SHIRE OF
WESTONIA
A vibrant community lifestyle

Councillor Information Bulletin

For the Ordinary Council Meeting
held on Thursday 19th June 2025

INDEX

SHIRE OF WESTONIA

June/July 25

Date & Time	What	Where	Who
Thursday 19 June	Council Meeting	Chambers	Councillors, Senior Staff
???? 24-27 June	Road Inspection	Shire	Councillors, CEO, Construction Supervisor
Thursday 3 July	Draft Budget Meeting	Chambers	Councillors, Senior Staff
Thursday 17 July	Council Meeting	Chambers	Councillors, Senior Staff
Saturday 19 July	Inspection Houses Bill's Award Dinner	Perth	Councillors, Senior Staff

CEO'S REPORT

- **GENERAL MATTERS**

- A significant portion of time during the month has been spent on compiling the draft budget for Council consideration in early July. It is proposed that a draft budget meeting be held on Thursday 3rd July if suitable to Councillors.
- A annual road inspection is again recommended for Councillors with a suggestion of the last week of June between the dates 24 – 27th.
- Council will be required to advertise the Swimming Pool Managers position vacancy soon. I am keen also to advertise for a newly created position as Horticulturist/Gardener to assist in picking up the additional workload created by HCS.
- The new Museum building is nearing lock up stage with all external walls cladded, insulation installed, fibro internal walls installed, electrical and aircon pre-lay and preparation works on concrete floor surfacing having been completed.
- It is intended to commence the building structure over the Warm Water Pool in the next couple of weeks.
- The extensive landscaping works surrounding the Pool Kiosk is nearing completion with an end date being 30 June which will then see the installation of kerbing and asphalt path works to finalise the whole project. The finished product is going to look superb and complimentary to the whole precinct.

- Council have provided approval for the Royal Life Saving to conduct Vacation Swimming Lessons from the 19 December to 23 December 2025.
- Western Power have finally, after a 20 month process provided a quote for the installation of a new Green Dome at the Pool Kiosk location at a cost of $ 25,886.00. I guess another few months will be needed for the installation??
- I have submitted a quotation to the Water Corporation for reinstatement works on Woolgar Street in Walgoolan totaling $ 92,650.
- During the month the Westonia Progress Association conducted a cropping busy bee on the mine arable land.
- A replacement CEO Vehicle was purchased from Newtown Toyota with the trade being sold locally.
- I have provided information and assistance to the CEO of the Wongan Hills Shire who are currently experiencing a major new mine project within their shire. Information such as leasing arrangements, MOU's on recreational and emergency services, planning of accommodation camps etc.
- The new home for the Hird family has finally arrived in Pyrites Street.

- The Museum has gladly accepted further donations for the display including diecast car collection from Mick Cunningham, 3 x model airplanes from Ian Mohoney and various machinery service books and farm implements from Mick Lane. Much appreciation has been extended to the donors.
- Paul Smith also arranged for the donation of 3 x welders and a bench mounted drill stand from the Bruce Rock District School to the Westonia Men's Shed.
- Additions to Rust Park display items continue to grow with donations from Louis Geier Holden Ute and Brad Penny Hillman van being displayed at the bowser shed. Graham Jones has continued with the solar headlights in the vehicle which is a spectacle.

Bert Hillman

LeadFoot Louis

- Preparation of the CEO Performance Review document has been completed during the month.
- Two sides have been nominated to represent Westonia at the LGIS Gold Days being held in Kellerberrin 14-15 August.
- DCEO & I met with Telstra representative on 12 June regarding the connection and hardware requirements for the Fibre Optic.
- The President and I attended the Great Easter Zone meeting held in Kellerberrin on 13 June whereby Westonia had the opportunity to provide a presentation on what is happening in the shire.
- I met with Roland Houareau & Mickey Walton, Aslan Professional Services who are consultants engaged by the corporations to conduct community engagement in relation to the Tree Farming projects being proposed in the shire.
- I provided a town tour for a group of University students (coordinated by Jordi Smith) visiting the district on Wednesday 18 June.
- Council have now taken possession of the accommodation units and have deep cleaned and fitted out the rooms ready for use.

- The Westonia Progress Association house has also been cleaned, repaired and kitted out and is now ready for short term accommodation use.

  - **DELEGATED AUTHORITY ACTIONS**

  - **ROADCREW**

- Kevin Paust Construction Grader operator has been contracted by the Shire of Nungarin to final trim a Grain Freight Network project on the Mukinbudin Nungarin Road for approximately 3 weeks.
- The road trains continue to be engaged by Fulton Hogan on the Great Eastern Highway project.
- The maintenance grader has been doing drains and batter works in the South of the shire.
- Cart water to the Westonia Progress Association cropping/spray tank.
- The graders and rollers are still eagerly awaiting some decent rain so that winter grading program can be implemented.

  - **TOWN**

- Town crew have been assisting with the landscaping works being carried out at the Pool precinct.

- **<u>PLANT HOURS</u>**
  The following is a list of plant and vehicle kilometre and hour readings for the period ending 31.5.25.

Item		30.4.25	31.5.25
P1	*CAT 140 GRADER*	3,461hrs	3,551hrs
P2	*CAT 12M GRADER*	9,848hrs	9,945hrs
P3	*PRIME MOVER (KENWORTH)*	43,300kms	47,826ms
P4	*ROAD TRAIN (NEW FREIGHTLINER)*	138,448kms	143,298kms
P5	*JOHN DEERE LOADER*	5,644hrs	5,684hrs
P6	CAT ROLLER (SKIP)	2,389hrs	2,389hrs
P7	*MINI-EXCAVATOR*	1,363hrs	1,376hrs
P8	*TELEHANDLER JCB*	343hrs	385hrs
P9	*TOYOTA (GRADER UTE)*	63,257kms	64,473kms
P10	*MITSUBISHI CANTER*	28,784kms	30,074kms
P11	*TOYOTA HILUX (GARDENER) WT 35*	113,149kms	113,395kms
P12	*JOHN DEERE (5100)*	2,727hrs	2,727hrs
P14	*TOYOTA LANDCRUISER GXL (CEO)*	46,220kms	776kms
P15	*TOYOTA HILUX D/CAB (W/SUPER)*	45,499kms	49,490kms
P16	*TOYOTA RAV4 (Community)*	8,527kms	10,350kms
P17	*TOYOTA HILUX DUAL CAB*	60,848kms	62,682kms
P19	*FAST ATTACK*	20,089kms	20,205kms
P20	*FIRE TRUCK*	7,408kms	7,416kms
P18	*WESSY BUS*	152,144kms	152,274kms
P22	*KUBOTA RIDE ON MOWER (OVAL)*	2,149hrs	2,155hrs
P23	*TOYOTA MINI-BUS (WT COM V)*	48,269kms	49,167kms
P24	CAT ROLLER (LOLA)	2,825hrs	2,871hrs
P25	*MICK's BEAUT UTE*	181,389kms	181,885kms
P27	*TOYOTA PRADO GXL (DCEO)*	13,090kms	16,958kms
P28	*TOYOTA HILUX UTILITY (TOWN)*	3,163kms	3,378kms

COMMUNITY DEVELOPMENT AND WELLBEING REPORT

COMMUNITY DEVELOPMENT REPORT

Grant applications & award nominations submitted:

Nil

Future grant opportunities & award nominations:

Currently looking at new grants to cover Masquerade Ball. We are considering moving the masquerade ball to March 2026 to give us an alternate event to the biennial "Wessy on the Green"? this will give us more opportunity to obtain a grant that is more aligned to our event such as the CBH grass roots grant (Open August), Bendigo Grants (we have used twice in 2024) and Colgar Wind farm grants (October -December)

WELLBEING REPORT

Age Care

Westonia Home Care Services
We are continuing to provide community Wellbeing activities
We continue to provide Meals on wheels, Lite N Easy Equipment and Aids for our clients
Westonia Home Care Services Clients: **22.**
Staff delivering services: 6
Services: Administration and Package management, Cleaning and Household tasks, Medical, Personal Care, Social Support, Support work, Gardening & Maintenance, Meals, Allied health, Medicine management, Equipment and Home modifications.

Community activities and resources

2025 Activities/ Events:

Event working group chats continue to be held every 3rd Wednesday of the month next one will be the 18/6/25, 2pm @ the community centre.

Coming up:

Breast screen clinic we will be taking ladies via bus to Merredin, date TBC this week.

2/7/25 - Lunch at Mdn Palace Chinese and ticky tour road trip

Repainting the old school library mural (Date TBC at working group meeting.)

8/11/25 Christmas Markets Invites and save the dates have been sent out on Facebook and via email list.

March next year Masquerade Ball

WESTONIA TOURIST PARK

The Park has been very busy with this season's tourists and the recent hand over of a beautiful recreation and BBQ area and eight room donga accommodation since the mine closure. Bringing this accommodation up to the very high standard of the Westonia Tourist Park was no simple task. Our caretaker Jae did a magnificent job in supervising the clean up with the assistance of Stacey, Di, Fiona and Lani the extra effort doesn't go unnoticed and is very much appreciated. Also to Kerrylyne for washing all the new linen. These dongas and BBQ area are a great asset to the future of the park.

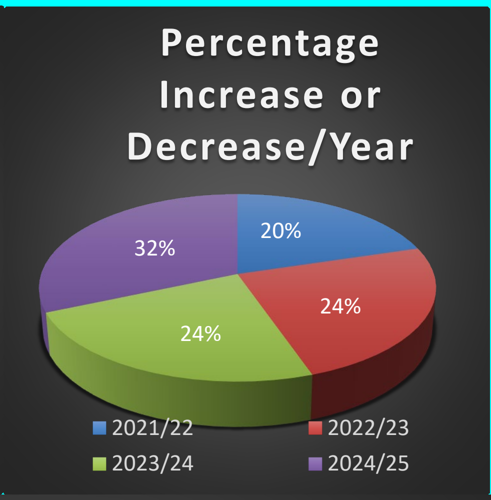
REPAIRS & MAINTENANCE

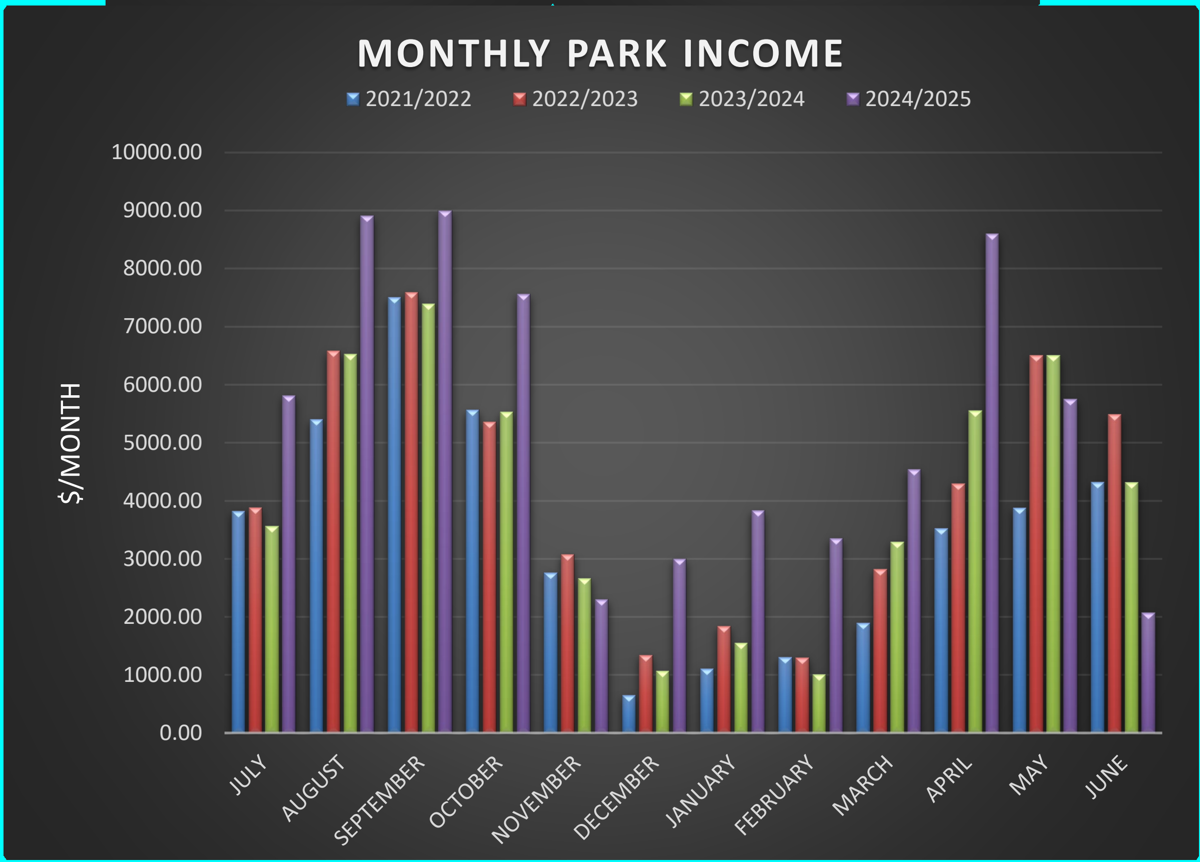
- Various minor repairs and maintenance ongoing. Focal area being bathroom maintenance (fixtures and disabled bathroom upgrade)
- Disabled toilet drainage will need some major work as tree roots have made their way into the pipes.

FUTURE PROJECTS

- Permanent signage required to say "If office is unattended, please ring the caretakers phone or Shire office alternatively you can visit the Shire office during business hours Monday to Friday to complete your booking".
- Overflow – new signs needed for sites and information sign needed to describe who to ring or see to book in and outline that you must un-hook. Defined bays might be a good idea for this area.

STATISTICS

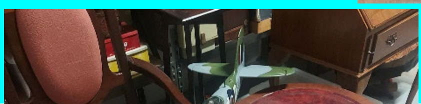




HOOD-PENN MUSEUM

The Museum has been a hive of activity, we have had items very generously donated by locals Michael Cunningham donated six model car replicas of the Holden Commodore Models driven in the Bathurst 1000 races from 1983 to 1995, all these model cars come with a certificate of authenticity, this is a great little collection that will be proudly displayed in cabinets in the new Garage Scene once the extension has been completed. Ian Mahoney has also generously donated three very impressive model war planes, a WW2 Messerschmitt Bf 109, WW2 Supermarine Spitfire and WW1 Biplane. These beauties will be suspended from the rafters in the war memorial scene, Mick Lane has donated a large collection of parts and service manuals, some various tools to be added to the Blacksmith scene and a 1960's Igloo tin water cooler. These donations are very much appreciated and will go a long way to enhance the museum experience. Thank you.



REPAIRS & MAINTENANCE

- Various minor repairs and maintenance ongoing

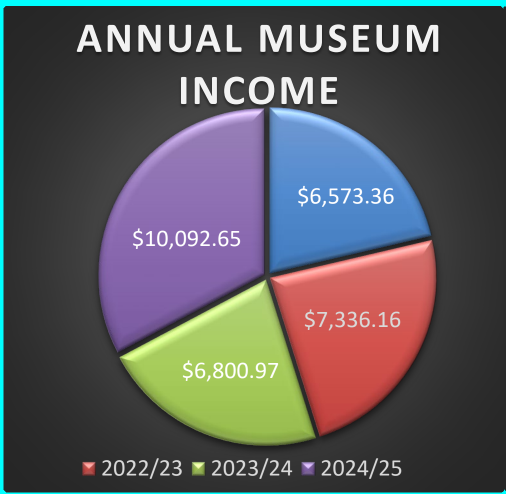
RECENT PROJECTS

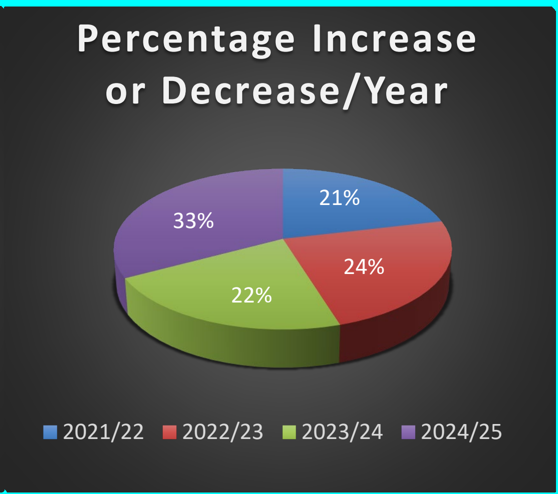
- War Memorial moved from OM Hall and photo signs now installed.
- Model War Planes to be hung in War Memorial scene
- 2 x New Mannequins are being constructed (a pilot and a garage attendant).

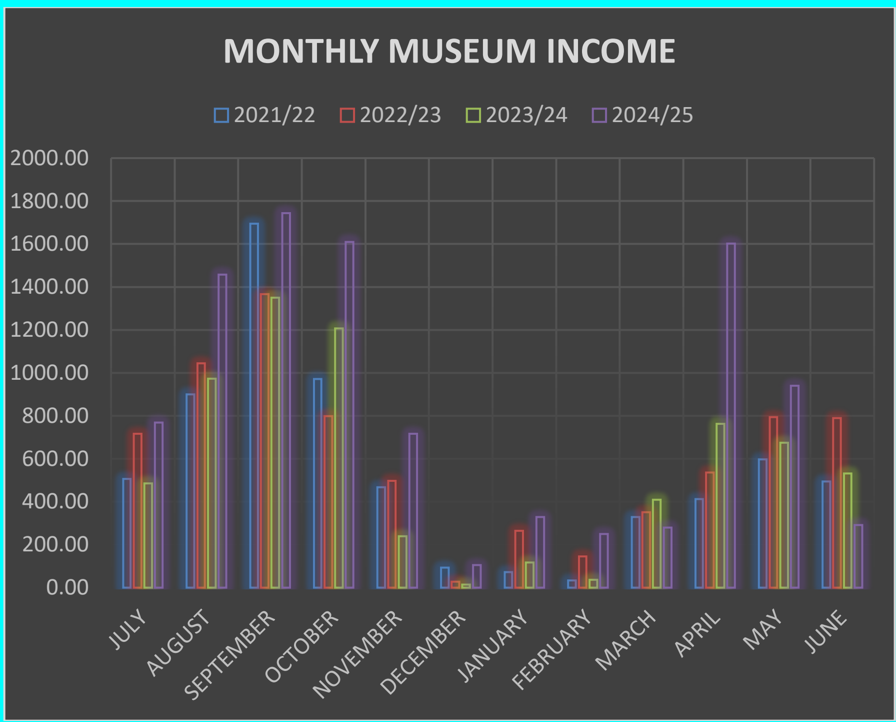
FUTURE PROJECTS

- New scenes to be created in the existing space of the old storage room to tell the stories of our primary industries of which Westonia was founded on.

STATISTICS







LGIS Membership Contribution Summary

Shire of Westonia

June 2025

Local Governments Working Together

For over two decades, we have stood by our West Australian local government members through thick and thin, working together to ensure the ongoing protection and vibrancy of local communities

As the protection partner of choice for WA local governments, we understand the complexity of the sector like no other.

Our risk program aligns with the priorities of modern, sophisticated local governments and supports their growth to meet changing community needs.

Based in WA our team of local government experts are always on-hand to support members – whether it's managing risk, providing cover to protect the organisation and community, or handling claims.

Table of Contents

Executive Summary

LGISWA (LGIS) is pleased to provide Shire of Westonia with renewal terms for 2025/26. This report includes alternative limit options where requested. We value your continued membership and look forward to working with you in 2025/26.

30 Years of local governments working together

1 July marks an historic moment for LGIS, on the same day 30 years ago LGIS launched. A lot has changed over that time, but the core purpose remains – local governments working together through a mutual to protect their people, organisations and communities.

LGIS was born from necessity, when the commercial insurance market withdrew cover and costs were escalating. WA local governments banded together to protect themselves making sure that they would always have access to appropriate, affordable and sustainable protection. The reasons that LGIS was formed still exists today – confirming that the mutual indemnity scheme remains the best option to protect WA local governments.

Since inception our services have grown to give member value that goes far beyond 'insurance.'

Why LGIS?

SURPLUS' BENEFIT MEMBERS
Surplus funds stay with the Scheme benefiting members as contribution credits, special distributions, and program investments.

FINANCIAL SUSTAINABILITY
LGIS delivers stable, predictable financial performance, year on year, providing members with peace of mind.

TAILORED PROTECTIONS
Members get protection that the commercial sector won't provide; enabling members to meet their legislated duties and serve their community.

BOARD REPRESENTATION
Local government members of the LGIS Board of Directors ensure that the voice of the sector is always heard, driving the Scheme's strategy.

TRUSTED RISK ADVISOR
LGIS has unique insights into the sector's ongoing and emerging risks. We respond with strategies that deliver real value back to our members and their community.

LOCAL GOVERNMENT SPECIALISTS
A team of committed local government specialists across claims, protection and risk who are passionate about supporting our members.

BENEFITS OF MUTUALITY
Distinctive protection through a mutual indemnity model, enhanced by specialised services, along with unique discretionary powers granted by Scheme rules and Trust Deed.

FUNDED PROGRAMS
Scheme funded programs to support members in managing their risks and encouraging a consistent approach to risk management across the sector.

Your member service team are here to assist you, please contact them for further information:

Megan Sumpton	Tel: 08 9483 8848 / 0400 352 651
Jason Harwood	Tel: 9483 8870

LGIS Update

2024/25 is predicted to finish well ensuring the ongoing delivery of sustainable long-term protection to the Western Australian local government sector. The year has not been without challenges, especially in workers' compensation, but the Scheme's prudent financial management has ensured a good position for the sector.

Financial Results

LGIS projects a financial surplus for 2024/25. This is good news for members and the Scheme ensuring that we are well placed to meet the evolving and growing risk exposure of the local government sector.

In 2024/25 our independent scheme actuaries, Scyne, completed deep analysis of the Scheme and sectors' exposures and the capital required to be able to respond. Claims performance, with an increase in costs and complexity, across many areas of cover points to a need for increased capital capacity to meet the sector's growing need.

Our actuaries recommended that we retain capital in the range of 1.5 to 1.9 times the Minimum Capital Requirement (MCR). The Scheme commenced the year with capital below the target range and the projected surplus is anticipated to assist in meeting the capital requirement. It's for this reason that the Board has decided to retain the 2024/25 surplus.

Investments are a large portion of our income. Like all investors we've been impacted by the uncertainty of global events, particularly the USA's tariff decisions. Our investments are in a good position, however given the dramatic fluctuations experienced across financial markets it's difficult to predict what the result will be come 30 June 2025. All indicators show good recovery from market movement, and we anticipate that investment earnings will contribute a large component of this year's surplus.

Managing your Scheme

Our financial position continues to experience expenditure pressure; the nature of our business is volatile, and the sector's claims performance has been concerning on several fronts.

The WorkCare portfolio remains in the spotlight with rising claims costs. A significant consideration in the requirement to increase capital retention was the new *Workers Compensation and Injury Management Act 2023 (WA)* which substantially increased worker entitlements. Refer to the WorkCare update for more information.

Our Liability, Property and Motor portfolios have also experienced escalating claims costs with supply chain delays and replacement costs growing faster than inflation. Forecasts indicate that the construction and automotive sectors will continue to be constrained in the coming year with labour force challenges and supply chain delays. That said, all funds are expected to performed well in 25/26, but witnessed development on prior periods, with Liability incurring significant increases on the back of bushfire and catastrophic injury losses

This year also brings in changes to the Scheme Rules and a new Product Disclosure Statement (PDS). The updates reflect the modern operating environment and clearly articulate the expectations of local government members and what you can expect from your Scheme. As a mutual we rely on our members to adopt the cooperative philosophy of LGIS. The details of recent amendments can be found in the Disclosures section of this report. The full Scheme Rules and PDS are available on the LGIS website.

2024/25 Overview

There are four factors that influence member contributions – the sector's claims performance, cost of capital, members risk profiles, and overall performance of the Scheme.

Most of the claims paid by LGIS come out of the pooled fund, that is the 'bucket' that member contributions are put into every year. To protect the pooled fund LGIS also has indemnity partners (insurers and reinsurers) who pay a proportion of large and extraordinary claims. In an ideal world the number of times and amounts that LGIS would draw down from our indemnity partners would be minimal.

LGIS places significant weight on the risk management practices and controls implemented by members in addressing sector-specific exposures. Good risk mitigation across the sector places downward pressure on claims and improves our ability to defend claims, reducing the overall quantum.

Looking at the sector's claims performance for 2024/25 there are areas that the sector will need to focus on over the next fund year. These are detailed in the updates for each portfolio.

Accurate risk profiles are vital and the Scheme's programme to improve data quality is paying dividends. Improvements to the online renewal declaration platform have been well received by members, in particular the collaborative functions allowing multiple staff to be involved in the process and the ability to import data from last year.

The range and quality of data collected provides us with a deeper understanding of the unique operating environment and concerns of local government in Western Australia.

While the general market conditions prevail across all protection classes, the most significant impacts for the mutual have been on workers' compensation.

LGIS Property

All indicators point to a positive year for the Property portfolio for 2024/25, closing out within the $10 Million retention. This is pleasing as inflation and supply chain bottlenecks have remained significant factors on the portfolio's performance, and we have closed out a handful of large, long-tail claims.

Fortunately, there has been minimal damage from the bushfire and cyclone season. Tropical Cyclone Zelia was the most significant for this fund year and while there was widespread flooding and wind damage, we avoided any major loss events.

We expect increased scrutiny of asset registers and valuations as many members have been exposed to under declaring the assets.

Several policy changes are likely to come into effect for 2025/26. Whilst their impact is on low frequency events, please discuss these changes with your account manager.

- Average clauses applied to business interruption cover.
- Landscaping definition amended to reflect intent of cover
- Greens cover to be reduced from $500 K to a $100 K any one event and $250 K in the aggregate. Members do not declare these assets and has no impact on contribution paid.

Members must proactively manage their assets to improve their risk positions, focus should be on is on proactive housekeeping, maintenance, fire prevention practices, building locations, and heritage listing.

Waste management continues to attract interest and is an area of concern due to the fire load, ignition sources, and potential fire spread, which will only increase as battery contamination and solar/e-waste contamination become more prevalent. LGIS has increased its focus and strongly recommends members consider the LGIS waste management risk guide which clearly outlines practical strategies to address concerns.

On average property contributions increased in the low-mid single digit range, with members exposed to catastrophic losses and poor claims experience witnessing above average increases.

LGIS Motor Fleet

The Motor portfolio has experienced varied performance, and continues to be influenced by significant loss events, weather-related incidents, and supply chain disruptions, resulting in claims that exceed the five-year average.   Overall cost of damaged fleet is significant as repair wait times and costs escalate.

There's plenty of room for improvement in the Motor portfolio with minor at-fault accidents accounting for a disproportionately high per centage of total claims.

There are two minor changes in cover for 25/26:

- Increase in "Bushfire Volunteer private vehicle" sub-limit form $1 M - $1.25 M per period of protection
- Minor changes in wording to reflect increased penetration of electric vehicles. By taking a pro-active approach to managing at-fault claims members can have a material impact on the performance of the Motor portfolio, placing downward pressure on contributions.

Although there has not been a notable improvement in performance, on average, member contributions rates for 2025/26 have remained stable, with fluctuations attributed to claims deterioration and alterations in fleet size

Members are urged to engage with LGIS' motor fleet risk management programme to identify and address gaps in fleet management to improve performance.

LGIS Liability

The size and strength of liability program continues to provide members with stable coverage and minimal pricing changes., despite development of prior year claims. However, there is increased focus on both active participation by members in risk programs and the close out of recommendations.

Liability claims over the past 10 years, including significant losses, highlights the need for ongoing focus on five key asset areas:

- Trees
- Roads and footpaths
- Playgrounds and public open spaces
- Swimming / aquatic
- Planning (Land use, building, enforcement)

Other related and significant concerns lie around:

  - **Bushfire liability** coverage is a significant topic of conversation from even the more mature indemnity providers on our program. In recent years there have been a several WA local government claims which have put preventative bushfire functions and tree management in the spotlight. To date the number of claims has been small but the potential cost has been significant. Our partners are scrutinising all facets of how members manage bushfires and reduce their frequency this includes decisions on burning permits, bushfire management plans, vegetation management plans.

- **Procurement practices** are in focus for the Scheme. Although claims numbers have been small the potential quantum has been high. Members are reminded to ensure that have good governance and rigorous procurement processes. Too often LGIS is asked to review or comment on a contract once it has been signed, and no amendment can be made.

Management Liability

There are several significant matters that will fall within the new legislation and will develop in the years ahead, as investigations conclude and decisions to prosecute are made.

Work, health and safety (WHS)**,** particularly **contractor** and **volunteer bushfire fighter management** are in the spotlight. There are several incident investigations which are ongoing and will be turning points to provide clarity on local government responsibilities in the management of regarding volunteer bushfire fighters. Another area of interest is the sector's labour hire contract practices to meet WHS duties and obligations to deliver a safe work environment. Again, there are several incidents under WorkSafe WA investigation which will provide clarity.

Indemnity partners and the Scheme are looking to members to adopt policies and procedures alongside thorough documentation to demonstrate that they are making reasonable efforts to meet their duty of care in this area.

The increased loss activity in relation to employment practices and the changes in the *Local Government Amendment Act* are reflective of contribution movements. In the first year of increased pool cover we have witnessed gross claims projected more than the pooled retention. We encourage members to carefully consider their general practices around:

- Employment Contract
- Due process in investigation and termination processes

Commercial Crime and Cyber

Throughout the last three period, here has been an uplift in the overall cyber security and awareness of local governments. There has also been a slight improvement in the control environment which is recognised in both the self-assessment data captured by LGIS and recent Office of the Auditor General (OAG) reports.

LGIS has made significant investment in improving awareness over two years, with 2024/25 seeing over 15 workshops focused on Incident Management and the ASD 8. The sector also has a significant 12 -24 months ahead with the introduction of *Privacy and Responsible Information Sharing Act (2024) WA*.

- **Indemnity provider focus:** shifting their focus more towards the internal controls of members.
- **Claims trend:** Claims frequency in Australia has been climbing over the last 11 years, with ransomware events continuing to dominate. Locally, members have been impacted by business email compromise and social engineering fraud.

As the use of artificial intelligence (AI) technology continues to grow in the ever-evolving digital world, it is also increasingly being used in cyber-attacks on small businesses. As the use of AI becomes more prevalent, it's more important than ever for LGIS members to protect their business and improve cyber resilience.

The LGIS Board is considering further support that can be provided to the sector around key aspects of loss management and systemic risk control.

LGIS Bushfire Volunteers Personal Injury

Plans for the *proposed Combined Emergency Services Act* are progressing and creating an uncertain risk environment for volunteer bushfire fighter personal injury protection. The bushfire portfolio is already the most volatile in the Scheme due to the cost, nature, and severity of claims. Political discussions have increased this uncertainty.

Ongoing discussions to provide volunteer bushfire firefighters with protection for presumptive post-traumatic stress disorders (PTSD) is of particular note for the Scheme. Initial modelling by the Scheme's actuaries shows that costs, exposure and pooled funding to cover this would dramatically increase if presumptive PTSD is adopted. Any political discussions must consider; models to fund this protection taking into account the sector's capacity; and our reinsurance partners appetite to take on the risk.

Our indemnity partners are extremely cautious and seek to reduce their exposure. Scrutiny is given to our local governments on how they manage their volunteer brigades, training, fitness for work, and oversight during an emergency response.

In recent years there have been several significant incidents involving volunteer bushfire fighters and spontaneous volunteers. These are being investigated by WorkSafe WA, and we expect to the findings to be released in 2025/26. This should provide LGIS and the sector with greater clarity on work, health and safety responsibilities with regard to bushfire response.

Based on the current claims' performance, it is expected that the Bushfire Personal Injury fund will remain below the retention of $750,000 in the 2023/24 fund year whilst developments will occur in the 2024/25 fund year due to some significant injuries.

LGIS WorkCare

The conclusion of 2024/25 marks the first 12 months of the new *Workers Compensation and Injury Management Act (2023) WA.* The new Act brought with it significant changes for the Scheme in managing claims and for the sector. We are still adapting to these changes, as well as further developments during the same period. In addition to the known changes that came with the Act we have been impacted by:

- New compliance and complaints processes
- ATO private ruling which impacts settlement values

2024/25 Challenges

In 2023/24 Scheme actuaries, Scyne, forecast the financial implications of the Act and recommended LGIS substantially increase retained capital to ensure our ability to meet new legislative obligations. The performance of 2024/25 looks to support this decision with a fourth consecutive deficit predicted for WorkCare.

Key challenges for the portfolio include:

- Claimant medical and health entitlements increased by 40% to approximately $150 K per claim exclusive of travel costs.
- Settlement has proven to be more difficult to achieve, all return-to-work avenues (including external re-deployment) must be explored before settlement can be considered.

- Focus on return-to-work, providing alternative and/or light duties for injured workers has proven challenging with many members unable or unwilling to facilitate return-to-work with light or alternative duties.
- Provisional payments of weekly benefits (wages) must be paid if a claim is deferred for more than 28 days.

Decision timelines

The 14-day decision timeframe has proven incredibly challenging for the sector. On average LGIS has not received claim documents quickly enough from members which has had substantial run-on effects to timely liability decisions.

It's vital that members remember that the 14-day decision countdown starts when the employer receives the claim form, NOT when LGIS receives it. It's also 14 calendar days, NOT working days, so it's imperative that LGIS is notified of claims immediately.

Late receipt of claim documents has two significant areas of impact:

- Reduced time to consider and investigate a claim may mean LGIS makes a decision that we ordinarily may not have made.
- Material impact on the cost of the claim.

ATO Private ruling impact on settlements

A February 2024 private ruling from the Australian Tax Office is already having a material impact on settlement values. The income component of a settlement payout must now be gross, this was previously net (less tax value). Scheme actuaries have estimated a 10%+ increase to the income component of all settlements which has a substantial impact on the overall value of settlements. The Scheme actuaries have factored this into recommendations for 2025/26 retention.

Financial performance and contributions

2024/25 sees the fourth consecutive deficit for the WorkCare portfolio. Although claims numbers have plateaued the average cost is increasing significantly – claims are more complex, and workers are taking longer to return to work. This impacts contribution rates.

WorkCare is not impacted by global insurance trends. The benchmark rates for workers' compensation are set by the WorkCover gazetted rates which in recent years have increased year on year for Local Government Administration. LGIS WorkCare rates, however, are based entirely on the member's and portfolio's performance.

The market for indemnity providers has continued to shrink for workers' compensation and the sector's performance has made it even more challenging. LGIS' strong, long-term relationships with our indemnity partners has ensured continued protection for the sector. However, those members with poor claims performance will see this reflected in their 2025/26 contributions

For 2025/26, LGIS continues with the five different risk categories that are closely aligned to individual members risk profile. For performance-based members, the option of a blended rating (whereby a reduced deposit is utilised) continues to be offered.

For fixed rate-based members, we continue to consider critical factors such as claims experience, incurred but not reported claims trends, and past contributions to calculate equitable ratings for the 2025/26 fund year.

Improving claims performance

Workers' compensation is firmly in the sights of the LGIS Board of Directors and is one of their top concerns for the new financial year. The Scheme is investing heavily in programmes to reduce claims costs and time away from work. It's imperative that members 'do their bit', proactively managing fitness for work, cooperating with the workers' compensation process, and providing accommodations and light duties to facilitate the return-to-work process.

To support the sector in reducing claims and proactively LGIS funds additional programmes including:

- **Injury management** for workers' compensation claimants, with four specialist allied health professionals who work with claimants and members to address the rising cost of treatment and facilitate return to work. Of particular concern is the increasing number and cost of surgery. Wherever possible we will seek conservative, non-surgical intervention to support claimant recovery and reduce costs.
- Our **Early Intervention Programme (EIP)** provides a suite of services including clinical psychology, mediation, physiotherapy, injury management, and a range of other allied health services to support injured workers. A claim does not need to be lodged to access these services. This service aims to avoid a claim being lodged. Where the injury develops into a claim, the prior engagement of EIP has proven to make a material difference in reducing the overall claim cost.
- **Injury prevention** services aim to upskill the sector in reducing musculoskeletal injuries arising from manual task hazards. We provide onsite training and a wide range of resources to support members, delivered by two allied health specialists.
- **Work, health and safety** services support member in creating safer workplaces. In recent years our services have focused on uplifting the sector's ability to identify and mitigate psychosocial hazards in the workplace. This is in addition to the ongoing three steps to safety programme, work health and safety guidance, and support in managing volunteers.

LGIS Structure

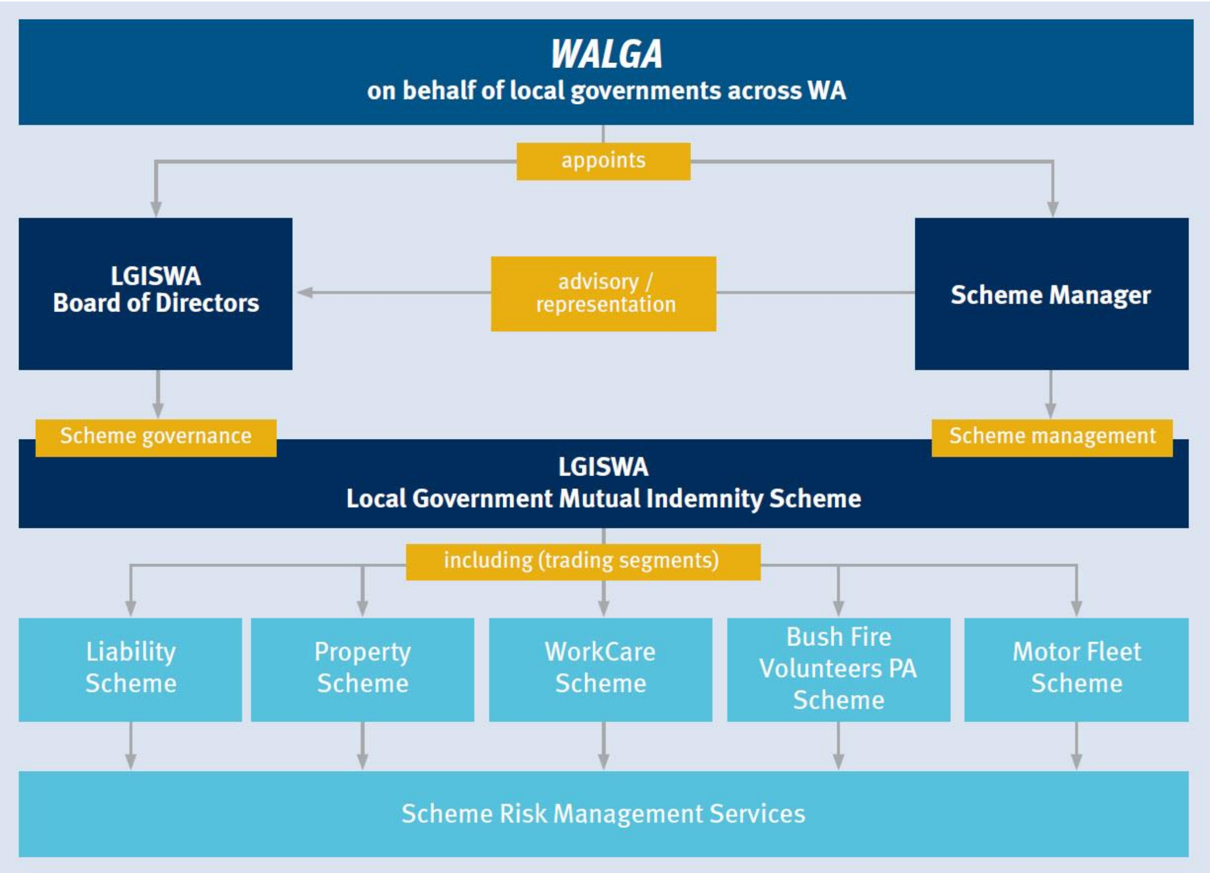
The WA local government mutual indemnity scheme known as LGISWA, or LGIS, is a WA Local Government Association (WALGA) service managed by JLT Risk Solutions (ABN 69 009 098 864 AFS Licence No: 226827) which is a business of Marsh McLennan.

JLT Risk Solutions (also known as JLT Public Sector), have managed your local government mutual indemnity scheme and provided insurance broking along with delivering related services, for over two decades.

They were appointed to manage the scheme by WALGA through a Trust Deed.

The diagram below illustrates the relationship between WALGA and JLT Public Sector.

WALGA also appoint a Board of Directors, on behalf of State Council, the majority of whom are local government representatives, to oversee the strategic management of the scheme.



Your Board of Directors

WALGA has appointed a Board of Directors to represent the State Council and lead the strategic direction of LGIS.

Recognising the broad skill sets and understanding to successfully lead the Scheme the Board of Directors comprises of two WALGA representatives, three independent directors and four local government representatives.

Each Director’s term is three years, and they may have up to three terms, for a total of nine years.

Peter Forbes
Chair - Independent

Mary Woodford
Independent

Kelly Hick
Independent

Nick Sloan
WALGA CEO

Cr Karen Chappel AM
WALGA President

Ben Rose
Shire of Manjimup

John Pearson
City of Rockingham

Cr Chris Antonio
Shire of Northam

Cr Paul Kelly
Town of Claremont

Mutual Benefits

LGISWA is the local government mutual indemnity scheme owned by its local government members.

LGISWA (the Scheme) exists through a Trust Deed arrangement between WALGA and the members and is managed by JLT Public Sector.

The Scheme is not-for-profit with surpluses being returned to members.

The scheme exists to provide financial protection for the benefit of local governments who are members of LGIS. LGIS provides discretionary risk protection solely to our members and claims on LGIS can only be made by members.

As a mutual LGIS uses the combined size and scale of the entire WA local government sector to spread the cost of risk

What is a Mutual Indemnity Scheme?

A mutual indemnity scheme is a financial vehicle for the management of risk. It is important to note that the Scheme is not insurance -it is an alternative risk financing strategy.

Mutuals are established by organisations with a common purpose (in the case of LGIS, local governments).

Scheme members contribute funds to create a Fund, or a 'pot of money', which is used to manage the primary layer of risk (Pooled Cover). The Scheme buys a variety of 'insurance' (indemnity covers) in excess of these Pooled Covers to provide members with the protection they require

As funds are administered for the benefits of members there is a clear relationship between the successful execution of risk improvement strategies, which lowers risks and losses, and the increased financial strength of the mutual. This leads to greater member benefits – stability in pricing and coverage; risk services to support members, which in turn has enabled, in the case of LGIS, over $60 M to be returned to members since 2007.

Discretion

The unique feature of a mutual which sets it apart from insurance is discretion.

The power of discretion rests in the hands of the members via the LGIS Board. The Board has sole and absolute discretion over all claims for loss. As a member-based organisation, the Board will act in good faith and in the best interest of all members.

Claims Management

LGIS considers all Scheme claims for risks covered under protection policies. The Board of LGISWA will determine with respect to pooled cover claims, in its sole and absolute discretion, whether the Scheme will, in respect of any such claim, either in whole or in part and upon such terms and conditions as the Board may consider appropriate, provide indemnity.

Claims made under the relevant discretionary protection policies will be assessed as follows:

- The matter can be considered as a "claim" under the relevant protection policies.

- All protection policy conditions, and Scheme Rules are met by the member.
- The matter / claim does not breach any exclusion as set out in the protection policies.
- The Scheme has adequate capital to respond to the claim(s).
- The discretion of the Scheme is limited to the pooled cover adopted for each fund and protection policy.
- If indemnity cover is required in respect of a claim, indemnity for the claim will only be granted once confirmation of indemnity cover response is received by the Scheme.

The Board will exercise its discretion with respect to claims by reference to the following principles:

- The considerations set out in paragraph one above.
- Whether, in the Board's opinion, it is in the interests of local governments in Western Australia that indemnity be provided in a particular claim.
- Whether the member, in the circumstances of the claim, was acting in respect of:
  - A public function or power
  - A private right or contractual arrangement
  - A commercial or deliberate decision
  - Perceived public interest
- Whether the fund would be materially financially disadvantaged by the grant of indemnity.
- Whether the conduct of the member is such that, in the Board's view, a grant (or denial) of indemnity to the member would offend the conscience of a reasonable local government.
- Whether the grant of indemnity to the member is consistent with the relevant policy wording.
- Whether the grant of indemnity would find protection, or be excluded, under the LGISWA's indemnity cover arrangements.

Working Together

The benefit of LGISWA is that it's owned and run for the benefit of a community of like-minded organisations.

The strength of LGISWA rests in our local government members working together. Our breadth across the membership softens and smooths the variable loss experiences of individual members. Member ownership of LGISWA allows savings from that pooling to be retained by the members.

The success of LGISWA is dependent on our members.

This includes how they manage their own risks and work cooperatively together.

Good, cooperative members of the Scheme are committed to proactive risk management. They work closely with LGISWA and access the Scheme Risk Programs. Typically, they make sure that they:

- Provide accurate information in relation to their protection or claims.
- Cooperate with all reasonable requests while processing their claim
- Lodge claims which are the result of a valid loss event.
- Act on recommendations from risk assessments.
- Address problems as soon as they become aware of them, where reasonably possible.

- Actively try to minimise their risks and chance of loss.

When all members adopt a mindful, proactive approach to risk management then LGISWA will thrive, and pooled contributions can be used to protect members when they need it most.

Regional Road Group Report
June 2025

Roads

Local Government Transport and Roads Research and Innovation Program (LGTRRIP)

Guidelines for the use of crumbed rubber modified sprayed seals, reclaimed asphalt pavement (RAP) and a catalogue of standard pavement profiles have been published recently. Work has commenced on an investigation into available technologies for best practice road condition assessments and data collection and the development of a road safety rating tool for intersections.

Condition Assessment of Roads of Regional Significance

The condition assessment survey project for the Kimberley region is underway, with data collection ongoing. The project is anticipated to be completed by the end of June 2025. This will complete the assessment of the most regionally important Local Government roads across the State.

Road Rail Interface Agreements

Rail Interface Agreements are a requirement under the *Rail Safety National Law (WA)*. For road/rail interfaces on the Arc Infrastructure network, a model pro forma agreement between Local Governments and Arc Infrastructure has been drafted and agreed and is currently undergoing legal review by Arc Infrastructure and Main Roads WA. Once this is complete, the Agreement should be available for Local Government review and action soon. WALGA will begin a process to liaise with each relevant affected Local Government to provide advice around the new agreement, prior to Arc Infrastructure dispatching the relevant Agreements to each Local Government.

Update of User Guides for calculating the cost of road wear for defined freight tasks

Revised guides for calculating the cost of road wear for defined freight tasks on sealed and unsealed roads have been published on the WALGA website. A downloadable Excel calculator that will guide practitioners through the methodology has also been developed. This second edition reflects significant escalation in road construction costs.

Funding

Multi-Criteria Assessment (MCA) Model Revisions

The WALGA Infrastructure Team is working with the Regional Road Groups to harmonise the MCA models used by Regional Road Groups to prioritise projects for Road Project Grant funding. The proposed changes to the MCA models reflect the new focus areas of the State Roads Funds to Local Governments Agreement, while still allowing for flexibility to recognise the significant differences between regions. All the Regional Road Groups have commenced the MCA revision process, with the process in the Gascoyne, Great Southern, and South West regions now complete.

Transport

Bus Stop Infrastructure

The Bus Stop Infrastructure Agreement has been finalised, with the formal signing scheduled for June.

Active Transport and Micromobility-Discussion Paper

WALGA recently hosted two Active Transport workshops – the Strategic Forum on 6 March with high-level stakeholders, and a follow-up online workshop for Local Government officers on 2 April. These sessions provided valuable insights into the gaps and challenges in active transport across the sector. This work now forms the foundation for the next stage, which will focus on developing a formal policy position to guide and support active transport initiatives in Local Government.

Asset Management

Road Assets and Expenditure (RAE) Report Project

With the completion of a final report detailing the current processes used to develop the RAE Report and identifying options for improvement in data collection, interpretation, and presentation, work is now ongoing to prepare tender materials and commence the project to achieve the future state of the RAE process. This phase will include the development of a database, reporting interface, and dashboard.

Road Safety

RoadWise Recognised

Seventy-six Local Governments are registered RoadWise Councils. The RoadWise Recognised Advisory Committee met in February and May 2025. Points, which signify road safety actions undertaken, were considered for 72 (95%) of RoadWise Councils who together recorded more than 200 activities each quarter. The Points that were allocated reflected actions delivered across the different areas of the RoadWise Framework. The spread of activity demonstrates how holistic the approach to road safety across governance, management, and operations has been and is acknowledged with the awarding of RoadWise Recognised Ribbons, up to a maximum of five. In this way, the allocation of Points and Ribbons is designed to encourage local road safety toward better and ultimately best practice.