional licence conditions on previously unregulated routes.

Historically, the State Government had adopted a relatively light-handed approach to regulation of air routes in regional WA. Prior to June 2018, six regional air routes in WA, Australia were fully regulated, leaving up to nine air routes open to competition or unregulated. To date all RPT routes in WA have been operating without government subsidies, except for the Kununurra-Halls Creek-Balgo route.

The level of government intervention in aviation markets in WA has to take into consideration both the needs and aspirations of the community, as well as the commercial realities of the aviation and resources industries.

Decisions on the extent of regulatory intervention in the aviation market must balance the (often competing) objectives of communities and industry, in the context of each route's unique characteristics and dynamics. Kalbarri has a set of unique circumstances as shown by the SWOT analysis.

Deeds of agreement on regulated routes, and new licence conditions on previously unregulated routes, require airlines to provide specified data to the State Government on a regular basis. Transparency about air service performance and pricing is essential to ensure the public interests are being met, and to enable the State Government to make data-driven decisions about policy and regulation. In addition, qualitative data is received from engagement between airlines, airports, communities and stakeholders on a route-by-route basis.

Analysis of this data enables the State Government to conduct its policy and regulatory functions more effectively. By monitoring the operation of the intrastate aviation market, and identifying whether the market is operating to provide reasonable service and pricing outcomes on each RPT route, decisions can be made whether to take a more interventionist regulatory approach if satisfactory outcomes are not being achieved in a timely manner.

The State Government considers various levels of regulation on air routes while taking into account the unique circumstances of each route, particularly the needs of community and industry.

The problem with the State Government strategy outlined above, is if a town or region like Kalbarri doesn't not have already a RPT service, it makes it very difficult with the current policy to be able to set one up. When combined with other external challenges like COVID-19 outlined above and the recent cyclone, then the possibility of a RPT service setting up within the next 12 -24 months is slim.

Looking at the strategic case for developing a RPT service from Peth to Kalbarri can be viewed from two different sides, as the airline and the Shire of Northampton as owners of the Kalbarri airport.

One of the important findings in this small prefeasibility report is that leisure tourism in WA (including iconic attractions that bring in large numbers, or special packages) are not a sufficient reason for an airline to begin a new route. Airlines will only decide to fly to a region if the business case to do so is commercially viable.

Overwhelmingly, the airlines interviewed reinforced that unless a new route will be will be profitable and the destination meets certain key criteria, then it is irrelevant if the packages exist or not. Those key criteria, determined through the interview process and essential in determining route profitability, are as follows:

1. Does the destination have an iconic tourism appeal? (The answer for Kalbarri is yes)
2. Is the destination's market catchment (population) 50,000+ people?
3. What is the potential for the outbound passenger market
4. Is there year round demand and what are the 5 year growth forecasts?
5. Is there a broad passenger mix (business, leisure, visiting friends and relatives (VFR)) and potential for connecting domestic traffic)?
6. What is the destination's geographic position in respect of a potential route, what is the appropriate aircraft type and does airport infrastructure match?
7. What are the airport's costs to the airline to operate?
8. Is there a whole of community approach to supporting a new route (airport, local government, community, state government)?

All of the above questions are a summary of a number of discussions had with airlines both national and local. A very simple answer to the question of a business case for the Kalbarri airport could be argued as no, given the answers to the questions above would on the whole be negative.

However Kalbarri has in very recent months had a number of major mining projects coming to play and super projects being discussed in 3-10 years' time. All of these will be discussed in the business case chapter.

### Airline Strategies

Airlines around Australia pre COVID-19 were constantly looking to add new destinations to their route network. They perform multiple route evaluations in order to know if a route will

be profitable in the long term or not. Airlines use many programs and tools to perform their route studies. They look at passenger demand forecasts, hub connectivity, aircraft availability, and other competitors.

Since COVID-19 and as Australia is both opening up internationally and domestically there are four key considerations and strategies that the airlines we spoke to are making while both tweaking existing routes and planning new ones.

### Demand Forecasting

Before starting a new route, airlines surveyed for this report want to know how many passengers will travel on a regular RPT service to Kalbarri. Most airlines use aviation market intelligence tools to parse and analyse all available data. Without regular corporate travel to support the service, the current leisure and local population are not large enough to support a regular service.

The data comes from within the airline itself, as well as industry-wide passenger data that identifies trends in traffic. The essential data points to consider are fares, routes, airlines, and connections. Airlines deploy this data to determine how many passengers are traveling each day (including connections) between airport pairs. Traffic flow if viable would also dictate what type of aircraft could be used and is available. COVID-19 has put challenges on all airlines for not only aircraft type but for qualified pilots.

### Connectivity at the Hub

Most airlines have one or more hubs where they operate most of their flights. The job of the network planning team at an airline is to ensure that most passengers will be able to go to the destination of their choice in the airline's route network.

Perth is the hub for all airlines spoken to in this report. However an option for potential RPT service for Kalbarri was making Geraldton a potential hub for regional towns around Geraldton, where a RPT service could operate to Kalbarri from. This will be discussed further in the business case.

Airlines can predict revenue and profitability on a route depending on different times of the day. If the flight is scheduled at a time of the day where there are no possibility of connections to other cities, then the airline might not do as good as a flight that is timed for inbound and outbound connections. Some flights have an optimal time for local traffic, while other flights are timed for passenger connectivity.

### Aircraft Availability

An airline will have to source an aircraft when deciding to fly to a new destination. A major airline with a large fleet of aircraft might be able to find a spare aircraft and assign it to the new route in normal circumstances, but COVID-19 is also putting challenges on aircraft and pilots.

It will be easier for an airline to pull an aircraft from its fleet for a one hour domestic flight than a 15-hour international flight. Regional aircraft fly flights of one to three hours. Kalbarri is a two

hour flight depending on aircraft, making it is easier to possibly find an aircraft to do this. The size of Kalbarri Airport limits the size of planes to.

### Matching the Competition

Opening a new route that is already flown by another air carrier is not unusual. This was the case for Geraldton who had both Qantas and Virgin flying on this route pre COVID-19. With no regular RPT service into Kalbarri, there is no need to match the competition.

### Shire of North Hampton Strategies

In building a business case for a regular RPT service, the Shire should consider the following strategies which need to be worked on constantly in order to secure a regular service and a business case for an airline to recommence a regular RPT service.

- 1) Strongly support those developments which generate high employment growth. Develop other industries and look at supporting further current industry. It has been noted by all airlines interviewed that although current tourism figures in and around Kalbarri continue to grow it will not be enough to support a regular RPT service. While requirements from a resource company/mining company operating FIFO service will immediately support a RPT service.
- 2) Ensure meaningful, partnerships are developed with all critical stakeholders through regular forums, meetings, events and endeavours. Strengthen critical relationships and connections. Relationships will be formed with the general community, the local and regional business sectors, local and regional tourism bodies and the education sector. Working with Australia's Coral Coast and Midwest Development Commission is critical in working towards a business case that support a regular RPT service.
- 3) Develop an effective resource plan to ensure whole of life operations, maintenance and management of all assets at the airport precinct. Funding and management resources are to be appropriate to ensure the infrastructure remains sound and the business is operated in an efficient way. Recently the Kalbarri Airport slipped out of license.
- 4) Explore the requirements airlines would place on the airport in order that future RPT services are more attractive and commercially beneficial to all parties' premises. FIFO possibilities should also be explored in partnership with mines and other industry players. The option of operating an RPT service at the airport needs to always be available. FIFO service must be catered for in the long term.
- 5) Formalise the airport's short and long term plans for a high level of connectivity to regional businesses employment and lifestyles. A transport hub will accommodate destination traffic and provide infrastructure and facilities for connecting all modes and services including packaging up new and innovative options with the tourism industry. Coming out of COVID-19 those that move quickly will gain the upper hand and future market Share.
- 6) Create a clear communication tool to explain the Council's and community's desire for a RPT service. An engagement strategy will be designed to ensure a clear concise message concerning the future aspirations of the airport are delivered to the aeronautical industry and other stakeholders.



## Government

Case studies and consultation has indicated that governments at all levels can assist regional airport growth to have a RPT service in the following areas:

- Economic development agencies have a role to play in aligning strategies and initiatives with the airport's plans and considering the airport as a central pillar of the region's economic opportunity for expansion. Economic development agencies can coordinate the local economy's role and local business's participation in the airport's growth. For example, collecting and tracking growth in key business segments that will support new services as well as identifying freight opportunities. We found that the Midwest Development Commission is carrying out this service very well and supporting the Shire and Airport. However in talking to the State DoT agency there is little support or suggestions on how to establish a RPT service for Kalbarri Airport.
- Tourism organisations, industry and partners can assist through destination and airline co-operative marketing, to drive demand and have that demand flow through to eventually providing the backend numbers to support a RPT service. TWA and Australia's Coral Coast (ACC) can provide market research to assist Kalbarri, who do not have the budget or people resources to track their potential growth in visitors.



## Economic Case

### Regional Airports in General Around Australia

General Aviation in Australia is in decline and the impact of sustained losses on local government has led to the closure of many regional airfields and the loss of associated socio-economic benefits. This is a global trend and unlikely to abate in the near future as rising costs, operating losses and general aviation activity continue to impact regional aviation.

The decline was happening before the impacts of COVID-19 started in March 2020. However post COVID-19 which started in WA on March 3, 2022, it is not expected that this situation will change anytime in the near future. It has been quoted by Perth Airport that pre COVID-19 numbers will not return to WA until at least 2026 (source Kevin Brown CEO Perth Airport).

Australia has a number of airfields which cater for a combination of commercial and recreational aircraft users. The aerodrome sector is an essential component of Australian transport infrastructure, providing social, economic and cultural sustainability for remote and regional communities that are heavily dependent on air services.

In a 'Regional Airports Project' undertaken by Hudson Howells in 2012, the report highlighted that most regional airports owned and managed by regional councils are classified as non-profitable airports, since the current airport model does not generate sufficient funds to make necessary infrastructure upgrades and deliver a desired standard of service.

The financial sustainability of the airport is a critical issue for those regional councils as operating losses from the airport will have a flow-on effect on the overall council budget and operating expenses. Also, it is not sustainable for councils to rely on state and commonwealth government funding for the operation of their airport. As suggested in the Hudson Howells 'Regional Airports Project', establishing a single entity to manage and operate all regional airports may need to be considered. However, some regional councils may prefer to maintain the ownership of their airport for community benefits rather than privatising it since it is often perceived that the community needs will no longer be prioritised and the service delivery and standard will be compromised if councils relinquish control of the airport.

Under the Local Government Act, councils are required to develop asset and financial management plans. However, regional councils appear to develop plans that focus more on the infrastructure requirements for the airport and overlook business plans that can ensure the long-term financial sustainability of the airport. For regional airports to be sustainable, it is vital to develop detailed economic master plans that councils can utilise to facilitate and promote economic activities at the airport.

Ownership, governance and management of regional airports by local government are historically based on the transfer of ownership from the Commonwealth Government to Local Government during the 1990s. These responsibilities appear to have been enthusiastically embraced by local communities in recognition of the social and economic importance of airports to the community.

Councils agreed to operate and maintain the airports without ongoing funding support from the Commonwealth. Aerodromes were transferred under freehold title. Although regional airports are facing many funding challenges principally surrounding infrastructure maintenance and upgrading, they substantially control their own destinies as current owners and managers.

Regional airports provide their catchment areas with access to major cities and other major regional centres. This facilitates out-bound and in-bound tourism, personal and business travel, personal and business freight and importantly facilitates access to community services not available in the regions such as education and health services (e.g. Royal Flying Doctor Services). While having a commercial purpose to facilitate RPT and charter services, regional airports are important pieces of social infrastructure for regional communities, even for those that are unable to sustain commercial operations. Like infrequently used roads, some airports/airstrips are maintained and operated at a loss because they are occasionally used and required in the event of emergencies. They offer some peace of mind to regional communities and add to the physical and social capital required to make regions attractive places to live and work.

Regional airport owners have substantial flexibility to set charges and levies and to commercially develop airport land and infrastructure. They do however need to strike a commercial balance that supports regular passenger services, charter operations and acceptable passenger costs.

Those regional airports that have been successful have enjoyed the full support of all levels of local tourism, government, product and local businesses to build an attractive airline business case. It is not just about tourism but instead a whole economic development plan to support access growth. Usually driven by the airport, the collective group of stakeholders target various levels of the airline, travel trade and business to develop a series of key messages to the airline and commence building the story of market demand. In most cases, the conversion of an airline to provide a regional RPT service can take three to five years from idea conception and first approach to operation of a viable new airline service. Thus, a long-term strategy and supporting investment is needed.

Regional airports in Australia that have experienced significant growth are usually at key resource rich and iconic tourism destinations. This has put pressure on existing airport and supporting infrastructure (in particular accommodation rooms available in mining towns e.g. Karratha, Port Hedland ) and also raised the aspirations of some regional airports and councils to investigate options for direct domestic services from other major cities outside of the State, e.g. Exmouth east coast direct services. Key feedback from airlines looking at these service illustrate the importance of an airport having existing critical infrastructure and services.

### Cost Comparison - Regional Airport vs. Capital City Airport

Many stakeholders perceive that operating a service regionally to a regional airport provides a cost advantage over a capital city airport. Icon Tourism research has looked into the perception and the evidence consistently demonstrates that regional airports are more expensive on some occasions when considering unit costs of operation. Unfavourable cost of operation for an airline is the number one issue confronting regional airports. Many of these costs are beyond



the control of airport management, including fuel, air navigation costs and the relativity of costs of other support services at regional airports versus economies of scale at gateway airports (such as catering and ground handling costs).

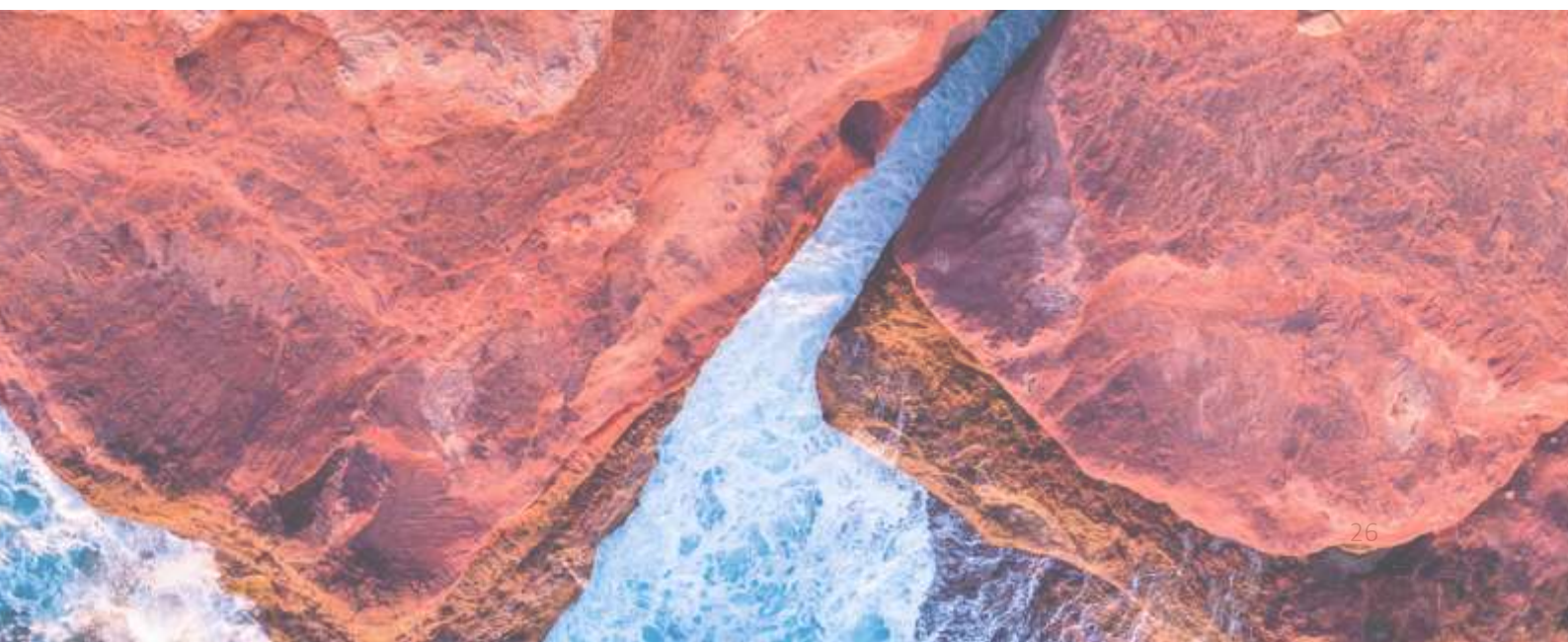
### Economies Operating Regional Airlines

To provide context around the appropriate levels of risk-sharing structures, it is helpful to understand the operating costs faced by airlines. This is because airlines will generally use operating costs as the basis for assessing the risk of a new route. The costlier it is to operate, the more risk the airline is exposed to. As such, incentives will generally be considered in relation to the overall level of risk that the airline is taking. If an incentive program can cover a meaningful portion of the operating costs, it will mitigate the airline's risk, and will therefore factor into the decision making process.

In terms of the specific cost components, the largest operating items faced by airlines are fuel and labour. Historically, fuel has been the single largest operating cost, typically accounting for approximately one third of a carrier's operating expenses. With fuel prices notoriously volatile, airlines' high exposure to fuel price fluctuations is an ongoing risk. With the war in Ukraine and the sudden rise in fuel prices it is forecast that prices will rise dramatically in the very near future.

Labour costs consist primarily of flight crew but also include ground handling, maintenance and dispatch staff required to safely operate an aircraft. Other prominent airline operating cost categories include aircraft ownership, aircraft maintenance, navigation and various airport landing and terminal fees. While airport charges make up a small percentage of the total cost of operating a flight, the low margin environment of the aviation industry means that changes to, or elimination of, these charges can still have a material impact of the projected performance of a route.

Although the actual airline costs associated with specific routes are only known by the airlines, we can make use of publicly available financial statements and other publicly available industry data to provide an estimate of costs associated with different types of service. Of course the actual costs will vary depending on the airline actually operating the service, but for the purposes of designing a risk-sharing structure, using figures that are representative of the industry on average is suitable. Operating costs for select regional aircraft suitable for Kalbarri are below.



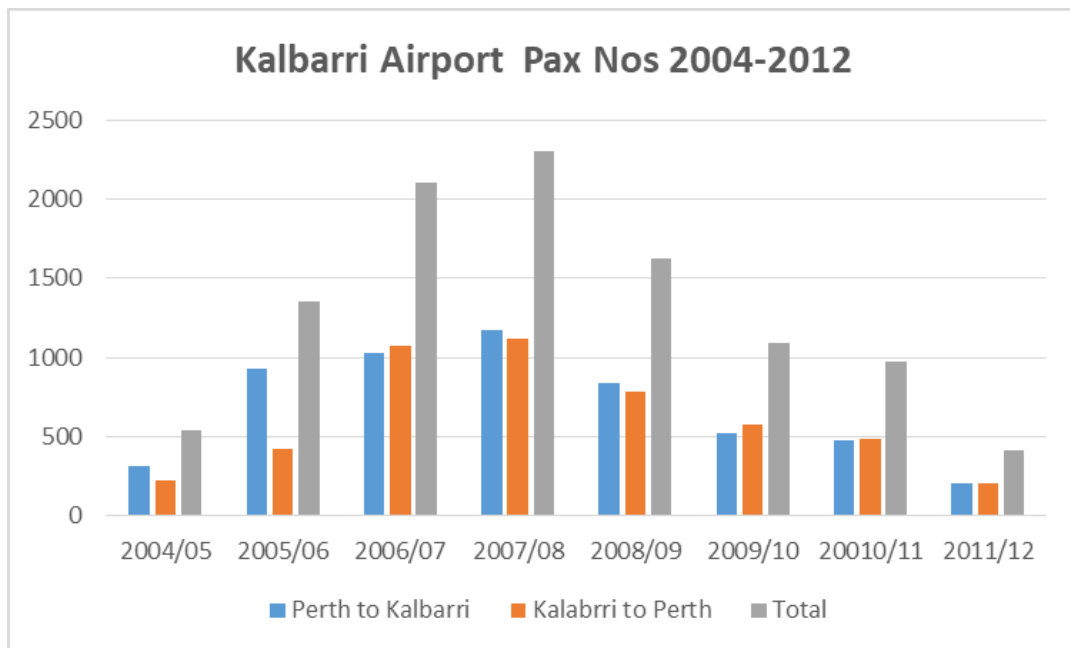
## Stakeholder Engagement

Type	Organisation	Contact
<b>Aviation</b>	Qantas	Nick Vanderwoude
	Virgin	Darren Best
	Rex	
	Avair	Michael McConachy
	Air North	
	Skippers	
<b>Government</b>	Tourism WA	Renata Lowe, Ross McCulloch Claire Werkmeister
	DBCA	Jacinta Overman
	Kalbarri Skywalk	Steve Crawford (Perth) Sue Hancock/Rowan Dawson (Geraldton) Mike Paxman (Kalbarri)
	Department of Transport	Michael Kennedy, Gabi Nikolova
	CASA	
	Perth Visitor Centre	
	Australias Coral Coast	David O Malley
	Mid West Development Commission	Adam Mursewski
	Shire of Northampton	Craig Simkin Shire President
		Gary Keefe
<b>Kalbarri Operators</b>	Kalbarri Visitor Centre	Tracy Grosvenor
	Kalbarri Seafront Villas	Fay Sutherland
	Kalbarri Quadbike Safaris	Ellen Nightingale and Martin Rodger
	Kalbarri Adventure Tours	David and Helen
	The Edge	
	Kalbarri Airport	Ric Davey -
	Kalbarri Air Charter	Jessica Thorpe- Gudeon Nathan Gudgeon
	Kalbarri Car Hire	Glen & Deanne Hancock
	Kalbarri Wilderness Cruises	Grant Ward & Tracy Grosvenor

## Business Case

There have been no RPT services to regional towns built solely on tourism patronage in WA and very few in Australia. For an RPT service to be viable to a regional airport, it requires a minimum of 30,000–50,000 passengers, usually made up of a combination of tourism, corporate/business/resource and locals.

From the graphs below Kalbarri airport peaked at 2,300 in 2007/08.



To build a business case for a RPT service as outlined previously requires the following reports to be completed:

Market Assessment

Airline Development  
Strategy

Business Case

Evaluate and Negotiate  
Airline Incentives

## Market Assessment

Airline's that were interviewed for this project stated clearly that without government support, they had no immediate plans for a RPT service to Kalbarri. To attract any service to Kalbarri an airline will look at the air service market potential, particularly with a new service or in this case restarting a RPT service.

There is currently no data that will support a full time weekly RPT service to Kalbarri. Airlines interviewed spoke of a measured and conservative approach for any new RPT service starting, particularly post COVID-19. While a once a week charter service has recently started with Skippers for a resource client, this may assist in establishing a regular RPT service. The WA government in the past has requested that a small number of seats on a regular charter service be used for RPT passengers.

All airlines require a data-driven approach in establishing a RPT service in which market potential is calculated based on recent data points and/or actual statistics collected by trusted sources. Most airlines flying in WA are owned by eastern states operators and the process of obtaining actual statistics is important when explaining or proposing a RPT service to network planners who hold the responsibility to make the market launch decisions at an airline. Without solid statistics airlines are not confident that the research and analysis is accurate, they will then discount the business case as being unrealistic.

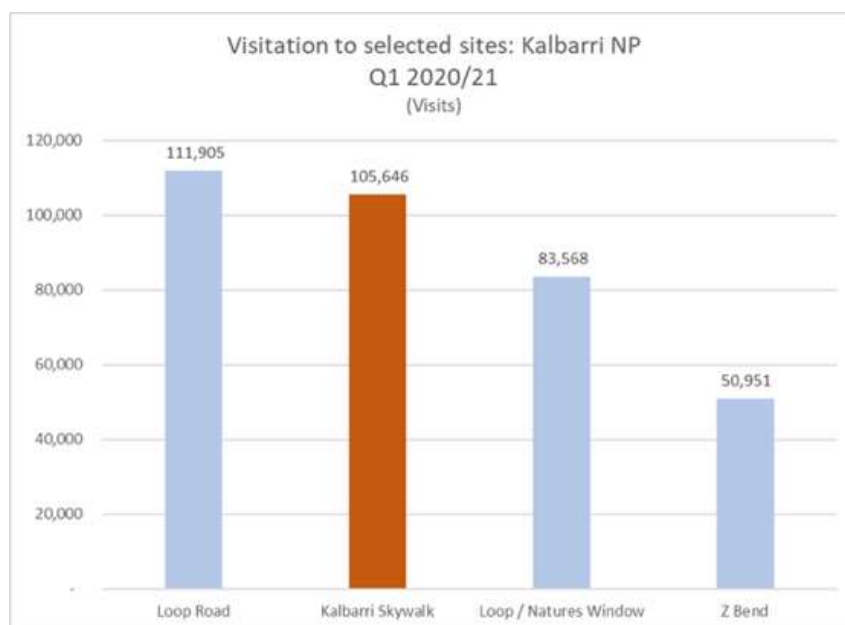
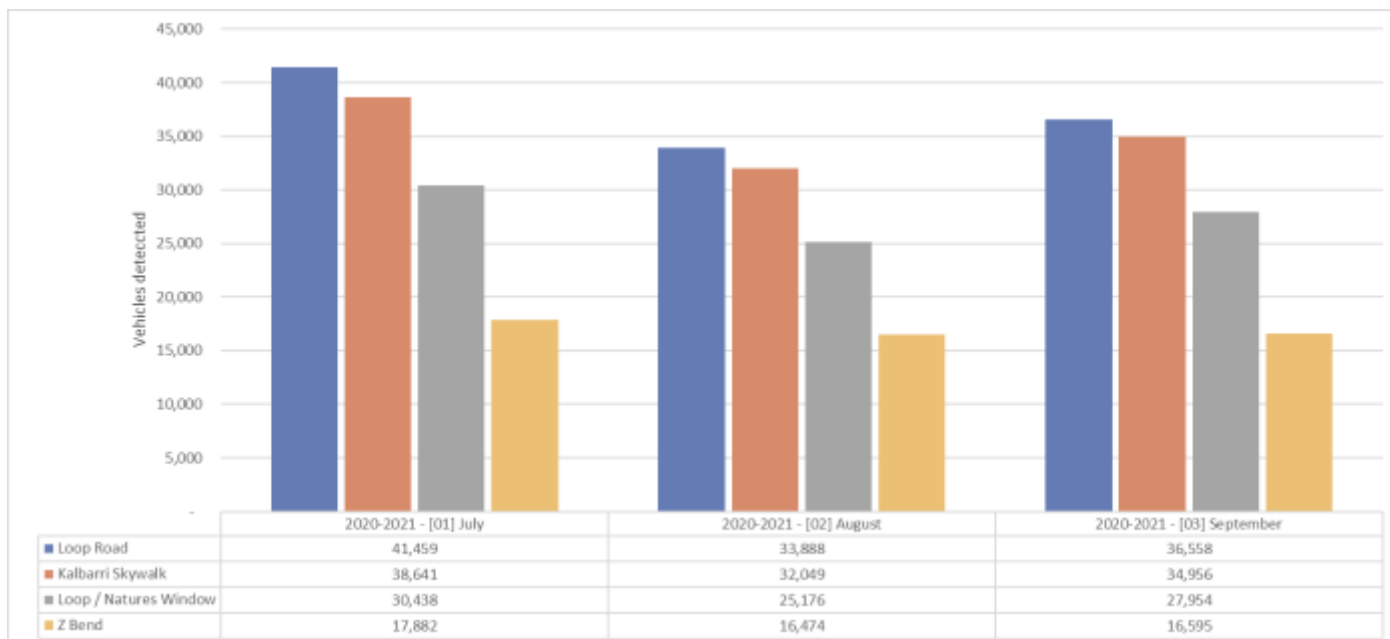
This being a small project for a RPT business case, there was not the resources to produce widely used industry-trusted market size tools to look at the true potential of the Perth – Kalbarri route. As such we conducted desk top research and interviews, looking at the following segments being the outbound local Kalbarri market and the inbound market broken down into tourism, resources, corporate and business.

### Outbound

The population of Kalbarri and surrounds is 2,780, with the Shire of Northampton's population being 3,319 (2016 Census). This group consists of residents of Kalbarri requiring transport to Perth and beyond. During a Zoom meeting with tourism operators and some local residents, strong support was given to using a RPT service at the right price. Many outline how they used the previous service when operating. Currently most drive to Perth or utilise the Geraldton service. While not being able to provide statistics for outbound, the low numbers of the population would go against supporting a business case for a regular RPT.

### Inbound

Prior to COVID-19, up until March 2020, WA was the fastest growing tourism state in terms of numbers and spend. The Shire of Northampton was experiencing growth in the visitor economy both from tourism and the corporate market. The building of the Kalbarri Skywalk has dramatically increased numbers into Kalbarri National Park. These leisure visitor numbers have contributed to Kalbarri's growth in tourism during COVID-19. The source is mainly the Perth market and regional southwest.



During COVID-19, there has been no domestic or international leisure numbers visiting Kalbarri. However with the opening of the State border, it is expected that pent up demand from the intrastate market to travel outside the State will occur and regional numbers into Kalbarri and other iconic tourism towns around WA will experience a decline over a few years, before the numbers of intrastate are replaced with domestic and international tourists. Since the State border opened on March 3, TWA has implemented both domestic and international campaigns and are planning to spend \$12 million over the next 12 months. Airline incentives to fly into the State have also been recently announced, with further announcements expected.

## Corporate/ Business

There are a number of resources projects and business developments happening in and around Kalbarri which could possibly provide the catalyst for and support a RPT service.

Icon Tourism has had discussions with the following resource companies which work around the Pink Lake:

- Australian Garnet
- BASF
- GMA Garnet Group

Australian Garnet has recently commenced construction of the Lucky Bay Garnet Project, located approx. 38km south of Kalbarri. The skilled construction workforce will peak at approximately 90 personnel. They will be sourced from Kalbarri, Northampton and Geraldton where possible, though this will still require the majority of the construction workforce to commute from Perth.

With Geraldton being the closest airport, their staff are having to drive from Kalbarri to Geraldton to meet the incoming employees and contractors and return again in the evening with the outgoing personnel. This adds significant unproductive time and cost to the project when compared to flights out of Kalbarri.

*Source: Keith Mayes, General Manager, Australian Garnet*

From research provided by the Midwest Development Commission there are two projects looking at the feasibility of setting up Hydrogen Renewables.

### *Murchison Hydrogen Renewables (from their Website Jan 2022)*

*Hydrogen Renewables Australia (HRA) is proposing to build large-scale (up to 5,000 megawatt – MW) combined solar and wind farm generation capacity to produce renewable hydrogen for domestic and export uses.*

*The proposed project would be located at Murchison House Station just north of the coastal town of Kalbarri in mid-west WA. The proposed Murchison facility would use Siemen's electrolyser technology to produce hydrogen. Other infrastructure would include a desalination plant to supply demineralised water, a potential spur to existing pipelines and a coastal export terminal facility.*

*On current planning, the proposed project would be developed in three stages:*

- *a demonstration phase producing hydrogen for transport fuels*
- *an expansion to blend with natural gas into the nearby Dampier to Bunbury Pipeline*
- *larger expansion to produce hydrogen for export to Asian markets*

*HRA has indicated the potential for the proposed project to scale-up over a six-year period, reaching full capacity toward the end of this decade. The projected capital cost of the proposal is reported at around AUD\$10 billion.*

*HRA has secured a long-term agreement with the pastoral lessees of the Murchison House Station, announced Siemens as the proposed plant's technology partner, and executed a heritage agreement with the Nanda Aboriginal Corporation (NAC) to govern the conduct of site resource monitoring investigations. Community consultations began in late 2019. Preliminary site layouts and design, various technical, economic, environmental, and permitting studies, etc. remain to be undertaken.*

*In November 2020, it was announced that Copenhagen Infrastructure Partners would partner with Hydrogen Renewables Australia to develop the project. In December 2021, the WA Government announced the project would receive Lead Agency Services from the Department of Jobs, Tourism, Science and Innovation.*

*Source <https://research.csiro.au/hyresource/murchison-renewable-hydrogen-project/>*

Murchison Hydrogen Renewables has recently commenced feasibility studies and planning for the Murchison Renewable Hydrogen Project, located approximately 20 kilometres north of Kalbarri. The project will be one of the largest renewable hydrogen projects in WA generating over five GW of power from wind and solar.

Murchison Hydrogen Renewables is owned by Copenhagen Infrastructure Partners (CIP). CIP is a fund management company specialising in renewable energy infrastructure globally. The Project's preliminary feasibility and planning phases will require over 60 persons traveling from Perth to undertake studies. A minimum of three trips per month will be undertaken by specialist consultancies and a Perth based workforce commencing immediately and continuing to construction. The present situation of Geraldton being the closest airport requires personnel to drive from Geraldton to Kalbarri thereby adding significant time to an already long mobilisation. This increase in travel time has the potential to create employee fatigue and safety concerns and will escalate downtime and costs to the project compared to flights directly into and out of Kalbarri (see Appendix - 1 Letter of Support).

Construction stage would require around 1,000 people over a two to three year period and around 600 people when operating. Although it is very early in the project it is believed that employees will be based in and around Geraldton and Kalbarri, with the majority operating as FIFO's, particularly for the building stage.

### Airlines

The following airlines provide RPT air services to/from regional airports in WA:

- Airnorth
- Aviair
- Jetstar
- Qantas, including its subsidiaries; Network Aviation and QantasLink
- Regional Express (Rex)
- Skippers Aviation (Skippers)
- Virgin Australia, including its subsidiary, Virgin Australia Regional Airlines



Alliance Airlines, Cobham Aviation have an Air Operators Certificate issued by the Civil Aviation Safety Authority endorsed for RPT operations within Australia, which means they can apply (to DoT) for an aircraft licence to provide RPT air services in WA.

In February 2020 the WA State Government released a detailed study into aviation in WA called The WA Aviation Policy 2020. Unfortunately this was just prior to the start of COVID-19 in the State in March 2020, which changed many of the assumptions which underpinned the strategy.

The four goals of the strategy were:



Below are the regular RPT services around WA (source WA Agitation Strategy 2020):



## State Government Policy Department of Transport

Aviation plays a key role in connecting remote and rural areas in WA with Perth, as well as catering for local communities, the resource and corporate sectors and the tourism and leisure markets. With a total area of over 2.5 million square kilometres and a population of over 2.5 million people, WA relies heavily upon air services.

The State's vastness, isolated country towns, limited nearby alternative air services and considerable volume of mining operations make WA unique.

Whether for leisure, business or medical purposes, for many WA regional communities, air travel is often the preferred alternative to driving vast distances. Furthermore, as a State of significant natural resources and mining activities, WA depends on air services to meet the needs of the resource sector for its FIFO workforce.

From a tourism perspective, interstate and international flights also foster tourism growth in WA by transporting visitors to various regional hubs in the State

In discussion with the DoT, which is the department regulating WA's air routes, DoT highlighted that the State Government, through the WA State Aviation Strategy, has developed a policy to support the social and economic resilience of communities through safe, affordable, efficient and effective aviation services.

The State Government's policy objectives for intrastate RPT air routes in WA are to:

- Ensure an adequate level of RPT air services on regional routes in WA
- Foster competition on RPT routes, potentially leading to reduced airfares, more frequent services and greater choice for consumers
- Ensure charter air services do not detract from the viability of RPT air services
- Minimise costs on the resources sector and charter operators in WA
- Reduce administrative 'red tape'
- Minimise direct costs to the State

**When pressing the argument for a RPT service to Kalbarri, it was pointed out by the Department of Transport that there would be no subsidies or assistance for a Kalbarri RPT service.**

The Minister for Transport has powers under the Transport Coordination Act 1966 to license aircraft and place conditions on aircraft licenses to control where and when airlines may fly within the State. Any condition placed on an aircraft licence may refer to the provision of RPT services, charter services, or both where applicable.

Under the WA Transport Coordination Act 1966 and the Transport Coordination Regulations 1985, the Minister for Transport has the authority to issue aircraft licences for up to 12 months, free of charge, to airlines operating within the State for commercial purposes (hire or reward), other than for medical emergency purposes.

The purpose of the Act and Regulations is to ensure that Western Australians are provided as far as is practicable, with reliable, efficient and economic transport services. Therefore lobbying to the Minister for Transport can change the policy of the DoT.



## Regulated Routes

Air routes in WA which have insufficient passenger demand to support airline competition, are regulated by the State Government by granting monopoly rights to a single airline to operate on a particular RPT route. Currently, air routes to and from the following regional airports in WA receive RPT air services that are fully regulated.

<i>Broome-Derby</i>	<i>Avair</i>
<i>Broome-Fitzroy Crossing Halls Creek</i>	<i>Skippers</i>
<i>Karratha-Broome-Newman-Paraburdoo-Learmonth</i>	<i>Avair</i>
<i>Kununurra-Halls Creek-Balgo</i>	<i>Avair</i>
<i>Perth-Albany</i>	<i>REX</i>
<i>Perth-Esperance</i>	<i>REX</i>
<i>Perth-Monkey Mia-Carnarvon</i>	<i>REX</i>
<i>Perth-Laverton-Leonora</i>	<i>Skippers</i>
<i>Perth-Mt Magnet-Meekatharra-Wiluna</i>	<i>Skippers</i>

- **Avair** operates the Broome-Derby subsidised air services until 14 August 2022.
- **Avair** operates the Kununurra-Halls Creek-Balgo subsidised air services until 31 December 2022.
- **Regional Express (Rex)** operates under deed of agreement the Albany and Esperance air routes until 30 June 2023.
- **Regional Express (Rex)** operates under deed of agreement the Monkey Mia-Carnarvon air routes until 30 June 2023.
- **Skippers Aviation** operates under a deed of agreement the Mt Magnet-Meekatharra-Wiluna and Laverton-Leonora air routes until 30 June 2023. Collectively known as the Northern Goldfields routes.

DoT regularly monitors performance on these routes.

The following services are lightly regulated:

<i>Broome-Kununurra</i>	<i>Airnorth</i>
<i>Kununurra-Kalumburu</i>	<i>Avair</i>
<i>Perth- Broome</i>	<i>Qantas and Virgin</i>
<i>Perth-Exmouth (Learmonth)</i>	<i>Qantas</i>
<i>Perth-Geraldton</i>	<i>Qantas</i>
<i>Perth-Kalgoorlie</i>	<i>Qantas and Virgin</i>
<i>Perth-Karratha</i>	<i>Qantas and Virgin</i>
<i>Perth-Kununurra</i>	<i>Virgin and Airnorth-seasonal</i>
<i>Perth-Newman</i>	<i>Qantas and Virgin</i>
<i>Perth-Onslow</i>	<i>Virgin</i>
<i>Perth-Paraburdoo</i>	<i>Qantas</i>
<i>Perth-Port Hedland</i>	<i>Qantas and Virgin</i>

The following airlines were interviewed by Icon Tourism Consulting:

## Qantas

Qantas Meeting with Nick Vanderwoud. Like all worldwide airlines Qantas over the last two years have recorded record losses. A RPT service to Kalbarri is not currently something they would consider. However, they were open to discussing a through fare to Kalbarri utilising a smaller airline to carry out a Geraldton-Kalbarri-Geraldton sector.

## Virgin

Virgin entered administration on 21 April 2020. They entered administration to recapitalise the business and help ensure it emerges in a stronger financial position on the other side of the COVID-19 crisis. On Wednesday 18 November 2020 Virgin Australia became the first major Australian airline in history to exit voluntary administration with a new direction and CEO, Jayne Hrdlicka. Prior to this in 2019, Virgin ceased flying the Perth-Geraldton-Perth route. Under the new brand they are no longer a full service airline and are looking at a completely different approach.

Virgin prior to Christmas were concentrating on east coast services. However in February 22 they announced a deal with Broome International Airport. The agreement was for 10 years, with the air services agreement underpinning the airport's continuing role as the gateway to the Kimberley. The agreement is understood to cover landing access, terminal fees, security screening and how the two companies will work together on future capital works to underpin the airport's growth.

More than 400,000 passengers a year transit through Broome Airport, with Perth-Broome the second busiest air route in Australia in August last year. The air services agreement replaces the previous five-year agreement between Broome Airport and Virgin Australia which dissolved when the airline went into administration.

*"The agreement provides the certainty Broome International Airport requires to continue to invest in efficient passenger services and improved passenger amenities, which will add to the passenger experience and further enhance our role as the region's most important tourism entry point," Airport chief executive Paul McSweeney.*

## REX Regional Express Airlines

REX Regional Express Airlines (REX) is Australia's largest independent regional airline, currently servicing airports across Victoria, New South Wales, South Australia, Queensland, Tasmania and Western Australia.

In addition to flights from major centres to regional destinations such as Ballina (Byron Bay), Esperance and Port Lincoln, REX also connects regional passengers to state capitals, with regular services to Adelaide, Brisbane, Melbourne, Perth and Sydney.

In recent times REX's strategy has changed significantly where they now compete on major domestic routes, head to head with Qantas. All resources are being channelled into this strategy.

### Avair

Based in Kununurra, Broome and Karratha, Avair offers corporate air charter services, regular passenger transport and beautifully crafted scenic air tours. We interviewed the owner twice and while not in a position to commence RPT services direct to Kalbarri, a solution was discussed which will be discussed later in this report.

### Air North

Air North Capiteq Pty Limited, trading as Airnorth, is a regional airline based at Darwin International Airport in Darwin, Northern Territory, Australia. It operates scheduled and charter services in the Northern Territory, Queensland, Victoria, Western Australia, and East Timor.

### Skippers

Skippers are a unique regional airline operating mainly in corporate and business charter, but do fly RPT services. However they do not operate a GDS system which puts them at a distinct disadvantage in not being able to receive bookings from agents and third party intermediaries located on the system and around the world.

### Bonza Airlines

Bonza is an upcoming Australian low-cost airline, founded by former Virgin Blue administrator Tim Jordan. The airline is planning to commence operations in Australia in mid-2022, and will focus on an amplitude of unique routes within the nation, especially domestic and regional travel. The airline is funded and backed by 777 Partners, an investment firm based in Miami.

Jordan proposed that the purpose behind the airline is to disassociate from the standard Melbourne, Sydney and Brisbane hub triangle, used heavily by larger and more dominant Australian airlines, including Qantas and Virgin Australia. Instead, the airline aims to focus upon under-utilised routes, including a variety of regional and domestic services through the point-to-point aviation model. This business model has been compared to that of Ryanair in Europe

Initial plans show that the airline intends to operate as a low-cost carrier, removing expensive features including a frequent-flyer program and airport lounges. The airline also aims to initiate jobs for Australian airline staff, who have previously been stood-down due to the COVID-19 pandemic. Its headquarters will be at Sunshine Coast Airport.

In the last week of March 2022 Icon Tourism made contact with Tim Jordan. A route like Kalbarri fits their business model and once they have established their new routes on the east coast, they will be visiting WA later in 2022 to look at opportunities.

### Airline Costs

To provide context around the decision for an airline's appropriate level of risk consideration, it is helpful to understand the operating costs faced by airlines. This is because airlines will generally use operating costs as the basis for assessing the risk of a new route like Kalbarri.

The costlier it is to operate, the more risk the airline is exposed to. As such, incentives will generally be considered in relation to the overall level of risk that the airline is taking. This is

why state governments can consider subsidies (discussed later in this report). If an incentive program can cover a meaningful portion of the operating costs, it will mitigate the airline's risk, and will therefore factor in the decision-making process.

In terms of the specific cost components, the largest operating items faced by airlines are fuel and labour. Historically, fuel has been the single largest operating cost, typically accounting for approximately one third of a carrier's operating expenses. With fuel prices notoriously volatile, airlines' high exposure to fuel price fluctuations is an ongoing risk.

Labour costs consist primarily of flight crew but also include ground handling, maintenance and dispatch staff required to safely operate an aircraft. Other prominent airline operating cost categories include aircraft ownership, aircraft maintenance, navigation and various airport landing and terminal fees. While airport charges make up a small percentage of the total cost of operating a flight, the low margin environment of the aviation industry means that changes to, or elimination of these charges can still have a material impact on the projected performance of a route.

Although the actual airline costs associated with specific routes are only known by the airlines, we can make use of publicly available financial statements and other publicly available industry data to provide an estimate of costs associated with different types of service. Of course the actual costs will vary depending on the airline actually operating the service, but for the purposes of designing a risk-sharing structure using figures that are representative of the industry on average is suitable. Currently publicly listed operating costs for Kalbarri are not useful as they don't take into account the sudden rise in air fuel prices due to the Ukraine War.

### Fuel Costs

As of January 2022, the price of jet fuel (known as Jet A1) was approximately \$816 per metric tonne. With a metric tonne being 1,000 KG, this equates to about \$0.82 per KG.

This price is around double what was around one year ago (January 2021), where the price of Jet A1 was approximately \$430 per metric tonne or about \$0.43 per KG.

Due to the collapse in oil price brought about by the COVID-19 pandemic, at one point (May 2020), Jet A1 was as low as \$200 per metric tonne, which equates to around \$0.20 per KG.

The price of Jet A1 is closely aligned with the price of oil, which varies on a daily basis. As an example, in May 2020, the price of Jet A1 was down 69% compared to the previous 12 months.

*Source: IATA*

### Airline Development Strategy

There is no current airline development strategy in place for Kalbarri airport. Without a business case there has not been a combined attempt to attract a new RPT service to Kalbarri. This report will decide how and if to move forward in putting together an airline development strategy for Kalbarri. This would involve the Shire but also other stakeholders including from Kalbarri as well as the Midwest Development Corporation and other government stakeholders like TWA.



The role of airline development strategy is an analysis in the activity and ensuring the economic stability of the airline in the modern conditions of economic development is considered. An airline development strategy while being owned by the Shire would require all stakeholders to be on the same page in pursuing a regular RPT service for Kalbarri. This could possibly include government support or subsidy from the State and or Federal Government.

### Incentives for Airlines

Even with a robust and conservative market analysis and route forecast, airlines often need additional incentives to start a new route. Often, local business, tourism organisations and other community partners can offer a risk sharing incentive package to the airline. These incentives serve two main purposes. To offset the airline's cost of launching the new route and to signal to the airline that the local community strongly believes that the demand for the new route will meet and exceed airline expectations.

Airline incentives are used by airports, often in conjunction with other community and regional partners, to mitigate the risk to carriers of starting a new air service. As airlines face more and more pressure to decrease costs, incentive policies are growing in popularity and magnitude around the world. Many airlines now require risk-sharing incentives in order to commit to a new air service. It is estimated that over 60% of all commercial airports in Australia offered incentives in one form or another for new routes to operate.

While incentives (often referred as subsidies) have in general been a source of concern for airport operators, if used properly, they can be a sound investment. Incentives should only be used if the route can grow to be self-sustaining within a few years. As such, a detailed route analysis should be conducted to determine if incentives are appropriate. Incentives should be viewed as a mechanism to bridge the gap between an airport's confidence in a route and the carrier's perceived risk of launching it.

A well-crafted incentive package can put a route over the top versus the next best deployment opportunity an airline may be considering for that aircraft. Incentive packages can be offered in the form of marketing assistance, airport fee discounts and waivers, revenue/profit guarantees and/or cost subsidies.

Each type of incentive serves a different purpose. Profitability based incentives are set up such that if the average operating profit (all passenger related revenues minus direct, variable operating costs) falls below a predetermined benchmark level, a rebate of the profit difference will be provided to the airline.

This rebate can be funded from a trust account that is set up at the beginning of each year's operation. Cost based incentives are set up such that the airport chooses to rebate a portion of the operating costs related to the operation of the flight. This may take form in terms of airport fee rebates (landing/terminal/handling) or cost subsidies.

Additionally, the airport may offer guaranteed rates for an extended period of time, as long as a minimum service pattern is maintained. If risk sharing models are based on one-time support items, the airline may choose to exit the route once the support runs out. The risk sharing

agreement needs to be structured so that it includes continual, mutually beneficial terms for both parties beyond the initial time period after the route launch.

To attract commercial air service at Kalbarri, it is recommended that it will require some sort of incentive package, that should be a combination of marketing support and fee rebates to reduce the airline's commercial and financial burden of launching. It will be important that the financial subsidies and marketing support provided is subject to the carrier maintaining a minimum service level at specified flight times for the duration of the season. Moreover, it is essential that the Kalbarri community continue to play a key role in marketing and promoting the air service to ensure that its investments into the incentive package yield positive growth in tourism and the visitor economy spend and stays in the region.

Examples of effective incentives for Busselton and Kununurra airports from interstate are discussed below.

### Government Policy and Support

Some routes within WA historically have had support from government to assist in route development for intrastate. In recent years (last 10 years), subsidies or incentives have not been used to try and support a regular intrastate RPT service. As reported in the WA Air Services 2020, most new route development was mainly international and domestic services. We would like to note however the route development led by local councils in Busselton and Kununurra which were very successful and are good examples of communities, councils and state government working together to achieve a RPT service outcome.

Regional aviation development requires collaborative and innovative approaches. There is a growing willingness and desire in the regions to actively seek opportunities to open new ways to access the State to make regional airfares more affordable for residents and tourist alike and this report is a good example. Achieving this will require the Shire along with State Government to work with airlines, airport operators and/or partners as outlined in the examples mentioned above, being Melbourne to Kununurra and Melbourne to Busselton-Margaret River.

The State Government has invested \$43.25 million towards the development of the Busselton-Margaret River Airport and attracting an airline to operate an interstate RPT air service. A further \$3.265 million was to be invested in the upgrade of the Terminal, but was put on hold until the three year trial proves to be viable for the airline – Jetstar. This is still a good example of an interstate RPT collaborative effort by the State Government, the City of Busselton and Jetstar.

Monkey Mia is often quoted as an example of a route that receives support from government. Historically Skywest airlines operated this route as a regulated protected route. However on a retendering, with Skywest losing out to Skippers, numbers into Monkey Mia declined gradually over five years due in part to Skippers not operating a GDS system which would allow bookings for this sector to be received from anywhere in the world.

The RAC recently invested over \$80 million into the resort, in part based on ensuring the service into Monkey Mia would remain. From July 2018, RPT air services on the Perth-Carnarvon-

Monkey Mia air route have been provided by Rex. Carnarvon receives 12 air services a week each way (a 20% increase in frequency), while Monkey Mia receives six return flights per week.

### Affordable Airfares

The State Government partnered with Qantas to develop an affordable fare program for weekend flights between Perth and Broome in 2018, which was subsequently extended through to 2020 and introduced a similar program for Exmouth in 2019.

The State Government offers these affordable airfares to reduce the price of established intrastate routes, which was an election commitment. However there is not a formal subsidy or incentive program for the development of new intrastate routes.

### Government Policy – COVID-19

In WA, regional connection is critical for the State's growth and prosperity. WA RPT air services in the regions provide transport for both communities and businesses and play a key role in connecting remote and rural areas of the State. WA's isolation and size, makes aviation an integral part of the State's economic and social wellbeing. Sustainable and affordable RPT air services are central to the region's liveability and prosperity. Currently there are 15 regional RPT routes that connect directly with Perth and five inter-regional RPT routes connecting between regional towns. RPT air services in WA are provided by a mix of seven airlines.

A long-standing key performance indicator for RPT air services in WA has been to ensure a minimum of two return RPT services per week for regional communities with a population of 500 or more and located over 250 kilometres driving distance from Perth or another RPT airport.

Historically over the last decade, the vast majority of regional RPT routes in WA have received well in excess of the nominated minimum level. For example, prior to the COVID-19 pandemic, Broome received up to 52 return services per week, Albany – 23, Geraldton – 16. A minimum RPT network needs to consider the population sizes of key centres, proximity to other air services, and make-up of the passengers that use the air services, as well as those that are likely to use the service. Wherever possible, leisure visitation needs to be considered given it is an enabler of wider economic benefits for regional centres.

The viability of a number of regional RPT air services in WA is underpinned by FIFO operations in the resources sector. As a consequence, the RPT network in certain regions of WA has been shaped by the needs of the resources sector rather than the needs of the community. In regional areas of WA, the aviation infrastructure network can incorporate more than just the RPT airports (and associated connecting routes), but also remote aerodromes for emergency services and in some scenario's, aerodromes for mining operations for the movement of workers.

The COVID-19 pandemic has had a devastating impact on regional RPT air services across the entire State. The WA Government's objective was to maintain essential community access to RPT air services during the unprecedented times of the pandemic. A combination of State and Commonwealth funding has supported the objective for minimum level of air services across regional WA during the pandemic. It is recognised that much of the route recovery to date

would have been impossible without the Commonwealth's prompt actions, efforts and support.

Appendix 3 provides further information on State and Federal Government Policy for regional RPT services (See Appendix 3).

### Business Case

This report was a 'back of the envelope' exercise into putting together a business case for RPT services to Kalbarri on a regular basis. If a business case is not achievable we will provide next steps and the way forward based on proven development models for RPT services similar to what was applied for the Melbourne to Busselton and Melbourne to Kununurra routes.

Securing a new commercial RPT service for Kalbarri, which hasn't operated since 2012 requires a detailed market analysis, comprehensive airline route forecasting (specialist consultant), as well as robust risk-sharing incentives, as set up in Busselton. These components are essential for enticing an airline to analyse the market opportunity against other options which COVID-19 may present in a market where planes and pilots are in short supply.

This report was not meant to provide stakeholders in the Kalbarri community with the necessary detailed market analysis and financial forecasts to pursue a RPT service. At the writing of this report in March 2022, forecasting while COVID-19 is still surging and on top of a developing war in the Ukraine, rising fuel prices and the opening up of WA borders would make any forecast which has a more than 10% accuracy rate impossible to pull together.

However given the available desk top information, airline interviews along with DoT and other stakeholders has given an indicative clear position that as of today there is not a business case for a RPT service into Kalbarri giving the following :

- A small population base and catchment area, plus an airport within a 90 minute drive from Kalbarri, shows that the outbound market from Kalbarri is not large enough for a sustainable RPT service.
- There is currently not a large viable cargo factor out of Kalbarri and what there is, once again is transported to Geraldton if it is required to be shipped to Perth and beyond.
- While tourism numbers in recent years have grown into Kalbarri dramatically due to the iconic tourism assets like the Skywalk being built and the pent up demand in the intrastate market for travel due to COVID-19. This is not guaranteed to continue once the world is opened up. While the borders were only opened on March 3<sup>rd</sup>, there is early indication of highly competitive market forces (\$99 Bali airfares) which suggests that within 12 months the intrastate market will have reduced somewhat from record high numbers.
- Domestic visitor markets were rising at 8% per annum before COVID-19 up until March 2020. It is too early to say if this will return and when. While record investment by the State Government is now commencing on the east coast, the market is highly competitive.
- International visitor markets were growing into WA at higher figures than the domestic market, however the same questions can be asked of the international market.
- Kalbarri with the cyclone lost much of its leisure accommodation, an inventory which will take some years to repair and bring back the lost bed numbers.

- All RPT intrastate services are supported by VFR and corporate business as their main markets. Tourism is not enough to support a RPT service. Qantas have stated quite clearly that if Exmouth did not have the resource industry, then there would be no RPT services into Exmouth. Recently in the last few months a weekly charter service has commenced into Kalbarri for a local mining company. This will be discussed further below and provides opportunities but currently is not enough to have a regular leisure service.
- Government policy currently does not support incentives for subsidies for airlines to operate RPT services into regional towns. Funding is being provided to reduce airfares on established RPT services which is a Government election commitment.
- All airlines indicated that they would not provide a RPT service in the near future unless it was substantially subsidised by the State Government or the Shire. There were two suggestions, being a through fare from Perth to Geraldton with a flight then from Geraldton to Kalbarri. Another was a spoke and hub operation based in Geraldton. These options will be looked at further below however they don't set up a RPT service from Perth-Kalbarri.
- Airlines also quoted that even with an incentive, they like to see a whole of community approach and support for the service. Support from the local Visitor Centre along with local operators who maybe need to provide industry assisted pricing on services. That is a united community and all stakeholders singing from the same song sheet.

### Moving Forward

While a RPT service business case cannot be established as of March 2022, Icon Tourism believes that a business case and service could be operating within one to three years.

There are three different models that could make this viable:

#### Model 1 - Through Fare

Qantas while making route changes every week currently due to the opening up of different markets on their network, did say they would look at a 'through fare', although there was much work to be done if it was to come about. Through fare means a single ticket for a passenger's continuous journey that involves connecting transportation on two or more flights, where baggage is checked in at departure and only collected at the ultimate destination. This would involve a major airline like Qantas working with a smaller local airline which could be an 8-30 seater (Dash 8). The advantage is that the fare would be available on Qantas' worldwide network, bookable from anywhere in the world.

#### Model 2 – Hub and Spoke

Hub and Spoke has been suggested as potential and is similar to the through fare. The suggestion is that Geraldton becomes a hub that supports not only Kalbarri but other regional towns such as Mount Magnet, Meekatharra, Woolina, Pilbara and Murchison mining operations. Avair air is keen to expand their network across WA and if there is a business case with this model they would be interested in a proposal like this.

The service would be operated by a single airline and would require government support, but if successful would provide a RPT service to Kalbarri along with regional towns. The airline would gain economies of scale by operating and basing itself in Geraldton.

This option may be supported by government as it will be supporting more than one town with an innovative transport solution.

### Model 3 - RPT

Given that a regular weekly charter has commenced with Skippers, it would be advantageous to seek support from government to allow a prearranged number of seats to be sold as a RPT service on this charter service. This has been done the past and DoT have set up parameters for these types of services.

### Example of Five Year RPT Service Community Development Program

Setting up direct services from Melbourne to Kununurra as an RPT service took over five years. Although this was an interstate service, the same principal can be followed for an intrastate RPT service.

### East Kimberley Marketing Group

The East Kimberley Marketing Group was formed as a result of industry forums held in Kununurra during late 2013 and early 2014, when tourism operators came together to try and work out the best way of giving tourism a boost in the region.

In 2015 the group decided to set out a plan to set up a direct service from Melbourne to Kununurra. After over five years with constant lobbying and negotiation, it was announced that services would commence in May 2020, although this was cancelled due to COVID-19. The air service had been made possible through the continued and collaborative efforts of all of the key stakeholders, including local and state government, and the local tourism and business community.

Alliance Airlines will offer seasonal scheduled services between Melbourne and Kununurra in the heart of WA's Kimberley region between May and August 2022. The thrice-weekly operation was announced by Alliance Airlines in partnership with Wyndham East Kimberley Shire and the East Kimberley Marketing Group. Five years in the making, the venture aims to lure visitors from the Victorian capital to the northern region of WA.

The air service is supported by luxury tour and cruise operator, APT, who has committed to the pre-purchase of a substantial number of the available seats, providing greater access to their guests.

Alliance Airlines are able to offer Victorian and south-eastern states travellers the ability to fly directly to the famous Kimberley region, as well as providing direct and affordable air services for residents of the East Kimberley region to travel to Melbourne and other cities on the east coast of Australia via their partnership with Virgin Australia.



Virgin Australia Group is code sharing with Alliance Airlines on this new route, allowing eligible guests to earn Velocity frequent flyer points and status credits. The Melbourne-Kununurra flight will also connect onto their extensive domestic and international network out of Melbourne.

The flights open up access to iconic destinations such as the World Heritage listed Purnululu National Park (Bungle Bungle), El Questro Wilderness Park, Lake Argyle, the Gibb River Road and the northern-Kimberley coast.

Chair of the East Kimberley Marketing Group, Michael McConachy at the launch in 2020 said the direct flights, which will be about four hours in duration, will also improve travel options for local residents, reducing barriers to connectivity and improving the liveability of the region.





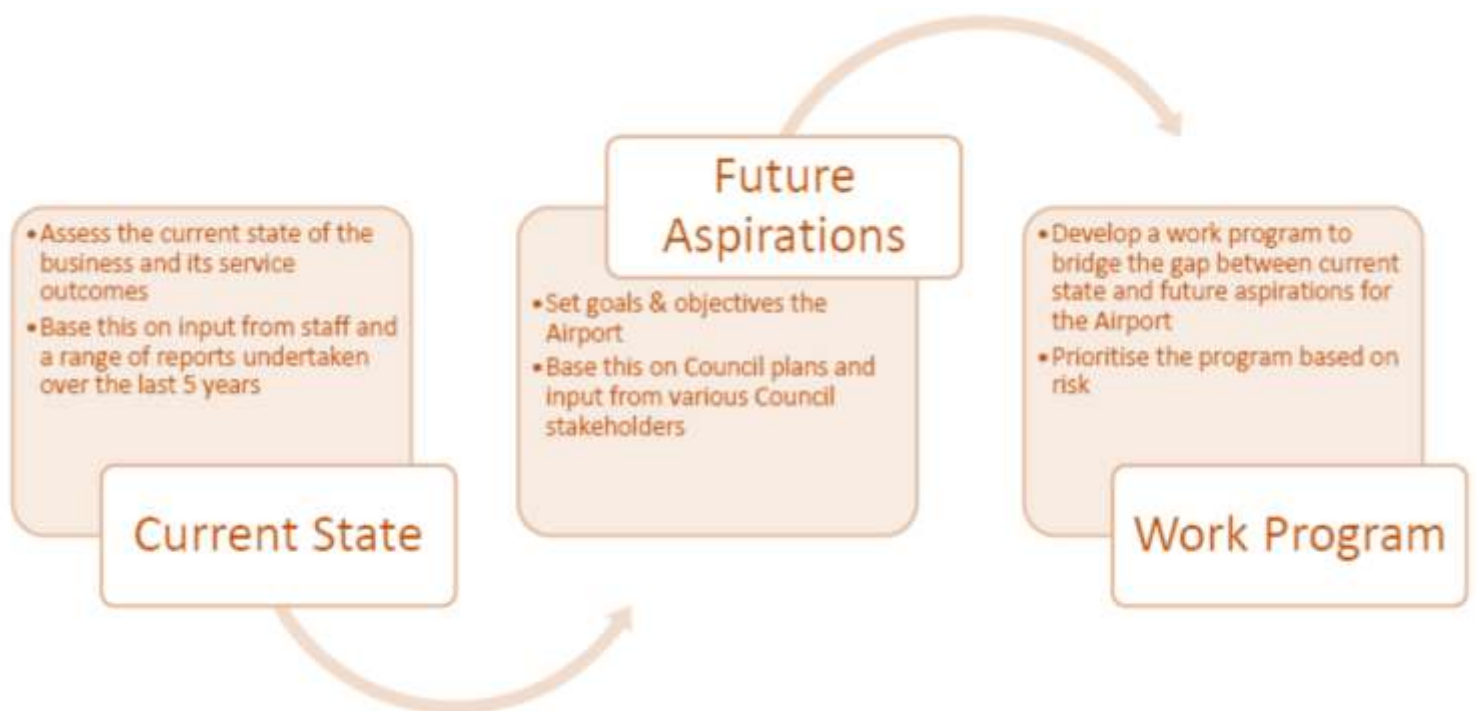
## Conclusion

Supply and demand in regional aviation in WA is affected by the State economy and the State's regionally based major industries, especially the resources and energy sector. Without the demand generated by the resources sector, many regional towns would not have an RPT service. Various other economic factors such as fuel costs and the exchange rate of the Australian dollar also come into play. In this context, achieving a balance between the needs of regional communities, the needs of local industries and the business decisions and capabilities of airlines is challenging. Other key aviation issues include high airfares compared with the rest of Australia, high demand for charter operations, airlines' on-time performance, security screening implications at regional airports and directional fluctuations in passenger demand.

Securing a new commercial air service for a place like Kalbarri Airport in these challenging times requires a detailed market analysis. This is in itself a very difficult process due to COVID-19 and the impact of the cyclone. A conclusion from this report is that support and incentives will be required initially to have a chance of securing a positive outcome for a RPT service.

There have been delays in preparing this report, however that has been advantageous in some respects as everyday it is becoming clearer how the aviation industry will be operating over the next two to five years. If this report were to be written prior to Christmas, the conclusions for this report would be different.

Icon Tourism would like to propose a work program to assist with the final goal of a RPT service into Kalbarri.



## Action Requirements

- Set up working group led by the Shire for the purpose of securing a RPT service. The group should be made up of Shire, Midwest Development Commission, ACC, TWA, Kalbarri stakeholders and the mining companies mentioned above.
- Seek funding from state and federal government grants with support and sponsorship from industry both the mining and tourism sectors. This would include an application to the Commonwealth Government's Regional Airports Program to bring the airstrip up to RPT standards.
- Develop a plan that proactively promotes/attracts an RPT service to Kalbarri.
- Meet regularly with DoT.
- The working group should have a prominent Chair that becomes the spokesperson for the group.
- Meet regularly with the two airlines that have expressed interest, as well as Skippers who currently operate the weekly charter.
- Define goals and timelines.
- Council to assist with potential incentives e.g. six month free landing fees.
- Develop relationships with key government agencies, i.e. TWA, DoT.
- Lobby local members both state and federal government.
- Seek full community support.
- The group/Shire to actively pursue input into state and federal government industry and regional growth strategies/plans that support for growth of tourism product into the national park.
- Shire to develop growth plans for more short-term stay accommodation.
- Open up discussions with mining companies who are developing in and around Kalbarri.

# Appendix

## Appendix 1 - CIP Letter of Support



25 November 2021

Cr Peter Stewart  
Shire of Northampton  
PO Box 85  
Kalbarri 6536

Dear Peter

**Re: Kalbarri Airport Services**

Murchison Hydrogen Renewables has recently commenced feasibility studies and planning for the Murchison Renewable Hydrogen Project (the Project), located approx. 20km north of Kalbarri. The project will be one of the largest renewable hydrogen projects in Western Australia, generating over 5 GW of power from wind and solar.

Murchison Hydrogen Renewables is owned by Copenhagen Infrastructure Partners (CIP). CIP is a fund management company specialising in renewable energy infrastructure globally.

The Project's preliminary feasibility and planning phases will require over sixty persons traveling from Perth to undertake studies. A minimum of three trips per month will be undertaken by specialist consultancies and a Perth based workforce commencing immediately and continuing to construction. We have already undertaken several trips and in the past two weeks have had over 12 people visiting the site.

The present situation of Geraldton being the closest airport requires personnel to drive from Geraldton to Kalbarri thereby adding significant time to an already long mobilisation. This increase in travel time has the potential to create employee fatigue and safety concerns and will escalate downtime and costs to the project compared to flights directly into and out of Kalbarri.

At the height of construction, we anticipate a workforce of 1250 personnel. We are committed to creating job opportunities in the region and every effort will be made to source workers from Kalbarri, Northampton and Geraldton. However, we envisage a strong requirement for the construction workforce to commute from Perth and interstate who will require the services of the Kalbarri airport.

It is anticipated that there will be an ongoing operational workforce of 250 – 300 personnel. The expectation is that most of the workforce will be residential, living in the region between Geraldton and Kalbarri. There will however be a continuing requirement for the Perth based workforce to commute to Kalbarri, along with specialist consultants and Perth based employees to assist with the ongoing maintenance, training, IT, administration and environmental monitoring. Additionally, there will be an ongoing requirement for site personnel to travel to Perth for specialist training and meetings.

I welcome the opportunity to discuss the potential establishment of regular flights to Kalbarri that will increase our operational efficiency, in addition to enticing and retaining high-calibre personnel to Kalbarri.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Shohan Seneviratne', is written over a circular stamp or seal.

**Shohan Seneviratne**  
**Chief Executive Officer**  
**Murchison Hydrogen Renewables**

## Appendix 2 - Australian Garnet Support Letter



11 October 2021

Australian Garnet Pty Ltd  
14 Walters Rd, Osborne Park,  
Western Australia

Peter Stewart  
Shire of Northampton

**RE: Air Services to Kalbarri Airport**

Australian Garnet has recently commenced construction of the Lucky Bay Garnet Project, located approx. 38km south of Kalbarri. The skilled construction workforce will peak at approx. 90 personnel. They will be sourced from Kalbarri, Northampton and Geraldton where possible though this will still require the majority of the construction workforce to commute from Perth. With Geraldton being the closest airport, our staff are having to drive from Kalbarri to Geraldton to meet the incoming employees and contractors and return again in the evening with the outgoing personnel. This adds significant unproductive time and cost to the project when compared to flights out of Kalbarri.

Australian Garnet recently completed the Ore Reserve update for the project, confirming a 29 year mine life within the existing mining leases. Prospective areas beyond this have the potential to create further significant extensions to the mine life. The project will have a permanent operational workforce of between 60 to 70 personnel that will oversee the mining, processing, screening, bagging and distribution of the mineral sands. The expectation is that the workforce will be residential, living in the region between Geraldton and Kalbarri.

There will be an ongoing requirement for specialist consultants to assist with the maintenance, IT, administration, exploration, environmental monitoring and training to travel to Kalbarri. Equally there will be an ongoing requirement for site personnel to travel to Perth for specialist training and meetings.

I look forward to discussing further the potential to establish regular flights to Kalbarri that will assist in our operational effectiveness and also importantly help us attract and retain high calibre personnel by making Kalbarri a more desirable place to live.

Best Regards

Keith Mayes  
General Manager  
Australian Garnet Pty Ltd

Australian Garnet Pty Ltd | T +61 8 9443 2928 | E info@australiangarnet.com.au  
ABN 22 646 741 157 | F +61 8 9443 2926 | W www.australiangarnet.com.au

Level 1, 46 Edward Street, Osborne Park, Western Australia 6017





## Appendix 3 - Government Report on Aviation

Australian Government Department of Infrastructure Transport Regional Development and Communications. <https://www.infrastructure.gov.au/>

### Attachment 1

#### Appendix A – Consolidated questions for consideration

##### Part A – COVID-19 Response

Question	Response
<b>COVID Objective 1 – Maintaining essential air connectivity</b> <b>– Providing a minimum domestic network</b>	
What constitutes a minimum RPT network in Australia?	<p>In Western Australia (WA), regular public transport (RPT) air services in the regions provide transport for both communities and businesses, and play a key role in connecting remote and rural areas of the State. WA's isolation and size makes aviation an integral part of the State's economic and social wellbeing. Sustainable and affordable RPT air services are central to the regions liveability and prosperity. Currently, there are 15 regional RPT routes that connect directly with Perth and five inter-regional RPT routes connecting between regional towns. RPT air services in WA are provided by a mix of seven airlines.</p> <p>A long-standing key performance indicator for RPT air services in WA has been to ensure a minimum of two return RPT services per week for regional communities with population 500 or more and located over 250 km driving distance from Perth or another RPT airport. Historically, over the last decade the vast majority of regional RPT routes in WA have received well in excess of the nominated minimum level. For example, prior to the COVID-19 pandemic, Broome received up to 52 return services per week, Albany – 23, Geraldton – 16.</p> <p>A minimum RPT network needs to consider the population sizes of key centres, proximity to other air services, and make-up of the passengers that use the air services, as well as those that are likely to. Where applicable, leisure visitation needs to be considered, given it is an enabler of wider economic benefits for regional centres.</p> <p>The viability of a number of regional RPT air services in WA is underpinned by Fly-in Fly-out (FIFO) operations in the resources sector. As a consequence, the RPT network in certain regions of WA has been shaped by the needs of the resources sector rather than the needs of the community.</p> <p>In regional areas of WA, the aviation infrastructure network can incorporate more than just the RPT airports (and associated connecting routes) but also remote aerodromes for emergency services and in some scenarios aerodromes for mining operations for the movement of workers.</p>
Are there options to improve the effectiveness of governments' support for maintaining a minimum RPT network?	<p>The COVID-19 pandemic has had a devastating impact on regional RPT air services across the entire State. The WA Government's objective was to maintain essential community access to RPT air services during the unprecedented times of the pandemic.</p> <p>A combination of State and Commonwealth funding has supported the objective for minimum level of air services across regional WA during the pandemic. It is recognised that much of the route recovery to date would have been impossible without the Commonwealth's prompt actions, efforts and support.</p>

	<p>Domestic Aviation Network Support and Regional Airline Network Support have ensured that key destinations in WA have been able to maintain services through COVID-19. This has included support from the State Government on some routes, through Tourism WA and the Department of Transport (DoT). This support has provided a base for airlines to operate additional services on some routes on a commercial basis, and appears to be aiding the recovery of capacity on WA's intrastate route network.</p>
What is the best way for the Government to scale back support as the aviation sector recovers at a different pace for different routes?	<p>As part of the recovery of regional aviation, the State's priority is to preserve critical aviation capacity and ensure an adequate level of RPT services that is sustainable in the longer term. An important aspect of this service sustainability through the recovery period from COVID-19 and beyond is the adequate availability of affordable airfares to stimulate and maintain demand.</p> <p>The high price of regional airfares in WA has been a long-standing concern for the regional communities which led to the 2017 Parliamentary Inquiry into Regional Airfares in WA. With the completion of the review of the State Aviation Strategy, the State Government has now largely implemented its response to the inquiry recommendations. The draft WA Aviation Strategy was released for public comment on 10 February 2020. A total of 436 submissions were received, which DoT is currently reviewing. It is recognised that future strategies need to reflect the profoundly changed outlook for the aviation industry arising from the pandemic. In this context, the State strongly supports the Commonwealth's view that a refreshed policy agenda is needed for aviation beyond COVID-19.</p> <p>While some regional routes have started to recover, the State acknowledges that there is a long road ahead to fully re-build the intrastate RPT air services and there are continuing concerns that some RPT air services are not meeting community needs. With the relaxation of border restrictions, while most of the regional RPT air services in WA are now attracting additional demand, some RPT services are still unviable, and funding continues to be provided on such regional routes.</p> <p>The State Government is now focusing on rebuilding the aviation network and increasing capacity – increasing the availability of reliable, commercially viable, and affordable RPT air services in regional WA. Early consultation, development of shared objectives on a route by route basis and data sharing between the State and Commonwealth will be key to identifying greater synergies in the effectiveness of the government's financial support options.</p> <p>The WA Government supports a measured and individualised program for removing support when and where necessary. This should be on a case-by-case basis, and take into account the dynamics of each route, with clear milestones for when levels of support should be removed.</p> <p>It is recommended that the Commonwealth consider future policy objectives for regional routes which lower airfares and maintain critical aviation connectivity during and beyond COVID-19.</p>

<b>COVID Objective 2 – Preserving critical aviation capacity</b> <b>– Supporting airlines and airports</b>	
What critical components of the aviation sector need support during the COVID-19 crisis?	<p>At the height of the COVID-19 pandemic, the WA Government provided flexibility to the resources sector in allowing closed charter air services on a temporary basis to minimise the spread of COVID-19 and protect the mining FIFO workforce. The majority of resources sector companies traditionally have been a major user of RPT flights on many routes in the Pilbara and Kimberley prior to COVID-19.</p> <p>The State Government's long-standing objective has been to ensure that charter air services do not detract from the viability of RPT air services in WA, while also seeking to balance the needs of resources sector companies and the community. As WA has continued to record no COVID-19 community transmission, the State Government requested all COVID-related charters revert back to RPT services to support the recovery of the RPT air network, as air service demand from the resources sector is significant. Almost all resources sector companies have already transitioned back to using RPT air services.</p> <p>The WA Government recommends the Commonwealth accelerate its previous/current policy consideration to merge RPT and charter air services into a single aviation category.</p>
Are there options to improve governments' support for critical aviation connectivity and capacity during COVID-19?	<p>A co-ordinated approach to support between State and Commonwealth Government agencies would allow for the most effective measures to be employed on the routes that need them the most. This should include consultation on changes to State or Commonwealth Government support for aviation capacity and connectivity, to ensure that resources are allocated in the most effective manner.</p> <p>The Commonwealth should also ensure a diversity of air services and support mechanisms without concentrating these in any one location.</p>
What is the best way for governments to scale back connectivity and capacity support to allow commercial airline operations to resume as the regional and domestic economies recover?	<p>The State supports the notion in the Issues Paper that it is "important that the phasing out of financial support minimises disruption to the aviation industry and community".</p> <p>Scaling back of government funding support would require a route-by-route assessment. A 'one size fits all' approach is unlikely to be effective for WA given the diversity of the State's regions, vast distances, blend in the variety of markets (leisure, resources sector etc), and unique route dynamics.</p> <p>Where routes are supported by both the State and the Commonwealth (e.g. Perth-Albany), withdrawing all funding concurrently is likely to create a commercial shock for the operating airlines. Therefore, scaling of government funding should be gradual and cautious, with adequate advance notice to the airline in order to enable the best chance for long term sustainability of the increased level of services.</p> <p>Government support for the airline industry will have to be scaled back in a gradual fashion to ensure that carriers are not subject to financial distress, or are forced to increase pricing of airfares on marginal routes, especially those that attract a portion of leisure visitors.</p>



	<p>In some cases, there may be a case for ensuring that additional support is made available should there be a change in conditions.</p> <p>The WA Government recommends the Commonwealth engage with the State to mutually determine the scaling back of funding support for COVID-19 affected air routes.</p>
<b>Essential aviation related businesses</b>	
How has the COVID-19 crisis and the downturn in passenger movements affected essential aviation-related businesses?	<p>While the aviation industry has arguably been most hard hit by COVID-19 and the resulting border closures, it is important to note that there were significant pressures on WA's regional aviation services prior to this. These pressures were addressed in the Economics and Industry Standing Committee Report No 2 "Perceptions and Realities of Regional Airfares Prices in Western Australia". The WA Airfares Taskforce was formed in November 2018 to respond to its recommendations to government.</p> <p>At a Federal level, the Senate Rural and Regional Affairs and Transport Legislation Committee is also conducting an Inquiry into the current state of Australia's General Aviation industry, with particular reference to aviation in rural, regional and remote Australia.</p> <p>COVID-19 has emphasised and magnified regional WA's reliance on aviation with the following issues already identified for consideration:</p> <ul style="list-style-type: none"> <li>• The challenge of regularly moving small numbers of people over long distances for an affordable fare.</li> <li>• The extent to which routes, or grouping of routes, will enable the provider to secure sufficient return to support the service.</li> <li>• The level of subsidy, if any, that should be considered to ensure provision of a service.</li> <li>• The regulatory settings required to support services, including RPT airports.</li> </ul>
Are there options that industry and governments could consider to ensure these services are available to support the recovery of the aviation sector?	<p>A prominent theme in the WA Aviation Strategy was affordable airfares, and particularly, access to discounted Community Fares or Resident Fares. The 2017 Parliamentary Inquiry into Regional Airfares in WA prompted a review of the State's regulatory approach, and the introduction of new measures such as additional aircraft licence conditions on previously unregulated routes.</p> <p>The inquiry found that airfares were more affordable on the regulated routes. Since then, some airfare initiatives have been implemented in the intervening years to improve affordability of regional RPT air travel. For example, in August 2019, Qantas improved its Discounted Fares for Residents program by capping the maximum airfare under the scheme at approximately \$400 one way on most of its lightly regulated routes.</p> <p>On the fully regulated RPT air routes, Regional Express and Skippers Aviation continue to offer community and resident airfares. Most recently, in June and October 2020, a Community Fare of \$349 one way has been implemented through a partnership between Alliance Airlines and BHP for the regional towns of Port Hedland and Newman, whereby the State Government played a major facilitating role in achieving this community outcome. Despite these airfare outcomes, more needs to be done.</p>

<b>COVID Objective 3: Maintaining high value freight supply lines</b>	
Are there options to improve governments' support for maintaining international air freight capacity during COVID-19?	<p>Prior to COVID-19, WA enjoyed relatively inexpensive and readily available passenger aircraft belly freight capacity. This suited our high value agri-produce producers who generally yield small volumes. With the cessation of the majority of international passenger flights, the Commonwealth Government's International Freight Assistance Mechanism (IFAM) has been a great assistance in the struggle to maintain exports and markets in the face of freight costs increasing by up to eight times the pre-COVID-19 pricing.</p> <p>While the paper acknowledges the challenges of transition from the Government funded support programs for both passenger and freight aviation, there is no indication of an immediate roadmap or plan to lead this process from the Commonwealth Government. The situation in WA is unlikely to return to the pre-COVID-19 model and ongoing relatively higher freight costs are likely. A short-term transitional plan or a commitment to one is recommended for inclusion.</p> <p>Subject to when the borders open, arguably the next five months will be more important than the next five years for 'The Future of Australia's Aviation Sector'.</p>
What is the best way for governments to scale back international air freight support to allow commercial air freight operations to resume as the regional, domestic and international economies recover?	<p>Most air freight to and from WA is carried in the belly holds of passenger aircraft.</p> <p>Any scaling back of support for international air freight will have to depend on the recovery of passenger services to a sustainable level, which will be linked to the return of some normality to border policies and the resumption of a level of free travel.</p> <p>This will stimulate the return of normal passenger services, and with that the additional belly hold capacity that will help to drive freight pricing down to more normal levels. As pricing moves back to normal levels, it may then be appropriate to wind back support.</p>

## Part B – Future of Aviation – The Government's Five-year Plan for Aviation

Question	Response
<b>Reducing the Regulatory Burden – General Aviation</b>	
The Government understands the key challenges facing the GA industry. Given the impact of COVID-19, are there other areas where governments should be focussing to support GA?	
<b>Reducing the Regulatory Burden: Demand management at Sydney airport</b>	
The Australian Government will soon be commencing a comprehensive review of the legislation governing Sydney Airport's demand management, including slot management. All stakeholders are encouraged to participate in this consultation process.	
<b>Reducing the Regulatory Burden: Airspace Management</b>	
What issues need to be considered in shaping future airspace protection policies and regulations? How can airspace protection balance the needs of the aviation industry with those of land owners and surrounding communities?	<p>One of the issues that is recommended to be considered in shaping future airspace protection and policies is the need for a central agency which assesses, approves and maintains a database of approved and operating Obstacle Limitation Surfaces (OLS) and Procedures for Air Navigation Services – Aircraft Operations (PANS-Ops) charts/data, particularly for regional airports. OLS and PANS-Ops mapping is an important tool to enable land use planning to respond to the need to protect airspace near an airport.</p> <p>In addition to this, Commonwealth level direction on how to standardise the mapping (from three-dimensional to two-dimensional) to enable planning authorities to incorporate the information into their respective planning framework would be welcomed.</p> <p>It is also important that Airservices Australia provide updates on flight paths and Australian Noise Exposure Forecast (ANEF) at the earliest possible opportunity, to allow the land use planning system to respond effectively and efficiently.</p>
<b>Reducing the Regulatory Burden: Airline access to domestic and international routes</b>	
Are there ways to further liberalise air access arrangements while maintaining Australia's high regulatory standards?	<p>Australia's policy of pursuing open skies arrangements with other countries has allowed for the entry of new markets into the Australian aviation industry, and facilitated increased capacity from key airlines, including Singapore Airlines.</p> <p>WA has benefited from the liberalisation of ASAs, particularly as the gateway to the State, Perth Airport, is considered a gateway airport under most bilateral agreements. Therefore, the more liberalised that bilaterals are, the more that Western Australia stands to benefit from the increasing opportunity to receive more airline services.</p>



	<p>The WA Government supports increasing the open skies focus to include more liberalised agreements with key Middle Eastern hub countries, such as Qatar. Qatar Airways is a key partner for Tourism WA, but its expansion of Perth services has been hampered by the lack of bilateral slots available.</p> <p>While open skies may not be an immediate option for most bilateral air services agreements, WA would like to see an increase in the number of frequencies available with most countries to enable at least a daily operation to the four gateway ports (Perth, Sydney, Melbourne and Brisbane), thus allowing airlines to offer a sustainable level of service across those ports where the demand allows.</p> <p>WA recognises that cabotage is a complex issue. The additional capacity that could be created through allowing foreign carriers a level of access to domestic routes would open up competition, including potentially on long intrastate routes that have traditionally been priced heavily. This could open up additional leisure travel to key northern ports, such as Broome, and support the development of new international markets.</p> <p>Cabotage would pose a significant challenge to the established domestic carriers, which would broadly be at a disadvantage due to different labour, safety and other standards that a foreign carrier would be permitted to operate under. Given that the domestic industry will be in a state of recovery for the next three to four years, allowing cabotage poses an unnecessary risk to that recovery and should not be considered until the market has returned to normal dynamics.</p>
<b>Reducing the Regulatory Burden: Facilitating new and emerging technologies</b>	
Are there barriers to the take-up of innovative technologies in the aviation sector?	WA's strengths in remote operations, monitoring and cyber security can support the development of aviation technologies.
<b>Reducing the Regulatory Burden: Safe, secure and environmentally sustainable aviation</b>	
<p>Safe air travel</p> <ul style="list-style-type: none"> <li>Are there options for governments to improve aviation safety governance and consultation processes?</li> </ul> <p>Secure aviation</p> <ul style="list-style-type: none"> <li>Are there approaches that governments could pursue to improve aviation security governance and consultation processes?</li> </ul>	<p>The Commonwealth should engage with states and territories as early as possible in the consultation process and ensure that stakeholders are provided targeted analysis of the impact that possible new aviation security requirements will have on industry and communities.</p> <p>The most recent changes to security requirements at regional airports had significant impacts on aviation costs and potentially the ongoing operation of air services in some parts of regional WA. There was no direct engagement with the WA Government on this matter. The WA Government found out about the security changes through discussions with regional airports and subsequently contacted the Commonwealth Government. The WA Government views aviation as critical to the economic and the social development of the State.</p> <p>It is understood that the level of engagement for amendments to aviation security legislation must necessarily be targeted and with limited detail provided. However, state and territory governments should be considered an acceptable stakeholder for discussion of changes to security legislation that will affect the operation of air services within their jurisdictions.</p>

<p>Environmentally sustainable aviation</p> <ul style="list-style-type: none"> <li>Are there options to improve environmental outcomes while maintaining an efficient and effective aviation sector?</li> </ul>	<p>State and territory governments have an excellent understanding of regional airports and operational issues, as well as a vested interest in aviation outcomes that are directly impacted by changes to security screening arrangements. Early engagement with these agencies will have a positive impact on the planning and implementation of any changes to security requirements.</p> <p>The Commonwealth Government should use consultation processes to identify the financial impact of any changes to security requirements and possible mechanisms to reduce this impact on airport operations (such as the Regional Airports Screening Infrastructure Program).</p> <p>Perth Airport operates 24 hours a day and 7 days a week to service the needs of significant WA FIFO workforce in the regions; and connections to Asia (and beyond) and the eastern states.</p> <p>This paper should recognise opportunities for economic activity associated with the aviation sector.</p> <ul style="list-style-type: none"> <li>The role of alternative fuels in aviation should be considered as an opportunity to address the threat of anthropogenic carbon induced climate change. WA has significant potential to grow its capacity to manufacture renewable fuels through renewable hydrogen and green ammonia production.</li> </ul>
<p><b>Reducing the Regulatory Burden &amp; greater local decision making: Federally-leased airports</b></p>	
<p>Are there options to improve the regulation of Federally-leased airports, that balance the benefits of local level regulation and management with strategic national level interests?</p>	<p>The WA Government has been involved in providing comments on various Master Plans and Major Development Plans for the federally leased airports in WA (Perth and Jandakot). While consultation is undertaken with local and state authorities, difficulties can arise when there is disagreement between the development intentions of the airport and the orderly and proper planning for the locality.</p> <p>The general outcome of this is that any form of "local level regulation" is perceived as a regulatory burden and a hindrance to development and the need to diversify revenue streams. It is difficult to examine options for greater local decision making without a clear mandate from the Commonwealth (as the responsible authority under the <i>Airports Act 1996</i>) to require greater consideration of local level concerns with the aim to negotiate pragmatic outcomes with State and Local authorities. An example of this is when the desires of airports for retail and commercial development intersect with existing retail and commercial precincts and the need to ensure that communities have access to local shops and services.</p> <p>We note that any aviation infrastructure, particularly new or an expansion of existing infrastructure, will need to be aware of potential impacts to Aboriginal cultural heritage and the requirements of the <i>Aboriginal Heritage Act 1972</i>. This will particularly apply to regional areas, noting the proposed support for existing regional development programs and support for broader regional development.</p>
<p><b>Greater local decision making: Local government owned aerodromes</b></p>	
<p>Are there options to improve how ALOP aerodromes are regulated?</p> <ul style="list-style-type: none"> <li>Are there other ways the Commonwealth could support state, territory and local governments in their</li> </ul>	<p>Local decision making is an important element of regional development. The Aerodrome Local Ownership Plan (page 26) was introduced in support of this. Under the plan, the Commonwealth Government divested itself of significant responsibilities and many regional local government authorities were left with airports running at a financial loss and held under strict terms that did not enable them to raise funds for development.</p>

operation and management of regional and local aerodromes?	<p>ALOP airports constitute a large number of operational regional airports in WA. The impact of local governments taking responsibility for these airports, in many cases, with very small rate payer bases, has been significant. Many small to medium sized regional RPT airports regularly seek funding from the State and/or Commonwealth Governments to manage large capital requirements associated with airport infrastructure renewals or upgrades.</p> <p>The Commonwealth Government provides a wide range of grant programs to support regional aviation (Page 28). However, these programs do not provide sufficient support to many local governments operating airports primarily for community benefit. A framework is required which enables the industry to operate on a sustainable basis without requiring applications to grants programs for essential maintenance and upgrades.</p> <p>From a regulatory perspective, the Commonwealth Government maintaining some control over the ownership of these airports ensures that regional airports cannot be handed over to private entities or closed without due consideration and process. This should be managed in consultation with state and territory governments. However, if there are adjustments to the ALOP that maintain some gatekeeping function and provide greater flexibility for local government ownership or management options, this would be supported.</p> <p>The WA Government is developing a Strategic Airport Assets and Financial Management Framework (Framework). The Framework has been supported in principle by the Productivity Commission and the Senate Standing Committee on Rural and Regional Affairs and Transport in 2019. The Commonwealth Government should also continue to provide a consistent, national legislative and policy context as well as direct support for regional airports through grant funding as appropriate.</p> <p>There has been much recent discussion around appropriate investment in airport infrastructure which is fit for purpose. Airlines will pass on the costs of new infrastructure to passengers, raising airfares. Where the infrastructure provides a necessary increase in capacity or improvement in levels of service, this is reasonable. However, infrastructure should be designed in consultation with key stakeholders, including airlines. Stakeholder engagement is a critical piece of the Framework.</p> <p>The Framework, which is being developed for small to medium sized regional RPT airports in WA, is primarily benefitting local government authorities (as the majority of these airport owners). The Framework provides some consistency in forward planning as well as opportunities to identify future large capital projects which will need government assistance. DoT is expecting to use the Frameworks to assist local governments in developing a business case and to assess any application for significant infrastructure funding. Across 16 regional RPT airports, this represents a significant part of the regional aviation network and can allow for business planning where many requests may be anticipated over a finite period.</p> <p>Application of the Framework across WA will significantly improve asset management, transferability of staff and skills, better forward planning and more consistent language when engaging with airport stakeholders.</p>
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	<p>The State Government supports regional airports with funding and strategic policy and guidance by way of the Regional Airports Development Scheme (RADS) and the Framework. However, it is appropriate for regional airports to continue to be owned and managed by local parties. Funding support by the Commonwealth Government through existing funding programs, the national oversight of aviation safety and security and consistent governance and policy for international and domestic aviation should be continued.</p>
<b>Targeted assistance: Funding of regional airports</b>	
Do current Government airport grants target key priorities for regional airports?	<p>The Commonwealth Government could consider a different approach to how it allocates grant funding to address related concerns regarding the cost of airfares.</p> <p>The Commonwealth Government provides significant support for regional, local government-owned airports through grant programs such as the Remote Airstrip Upgrade Program (RAUP) and the Regional Airports Program (RAP). This support has made a significant difference as many of WA's regional airports have only been able to complete projects through co-funding or tripartite funding arrangements with the State and Commonwealth Governments. It is recommended these programs continue to be funded into the future.</p> <p>It is also acknowledged that DoT and the Department of Infrastructure, Transport, Regional Development and Communication communicate well and discuss grant applications to both programs as a matter of general business. This improves opportunities for tripartite funding and a broader base of airports that can be funded.</p> <p>Eligibility criteria for Round 8 of the RAUP stipulated that it would only accept applications from remote or very remote airstrips, as defined by the 2016 Australian Statistical Geographic Standard Remoteness Area, and were limited to grants of \$500,000. Round 1 of the RAP was limited to aerodromes identified as Inner Regional or Outer Regional, with grants of up to \$5 million. In WA, this definition significantly limits the number of eligible applicants for the program.</p> <p>Most of WA's regional RPT airports reside in areas classified as remote or very remote, regardless of the throughput of the airports. However, the current eligibility criteria prohibit most of these airports from seeking funding from the RAP, which has larger available grants. It is strongly recommended that the Commonwealth Government reassess the eligibility criteria for these programs, so that the RAP is available for all regional RPT airports and the RAUP is available for all non-RPT airports and Aboriginal communities.</p> <p>The WA Government considers that its role is to ensure the key priorities of regional Western Australians are met, which are:</p> <ol style="list-style-type: none"> <li>1. continued air services across the network; and</li> <li>2. affordable airfares.</li> </ol>



	<p>To deliver on this, there must be an emphasis on renewal of existing infrastructure over delivery of new infrastructure, which should only be considered where there is a developed and solid business case. Business cases for new infrastructure should determine the need for service and the required aircraft size before decisions are made on accommodating infrastructure.</p> <p>There has been significant value delivered to remote and regional communities through the Commonwealth's funding programs. Historically, the Commonwealth has focused on funding infrastructure, but airfares are now the biggest concern of Australians. The Commonwealth may consider a different approach to how it allocates its funding to address these concerns in a more targeted manner. More infrastructure can be counter-productive, as in many cases it leads to increased costs and higher airfares.</p> <p>The WA Government has moved from an infrastructure-based approach through the Regional Airports Development Scheme, to allocating funding to both infrastructure and air service funding to attract airlines to come up with discount fare options to regional areas.</p>
<b>Targeted assistance: Aviation skills and workforce development</b>	
<p>Noting the complexity added by COVID-19 to the changing nature and structure of the aviation workforce:</p> <ul style="list-style-type: none"> <li>• Are there other or modified options to improve the aviation workforce training framework to better meet the current and future needs of industry, beyond those identified in the Expert Panel Report?</li> <li>• Are there options to improve the longer term development and/or retention of aviation skills?</li> </ul>	<p>Pilots, flying instructors and aircraft maintenance engineering occupations have been identified as essential to WA. WA's large distances and remote areas mean that a shortage of these occupations would have a significant impact on the State. Although the current restrictions associated with COVID-19 have resulted in the aviation workforce having latent capacity, it is acknowledged that the current respite is likely to be short lived.</p> <p>The Department of Training and Workforce Development's research and stakeholder feedback indicates that a focus at both the State and National levels will be imperative to addressing these skill shortages as they re-emerge, including stronger partnerships between the aviation industry, major training providers and government. This should include the establishment of industry wide career pathway programs from entry level through to employment with the major airlines.</p> <p>Prior to COVID-19, responses from the aviation industry to pilot shortages were confined to the larger airlines such as Qantas, Virgin and earlier, Regional Express, with their recruitment drives, training and cadet programs. It should be noted that analysis and stakeholder feedback suggests not all occupations in the aviation industry have been in shortage – for example the supply of flight attendants, aircraft baggage handlers and ground crew is adequate to meet local demand.</p> <p>Numbers of pilots (fixed wing) and flight instructors (including check and training captains and flight examiners) in WA have declined since 2011 due to an ageing workforce and retirements, poaching from overseas airlines and a low level of new entrants into these occupations.</p> <p>New entrants to the pilot workforce were limited by the long lead time to get the licenses and experience necessary, significant costs associated with flying hours and a lack of flying instructors. Pilot training for new entrants was predominantly self-funded, with costs in the vicinity of \$100,000 to undertake the full</p>

	<p>suite of courses to achieve a Commercial Pilot with Instrument Rating and even higher costs to reach instructor level. This has been a significant barrier, notwithstanding that the Commonwealth Government offers loans of up to around \$75,000 under the VET Student Loan scheme for the Diploma of Aviation and the HECS-HELP scheme for bachelor level aviation courses. In 2019, the Commonwealth Department of Education announced that students undertaking eligible aviation courses, with census dates after 1 January 2020 that lead to a commercial pilot licence qualification, would be able to access an increased Higher Education Loan Program (HELP) loan limit of \$150,000.</p> <p>Feedback from stakeholder consultation indicate the ongoing skills and labour shortage of pilots, prior to COVID-19, was negatively affecting the charter flights used in the resources sector in WA. If the resources sector had to find alternative travel arrangements these would considerably increase the cost and travel time for Fly-in-Fly-out (FIFO) workers. Some places were using buses to transport workers as there were not enough pilots for these regional flights.</p> <p>Multi-crew training and advanced simulator training skills were also in particularly high demand. A review of licensing requirements to recognise the potential training value of simulators in ab-initio pilot training may be appropriate.</p> <p>Prior to COVID-19, there were demonstrated shortages of both flight examiners and flight instructors across Australia, according to the Expert Panel and 2018 AIS study. Flying instructors with high levels of attainment and experience were difficult to source and retain. Flying instructors were being lured back to industry on a national level to work as commercial pilots. With less flying instructors available this created a vacuum within the industry, causing delays in training the next cohort of pilots. Flying instructors were also finding that there has been an increased level of compliance paperwork which limits their flight time to train pilots and increases the costs associated with flying hours.</p> <p>The flying instructor shortage may be eased during COVID-19 as flight instructors are not leaving training organisations to find work with the major airlines. This may be a good time to train the next cohort of pilots to help ease the reduced numbers that may return to flying and those lost to retirement. However, it is difficult to promote this occupation given there is very little work available and no certain timeframe for recovery to the aviation industry.</p> <p>Licensed aircraft maintenance engineers (LAME) are able to check and sign off on aircraft engineering work which is a significantly greater level of responsibility than aircraft maintenance engineers (AME). There have been problems with maintaining and growing the AME workforce. Fewer young people were entering the aircraft maintenance engineering trade and these numbers were not enough to maintain the current workforce. AMEs and LAMEs, which are mostly VET qualified also have low levels of participation by women and Aboriginal people.</p> <p>Prior to COVID-19, industry advised that there were severe shortages of LAMEs and AMEs for the smaller operators, particularly in regional and remote areas of Western Australia such as charter operators and small scale plane and helicopter operators used in tourism and agriculture. Often those that were employed by smaller operators were employed on a casual basis.</p>
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	<p>Many LAMEs have lost their work in the aviation industry as the larger airlines reduce the size of their fleets. LAMEs wishing to re-enter the workforce can have their currency approved via a one-day course offered by a PART 147 from a registered training organisation. Their return to the industry should be faster and simpler than that of pilots.</p> <p>The aviation workforce is predominantly a VET qualified workforce. According to the Expert Panel, training needs to continue to be high quality and fit for purpose. Course graduates need to be competent not just in knowledge but also behaviour and attitude (decision making and safety). Practical experience also needs to become a greater priority. However, this practical experience comes at a considerable cost, particularly for pilots. When compared to other countries, the Australian aviation training system is seen as high quality but high cost.</p> <p>Both the Expert Panel and Australian Industry Standards (AIS) Aviation Workforce Skills Study flagged the impact that regulatory change was having on aviation training and the need for the Commonwealth Government (through CASA) to assess and address these impacts to ensure better outcomes. The long running regulatory reform program has impacted the aviation industry with increased timeframes, higher costs and at times overly burdensome audits.</p> <p>Further, concerns were raised about the lack of alignment of training programs with regulatory changes and industry training practice. It is understood that CASA have established a technical working group for the purpose of addressing this issue and it is progressing.</p> <p>The research also highlights the need for improved data to inform aviation training. This needs a joint approach between the aviation industry, Commonwealth and State governments and training providers. Feedback from stakeholders indicated that there was little overall planning and coordination of aviation training in WA. Further, this appeared to be the case at a national level, with the Expert Panel recommending the need for a national workforce development plan.</p> <p>The WA Logistics and Defence Skills Council (LDSC) consultation process in 2018 revealed that stakeholders saw value in a more coordinated and collaborative approach to aviation training involving industry, airport operators and the many RTOs and flying schools which operate in WA. In addition, the LDSC consultation pointed to opportunities for better planning between the aviation sector and other industries such as the resources sector. For example, a case was cited during consultation where aviation operators were unaware of major resource projects coming on stream until it was too late to recruit the workforce needed for additional aviation services when the projects commenced.</p> <p>Stakeholders at both the national and State levels have commented that the aviation workforce does not have a high profile within the community and more specifically in schools. Both the LDSC consultation report and Expert Panel recommended greater promotion of the industry as a career, including to women.</p>
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	<p>The aviation industry is an important enabler of the regional economic development that underpins export income in Western Australia. Aviation provides important services including medical, education, emergency, community and economic development services to rural and remote areas.</p> <p>Efficient and cost effective air services that ensure accessibility for residents, tourists, workers and service providers underpin the economic and social sustainability of regional WA. There have been a number of challenges for regional aviation operations due to the size of their operations and the economic base of their regional area. There has been a lack of critical mass of staff to replace staff on leave, or backfill when staff change jobs. Further, staff need to have a wide range of skills that go beyond what is the normal job description, which is a challenge for training.</p> <p>Large and small airports operating in regional Western Australia, especially those in the Northwest, were experiencing challenges due to the ability to retain staff following expensive training. Regional airports have a very transient workforce, with some airports experiencing 100 per cent attrition annually.</p> <p>Regional workforces were also constrained by an extreme shortage of child care places. Regional airports often operate in the early morning or late afternoon hours to meet scheduling demands of clients. Finding a flexible workforce prepared to work part time hours, especially those with young families, is a challenge. There has been a lack of succession planning for airport managers and airport operations managers, particularly in regional areas due to the limited pool of workers, lack of adequately experienced workers and workers moving interstate to more suitable situations. These senior roles are being affected by the ageing population and expected retirement of workers in the next few years. Demand for experienced managers has been high intrastate, interstate and internationally.</p> <p>Additionally, regional aviation employers were finding their employee wage levels challenging as they were competing with a highly visible mining and resources workforce. To address these issues some regional airports have investigated managing their own FIFO workforce.</p> <p>The LDSC findings supported shared work experience opportunities across other airports for Aerodrome Reporting Officers (AROs) and airport operations, as otherwise they may only have had exposure to the relatively minimal operational environments where they were located. Some regional airports have been investigating sharing the cost of delivering ARO training to regional areas.</p> <p>The AIS Aviation Workforce Skills Study also suggested the development of location-based regional initiatives to address localised issues in the supply of aviation services and access to training. LDSC regional stakeholder consultations reported that access to flexible and local training in regional Western Australia was considered essential to the ongoing regional supply of AMEs, LAMEs, aviation security officers and AROs.</p> <p>First responders play a critical role in regional areas, providing primary health care services, emergency assistance and linking regional communities to major hospitals for life saving treatment. First responders prior to COVID-19, reported grave concerns about the ongoing viability of their work had the pilot shortage continued. As the major airlines reduce their workforce due to the effects of COVID-19, higher numbers of</p>
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	<p>commercial pilots have applied for jobs with first responders and this has eased the shortage of first responder pilots, at least for the time being.</p> <p>A healthy workforce of aviation professionals in the regions is essential to meet the needs of the resources sector, tourism industry and support economic growth in regional communities.</p> <p>Remotely piloted aircraft systems (RPAS) are a large growth area as drones are capable of reaching remote areas with little effort, time and energy. They are used widely, from mustering and crop management, environmental monitoring, vaccine delivery, to first responders for surf lifesaving, bushfires, police and military operations. These systems will require their own maintenance, and this is a potential growth area for aircraft maintenance engineers.</p> <p>The research and stakeholder consultations indicated further work is needed to understand and plan for training in the use and maintenance of RPAS.</p> <p>Industry reports that pilots are prepared for a three-year coronavirus shutdown. "Unlike other professions, pilots need continuous flying experience to keep their license and remain employable. This is a legal and mandatory requirement," explains European Cockpit Association (ECA).</p> <p>CASA requirements for regular flights and reviews to maintain licences are still in place. For some commercial pilots their airline requires further simulator flights every 12 months. According to Mr Sedgwick, head of the Australian and International Pilots Association, "it will be easier to have pilots who maintain a level of currency of skills throughout this COVID period for when they come back at the other side, versus trying to wait a year or two or three years until they come back and then essentially training back from scratch again". As scheduled flights increase, every pilot who has been out of work will need to renew their licenses and this could create a bottleneck in the availability of pilots.</p> <p>There are a number of critical occupations within the aviation industry (flight instructors, pilots, licensed aircraft maintenance engineers) that require significant training and currency retention but where there are very few jobs available in their industry at this point in time. This is a global issue which creates a difficult situation for workforce planning. "The International Air Transport Association (IATA) has warned millions of airline jobs are at risk due to the second wave of COVID-19 sweeping Europe and the USA".</p> <p>There is a considerable latent workforce which may or may not be available when the aviation industry recovers to its pre-COVID-19 level. Some may wish to return to working in the aviation industry but will need training to meet CASA requirements and others may have found other work that they chose to continue rather than return to aviation.</p> <p>Scenario planning may be one way to manage the unpredictable nature of COVID-19's ongoing effect on the aviation industry. Assuming pre-COVID-19 aviation activity returns, the country will need pilots to return to their jobs. This may be constrained if licensed pilots have not managed to maintain their currency. Alternatively, aviation workers may decide to leave the industry which may fuel another shortage of pilots, flight instructors and aircraft maintenance engineers.</p>
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	<p>While there are a range of strategies that could be recommended to address the findings thus far, it is suggested that the following framework be used as the basis for further consultation with industry, the aviation training sector and Government. It is recognised that the issues relating to aviation do not relate to just WA – they are national issues and therefore any proposals on a way forward necessarily involve consideration of strategies at both the national and State levels, and in partnership with industry.</p> <p>The WA Government advocates that:</p> <ol style="list-style-type: none"> <li>1 Industry and the Commonwealth Government (Department of Education, Skills and Employment) develop a national industry workforce development plan as recommended by the Expert Panel. The planning process should include: <ol style="list-style-type: none"> <li>i. consideration of the establishment of a comprehensive training school(s) in Australia, which provides an industry wide career pathway program from initial training through to transitioning to major airlines;</li> <li>ii. input/involvement from state and territory governments; and</li> <li>iii. the wide sharing of relevant workforce and training data.</li> </ol> </li> <li>2 The Australian Industry Skills Committee and CASA give priority to work on aligning aviation qualifications and the licensing requirements of CASA.</li> <li>3 To boost the number of trained pilots, flying instructors and aircraft maintenance engineers and address the issues of cost, a partnership approach between the Commonwealth Government and industry be instituted. For example, the Commonwealth Government and industry could establish a scholarship scheme to cover the additional costs of achieving accreditation as a flying instructor and licenced aircraft maintenance engineer.</li> <li>4 The Commonwealth Department of Education, Skills and Employment continue to include the occupations of pilot and flying instructor on the appropriate list(s) for skilled migration to allow employers the ability to recruit overseas pilots and flying instructors.</li> <li>5 The Commonwealth Government through CASA further identify ways to reduce the regulatory impacts on aviation training as recommended by the Expert Panel.</li> <li>6 Consideration could be given to provide support/loans to pilots who have lost employment to assist them maintain their currency of skills. This may help remove the bottleneck of pilots all trying to get assessed for CASA requirements around the same time when work increases.</li> </ol>
<p><b>Targeted assistance: A sustainable and equitable funding base for CASA</b></p> <p>Are there options to rationalise the number of fees and methods of charging the aviation sector?</p>	<p>The airport fees structures vary significantly among regional airports in WA, adding to the complexity of airfare pricing. Some airports in WA, such as Albany and Esperance, have adopted a single 'per passenger' tax inclusive of all airport associated fees. Other airports have adopted different financial models with a range of separate fees, including fees for passengers (charged on a per head basis), security screening, terminal usage, landing fees based on the maximum take-off weight of the aircraft, and other fees.</p>

	<p>Furthermore, the methodology for calculating landing fees can also vary for different size and classes of aircraft. In WA, partnership agreements exist between Regional Express and local airport operators of Albany, Esperance, Carnarvon and Shark Bay. The partnership approach provides incentive for the airline to build demand and also provides certainty for the local government about the extent of the revenue that will be garnered from the airport.</p> <p>The disproportionate cost of aviation security is borne by passengers at small regional airports and that the costs should be shared equally by passengers across the entire network. If network security is to be maintained through a user-pays system, everyone who benefits from that security should pay equally to maintain the overall integrity of the security network.</p> <p>The WA Government supports exploring an Australian wide network pricing model to fairly spread the cost of security screening across the network.</p>
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# **Shire of Northampton**

## **Overnight Visitor Factsheet 2017/18/19**

Prepared by Tourism WA Strategy and Research  
September 2020



## Overnight Visitor Summary - Shire of Northampton

Three Year Average - 2017/18/19

The data in this factsheet refers to visitors who have spent at least one night in the Shire of Northampton Local Government Area (LGA)

Average Annual  
Visitors

188,000

Average Annual  
Nights

581,000

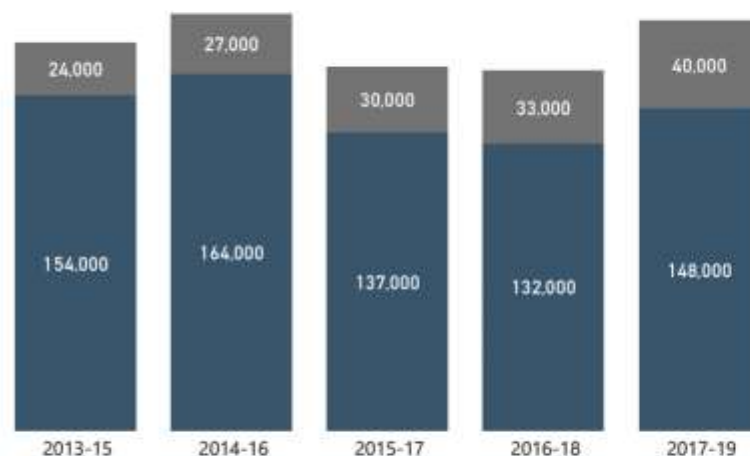
Average Annual Spend  
(\$ Million)\*

\$83

\*Four year average 2016/17/18/19

### Overnight Visitor Trends - Rolling Three Year Average

Market ● Domestic ● International



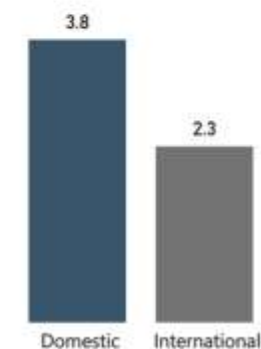
Market		2013-15	2014-16	2015-17	2016-18	2017-19
Visitors	Domestic	154,000	164,000	137,000	132,000	148,000
	International	24,000	27,000	30,000	33,000	40,000
	Total	178,000	191,000	167,000	165,000	188,000
Nights	Domestic	724,000	811,000	578,000	495,000	494,000
	International	70,000	77,000	84,000	77,000	87,000
	Total	794,000	888,000	662,000	572,000	581,000

### Visitors by Market

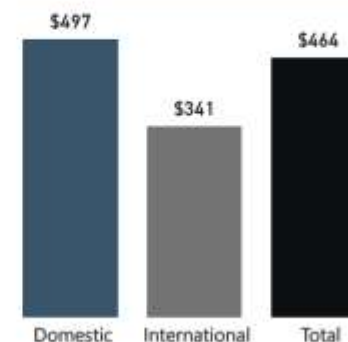


- Domestic 80%
- International 20%

### Average length of Stay (nights)

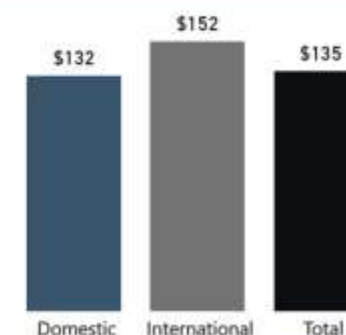


### Average trip spend\*



\*Four year average 2016/17/18/19

### Average daily spend\*



2

## Domestic Overnight Visitor Details - Shire of Northampton

Three Year Average - 2017/18/19

The data in this factsheet refers to visitors who have spent at least one night in the Shire of Northampton Local Government Area (LGA)

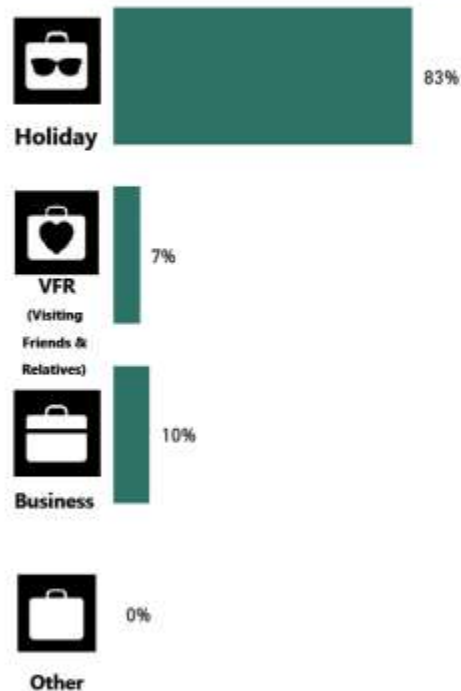
Domestic Visitors  
(Average Annual)

148,000

Domestic Nights  
(Average Annual)

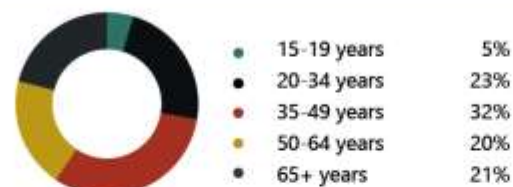
494,000

### Purpose of Travel



Sum of purpose may add to more than 100% as overnight visitors can visit the LGA for more than one reason.

### Age



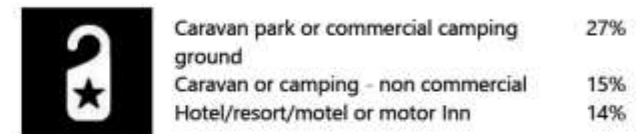
### Travel Party



### Length of Stay



### Top 3 accommodation (% of nights)



### Gender



### Definitions

**Domestic Visitors (Intrastate and Interstate):** Australian residents aged 15 years and over who spent at least one night in the LGA.

## International Overnight Visitor Details - Shire of Northampton

Three Year Average - 2017/18/19

The data in this factsheet refers to visitors who have spent at least one night in the Shire of Northampton Local Government Area (LGA)

International Visitors  
(Average Annual)

40,000

International Nights  
(Average Annual)

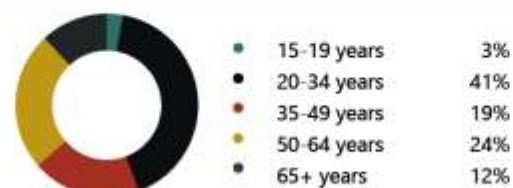
87,000

### Purpose of Travel



Sum of purpose may add to more than 100% as overnight visitors can visit the LGA for more than one reason.

### Age



### Travel Party



### Length of Stay



### Top 3 accommodation (% of nights)



### Gender



### Definitions

**International Visitors:** aged 15 years and over who spent at least one night in the LGA and are staying in Australia for 12 months or less.

## Visitor Factsheet - Further Information

The data in this factsheet refers to visitors who have spent at least one night in the Shire of Northampton Local Government Area (LGA)

### Important Note

All data is sourced from Tourism Research Australia's National and International Visitor Surveys (NVS and IVS).

To increase the sample size and hence improve the reliability of the data, estimates in this document are based on an average of the past three calendar years (2017, 2018 and 2019).

It is recommended by Tourism WA that the visitation statistics in this fact sheet are used in conjunction with other information sources that you have access to. This might include population statistics from the Australian Bureau of Statistics, feedback from local operators, information from local Visitor Centres, data from local councils etc.

Since 2018, changes have been made to both the IVS and the NVS. As such, estimates in this factsheet are not comparable to previous factsheets. For further information, see [NVS Methodology](#) or [IVS Methodology](#) on Tourism Research Australia's website.

The IVS and NVS collect expenditure information based on whole trips, hence expenditure data is available at a state/territory and tourism region level only. However, each calendar year, TRA models estimated expenditure at the LGA level for domestic and international overnight visitors (where sample size allows). Where available, this estimated expenditure has been included in this factsheet. For more information see [Local Government Area Profiles](#) on Tourism Research Australia's website.

### Sample

Market	Sample Size	95% Confidence Interval Visitors (±)	95% Confidence Interval Nights (±)
International	784	9.1%	49.3%
Domestic	223	16.2%	26.7%
Interstate	44	36.5%	69.2%
Intrastate	179	18.0%	28.8%

Note: Estimates in this factsheet need to be considered within the Confidence Intervals in this table. Data has not been provided where the Sample Size is less than 40 or the Confidence Interval is greater than ±50% (highlighted in red).



### Definitions

**Domestic Visitors (Intrastate and Interstate):** Australian residents aged 15 years and over who spent at least one night in the LGA.

**International Visitors:** International visitors aged 15 years and over who spent at least one night in the LGA and are staying in Australia for 12 months or less.

### Source

Tourism Research Australia, National and International Visitor Surveys, 2019