

SHIRE OF
WESTONIA
A vibrant community lifestyle

AGENDA

Ordinary Council Meeting

To be held in Council Chambers, Wolfram Street Westonia
Thursday 24th October 2019
Commencing 3.30pm

Dear Councillors,

The next Ordinary Meeting of the Council of the Shire of Westonia will be held on Thursday 24th October 2019 the Council Chambers, Wolfram Street, Westonia.

Lunch – 1.00 pm

Discussion Period – 1.30 pm – 2.30 pm

Afternoon Tea – 3.00 pm – 3.30 pm

Council Meeting – 3.30 pm

A handwritten signature in black ink, appearing to read 'J. Criddle'.

JAMIE CRIDDLE
CHIEF EXECUTIVE OFFICER
18 October 2019



Disclaimer

No responsibility whatsoever is implied or accepted by the Shire of Westonia for any act, omission or statement or intimation occurring during Council meetings.

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In particular and without derogating in any way from the board disclaimer above, in any discussion regarding any planning application or application for a license, any statement or intimation made by any member or Officer of the Shire of Westonia during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Westonia.

The Shire of Westonia warns that anyone who has any application lodged with the Shire of Westonia 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 Westonia in respect of the application.

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1. DECLARATION OF OPENING

The President, Cr Day welcomed Councillors and staff and declared the meeting open at 3.30pm.

2. SWEARING IN OF COUNCILLIORS

The Chief Executive Officer will preside over the swearing in ceremony of newly elected councillors.

In accordance with Section 2.29 of the Local Government Act 1995, Councillors elect will each in turn took the Oath of Allegiance/Affirmation of Allegiance, read and signed the declaration to the Office of Councillor in the presence of the Chief Executive Officer as per the requirements of the Act.

The *Oaths, Affidavits and Statutory Declarations Act 2005* and Schedule 2 of that Act list the authorised people who can witness declarations.

These are –

Schedule 2 — Authorised witnesses for statutory declarations

21. The chief executive officer or deputy chief executive officer of a local government.

22. A member of the council of a local government within the meaning of the *Local Government Act 1995*.

2.1. ELECTION OF PRESIDENT

The election of the President will be conducted by the CEO.

The procedure for electing a Shire President is set out in Schedule 2.3, Division 1, of the Local Government Act 1995 (*see attached*). The process will be as follows:

- Nominations for the office are to be received in writing to the Chief Executive Officer before the meeting, or during the meeting before the close of nominations. Nominations close at the meeting at a time announced by the Chief Executive Officer.
- Councillors are to vote on the matter by secret ballot as if they were electors voting at an election. The votes cast are to be counted, and the successful candidate determined in accordance with Schedule 4.1 of the Local Government Act 1995 (*see attached*).
- If two or more candidates receive the same number of votes, so that no candidate has the greatest number of votes, the count is to be discontinued and the meeting is to be adjourned for not more than seven days.
- Should this occur, it is intended to initially adjourn the meeting for ten minutes, and then resume the meeting. Any nomination for the office may be withdrawn, and further nominations may be made, before or when the meeting resumes. When the meeting resumes the councillors are to vote again.
- The Chief Executive Officer is to declare and give notice of the result in accordance with regulation 11F of the Local Government (Constitution) Regulations 1998 (*see attached*).
- Following the announcement of the successful candidate a swearing in of the newly elected President will take place.

The Shire President then takes up the position of presiding member for the meeting.

2.2. ELECTION OF DEPUTY PRESIDENT

The election of the Deputy President will be conducted by the President.

The procedure for electing a Shire Deputy President is set out in Schedule 2.3, Division 1, of the Local Government Act 1995 (*see attached*). The process will be as follows:

- Nominations for the office are to be received in writing to the Chief Executive Officer before the meeting, or during the meeting before the close of nominations. Nominations close at the meeting at a time announced by the President.
- Councillors are to vote on the matter by secret ballot as if they were electors voting at an election. The votes cast are to be counted, and the successful candidate determined in accordance with Schedule 4.1 of the Local Government Act 1995 (*see attached*).
- If two or more candidates receive the same number of votes, so that no candidate has the greatest number of votes, the count is to be discontinued and the meeting is to be adjourned for not more than seven days.
- Should this occur, it is intended to initially adjourn the meeting for ten minutes, and then resume the meeting. Any nomination for the office may be withdrawn, and further nominations may be made, before or when the meeting resumes. When the meeting resumes the councillors are to vote again.
- The Chief Executive Officer is to declare and give notice of the result in accordance with regulation F of the Local Government (Constitution) Regulations 1998 (*see attached*).
- Following the announcement of the successful candidate a swearing in of the newly elected Deputy President will take place by the CEO or President.

3. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Councillors:

Cr KM Day	President
Cr WJ Huxtable	Deputy President
Cr RS Corsini	
Cr JJ Jefferys	
Cr RA Della Bosca	
Cr DL Geier	

Staff:

Mr. JC Criddle	Chief Executive Officer
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Members of the Public: Nil

Apologies: Nil

Approved Leave of Absence: Nil

4. PUBLIC QUESTION TIME

Nil

5. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

6. CONFIRMATION OF PREVIOUS MINUTES

OFFICER RECOMMENDATIONS

That the minutes of the Ordinary Meeting of Council held on 19th September 2019 be confirmed as a true and correct record.

7. RECEIVAL OF MINUTES

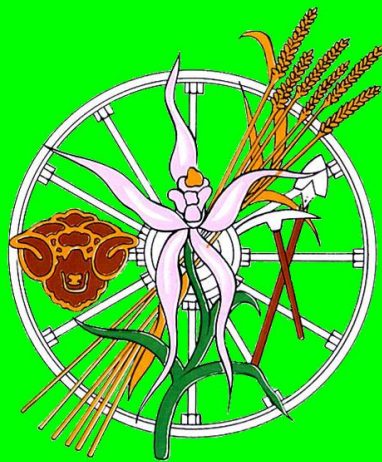
OFFICER RECOMMENDATIONS

That the minutes of WEROC Executive Meeting held on 25th September 2019 be received.
That the minutes of CEACA Meeting held on 5th June 2019 be received.

8. PRESIDENT/COUNCILLORS ANNOUNCEMENTS

The President, Cr Day advised having attended the following meetings:

Shire of Westonia



RECEIVAL OF MINUTES



Executive Meeting

Wednesday 25 September 2019

Council Chambers, Shire of Merredin

MINUTES

The meeting commenced at 10.00am

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WEROC

Wheatbelt East Regional Organisation of Councils

Shires of Bruce Rock, Kellerberrin, Merredin, Westonia, Yilgarn

An In-person Executive Meeting commencing at 10.00am

MINUTES

1. OPENING AND ANNOUNCEMENTS

The WEROC CEO, Peter Clarke opened the meeting at 10.00am, welcoming all in attendance.

2. RECORD OF ATTENDANCE AND APOLOGIES

2.1 Attendance

Mr Peter Clarke, CEO Shire of Yilgarn and CEO WEROC (Chair)
Mr Darren Mollenoyux, CEO Shire of Bruce Rock
Mr Raymond Griffiths, CEO Shire of Kellerberrin
Mr Greg Powell, CEO Shire of Merredin
Mr Jamie Criddle, CEO Shire of Westonia

Mr Alan O'Toole, Deputy CEO Shire of Bruce Rock
Ms Ashleigh Waight, Community Development Officer Shire of Bruce Rock
Mr Peter Zenni, Executive Manager Development Services Shire of Merredin
Mr Nic Warren, Executive Manager Regulatory Services Shire of Yilgarn

Ms Helen Westcott, Joint Executive Officer

2.2 Apologies

Ms Jacinta Herbert, Primary Health Manager - Eastern Wheatbelt, WA Country Health Service
Mr Greg Bentley, Senior Health Promotion Officer, WA Country Health Service, Northam

2.3 Guests

Ms Jo Malcolm, Senior Project Officer, Public Health Advocacy Institute of WA

3. PRESENTATIONS/MEETINGS

3.1 Funding to Support and Mentor Local Governments to Assist in the Development of Public Health Plans (Attachment)

As Member Councils are aware, the Public Health Advocacy Institute of WA (PHAIWA) has received funding to provide a service to support and mentor local governments to assist them in developing their Public Health Plans, in line with the upcoming implementation of phase 5 of the *Public Health Act 2016*. As part of this service PHAIWA is offering to meet with local governments across the State to explain what help they can provide.

WEROC Executive Meeting Wednesday 25 September 2019 - Minutes

This offer was considered by WEROC Council when it met on Tuesday 27 August 2019, at which time it was resolved as shown below:

RESOLUTION: *Moved: Cr Day* *Seconded: Cr Rajagopalan*

1. *That Ms Jo Malcolm from the Public Health Advocacy Institute of WA be invited to the September meeting of the WEROC Executive to discuss the potential for WEROC's Member Councils to access funding to assist them in developing and implementing their respective Public Health Plans.*
2. *That Member Councils be requested to extend an invitation to relevant staff to attend the presentation and discussion.*

CARRIED

Ms Jo Malcolm from PHAIWA has accepted an invitation to meet with the WEROC Executive to discuss the mentoring opportunities available to Member Councils.

The funding made available to the PHAIWA does not extend to helping with the preparation of plans. The Department of Health has indicated that no funding will be made available to local governments to assist them in their public health planning as the Department believes this can be done internally with resourcing already existing and by partnering with the local WACHS Health Service Provider. For WEROC this is the WACHS office in Northam.

An invitation to WACHS has been extended to participate in the discussions.

The invitation was tentatively accepted by Chantelle Jeffery, Manager Wheatbelt Public Health Unit but at the time of preparing the meeting agenda the Executive Officer had not been formally advised of whom would be attending.

The Executive Officer advised the meeting that apologies had been received from Jacinta Herbert and Greg Bentley, from the WA Country Health Service.

Jo Malcom reiterated that PHAIWA is only funded to provide support to mentor Councils during the time they prepare their local health plans. At this point there is no basic template to assist the smaller Councils and the Department of Health believes that additional resources are not necessary. If funding becomes available it is likely it will have a regional focus. This means that WEROC would be viewed favourably if it decided to apply.

She also advised that in preparing local health plans WACHS will be able to provide data needed to prepare the plans. This data is, however, only available at regional level and not individual Council level.

Jo Malcom advised that NEWROC has prepared a regional health plan from which each of the Member Councils will have to prepare an individual local health plan.

Jo Malcom left the meeting at 10.50am.

At this point the meeting considered Agenda Item 5.7 but for ease of reading the item is considered in chronological order.

Note: Jo Malcom had prepared a PowerPoint presentation for the meeting with the Executive. Whilst it was not used, it is provided as an attachment to the minutes from the meeting.

4. MINUTES OF MEETINGS

4.1 Minutes from the Executive Meeting held Wednesday 29 May 2019 (Attachment)

Minutes of the Executive Meeting held Wednesday 29 May 2019 have previously been circulated to Member Councils.

RECOMMENDATION:

That the Minutes of the Executive Meeting held Wednesday 29 May 2019 be confirmed as a true and correct record.

RESOLUTION: Moved: Jamie Criddle Seconded: Raymond Griffiths

That the Minutes of the Executive Meeting held Wednesday 29 May 2019 be confirmed as a true and correct record.
CARRIED

4.2 Business Arising – Status Report as at 18 September 2019

Executive Meeting Wednesday 27 March 2019

6.7 Raising Brand Awareness – Raising WEROC’s Public Profile

RESOLUTION: Moved: Greg Powell Seconded: Jamie Criddle

That the WEROC Executive gave in-principle agreement to proceed utilising social media more effectively.

CARRIED

At the August Meeting of the WEROC Council the Executive Officer advised that she had yet to meet with the Shire of Merredin’s newly appointed media officer. Unfortunately, the meeting has been delayed still further because the position has again become vacant.

The Executive Officer seeks direction as to what Member Councils would like done in relation to this matter.

Executive Meeting Wednesday 29 May 2019

7.1 LGIS Co-Ordinator

RESOLUTION: Moved: Darren Mollenoyux Seconded: Greg Powell

That:

- 1. Mr Ben Galvin from LGIS be invited to attend the next meeting of the WEROC Executive to discuss concerns Member Councils have with their region’s current LGIS coordinator; and*
- 2. That should Mr Galvin be available to meet with the WEROC Executive on 24 July, Member Councils’ Works Supervisors also be invited to attend the meeting.*

CARRIED

Ben Galvin and Jordan Reid from LGIS accepted an invitation to meet with the WEROC Executive on Wednesday 24 July 2019 but with the cancellation of the meeting the presentation did not take place.

Whilst LGIS had accepted an invitation to attend the September meeting of the WEROC Executive it is now not possible for either Ben Galvin or Jordan Reid to attend the meeting.

It is hoped they will be able to attend the November meeting of the WEROC Executive.

Council Meeting Tuesday 27 August 2019

6.7 Support for NEWTravel and Roe Tourism Application for a QANTAS Regional Grant

RESOLUTION: Moved: Cr Forsyth Seconded: Cr Day

That the WEROC Council provide a letter of support for the NEWTravel and Roe Tourism Application for a QANTAS Regional Grant.

CARRIED

A letter of support has been provided.

Support from WEROC was also sought by NEWTravel and Roe Tourism for their application for a Regional Economic Development Grant. The proposal was for funding towards a Joint Wheatbelt Tourism Branding project between NEWTRAVEL, RoeTourism, WEROC and the Shire of Merredin (through the Central Wheatbelt Visitor Centre). The request

for support was one that would have seen WEROC provide for financial assistance as part of its support for the funding application.

Following discussions with the WEROC CEO, the Executive Officer advised that such support at this point was not possible as the request would have to be considered and approved by WEROC Council.

A request for updated information on NEWTravel and Roe Tourism's funding efforts for discussion at the Executive Meeting was requested but at the time of preparing the meeting agenda had not been made available.

The Executive Officer will endeavour to have something to present to the WEROC Council when it meets on Wednesday 30 October 2019.

RECOMMENDATION:

That the Status Report for September be received.

Noted

4.3 Matters for Noting (Attachments)

The following matters are presented for noting:

- Curtin Wheatbelt Community Health Study - as Member Councils may be aware Dr Andrew Harper and his students travelled out to Merredin and Westonia at the end of August. The Executive Officer understands that the trip was considered a success. The CEOs from the Shires of Merredin and Westonia might wish to provide further comment as they were involved in preparations for the visit. All accounts submitted by Dr Harper have been paid, with a report on the expenditure incurred to be presented at the WEROC Council Meeting scheduled to be held Wednesday 30 October 2019.
- Demos from the Wheatbelt - as Member Councils are aware WEROC was a sponsor for the WAM project Demos from the Wheatbelt. The launch of the cd recorded following the selection of artists to perform on the cd was held at the Cummins Theatre on Friday 30 August 2019. Invitations to attend the launch were extended to all of WEROC's Member Councils. Only the Shire of Westonia (Cr Karin Day with her husband Rohan) was able to attend. The Executive Officer arranged for WEROC's unused tickets to be given to Andrew Harper and his students as they were staying in Merredin on the Friday evening. The Executive Officer understands they enjoyed the concert. Member Councils are encouraged to obtain a copy of the cd as it provides a wonderful showcase for highly talented musicians performing across a number of music genres.
- Wheatbelt Regional Health Services Forum – advice of this joint NEWROC and WALGA initiative scheduled to be held in Trayning on Friday 20 September 2019 was distributed to Member Councils on a number of occasions.
- 2019 Western Australian Regional Achievement and Community Awards - as Member Councils may be aware, WEROC was nominated as part of this year's Western Australian Regional Achievement and Community Awards. WEROC is a finalist in the Local Government, Sport and Cultural Industries Making a Difference Award. Its nomination results from its involvement in the Wheatbelt Medical Student Immersion Program. Other finalists in this category include:
 1. 42 Wheatbelt LGA's, WBSFR Working Group; and
 2. Laverton Shire.The winners of the various awards covered in this awards event will be announced at a gala dinner to be held at the Hyatt Regency Hotel in Perth on Friday 18 October 2019. Cr Stephen Strange will be representing WEROC. He will be accompanied by his wife Karen.

- Collaboration in the Northern Goldfields – a recent article in issue 173 of the LGPro magazine details the progress of work being undertaken by the Shires of Laverton, Leonora, Menzies and Wiluna.

RECOMMENDATION:

That the matters listed for noting be received.

Noted

5. MATTERS FOR DECISION

5.1 Future WEROC Projects – Asset Management Project

File Reference:	013-2 Strategic and Future Planning 135-5 Economic Sustainability
Author:	Helen Westcott, Executive Officer
Portfolio:	Shared Function (Economic Development)
Disclosure of Interest:	No interest to disclose
Date:	17 September 2019
Attachments:	WEROC Review WEROC Review Recommendations

The matter is presented for discussion and decision.

Executive Officer's Report:

Representatives from Accingo, an asset management consultancy, first met with WEROC early in March 2018 to discuss its asset management concept and the potential value it may offer Member Councils.

Since that time Accingo developed a project brief and costing for WEROC's consideration, with approval for the project's "go ahead" being given at the WEROC Council Meeting held Wednesday 27 June 2018. At this time, WEROC Council resolved as follows:

RESOLUTION: *Moved: Mr Clarke* *Seconded: Cr Forsyth*

That WE-ROC request Accingo to undertake an asset audit for each of WE-ROC's Member Councils, as outlined in Accingo's Phase 1 Costing provided to WE-ROC and considered at the WE-ROC Council Meeting held 2 May 2018, at a total cost of \$17,500 excl GST.

CARRIED

Footnote: Details of what is provided in the asset audit is explained in the costing provided by Accingo. This information is provided below so that Member Councils have an understanding of what the audit entails. To quote from Accingo's costing:

"Phase 1 (b)

Asset audit

This entails a full review of all assets of Plant & Machinery and any assets associated with maintaining plant and equipment such as workshops, tooling etc.

The purpose of this review is to provide the following information;

- *Identification of asset including current location*
- *Reconciliation to Asset register*
- *Full report of condition, hours etc which also assists in the valuation of plant*
- *Understand & report on utilisation, availability, requirements etc*

This data serves several purposes being;

- *Market valuation of current plant & equipment*
- *Ability to forecast potential net cash inflows & savings under Phase 2*
- *Data in which to base decisions on Sale, replacement and ultimately pooling of asset base amongst the WE-ROC shires*
- *Potentially replaces need for asset audit for compliance (to be understood whether this can be achieved)*

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Review will be performed by Neil Marsh & Accingo asset consultant which can be partly performed on weekends where a more efficient asset audit process can take place. Accingo will require full asset register and current location (if off site). Some time with CEO's & works managers will also be required both prior & during visit however this time will be kept to a minimum as not to disrupt existing operations.

An initial scoping meeting with CEO / works managers to understand what is to be included / excluded from review should take place prior to audit.

Time assigned to this review is;

2 contractors

14 days in total at \$125 per hour for 10 hours per day = \$17,500"

Following further discussions with Accingo, the WEROC Executive resolved as follows when it met on Wednesday 25 July 2018:

RESOLUTION: *Moved: Greg Powell* *Seconded: Jamie Criddle*

That:

1. WE-ROC advise Accingo of its agreement to enter into a Contract for the purposes of undertaking an Asset Audit only for each of WE-ROC's Member Councils as outlined in Accingo's Phase 1 Quotation at a total cost of \$17,500 excl GST; and
2. With respect to accommodation and travelling costs for the conduct of the Asset Audit, Member Councils provide these expenses at their own cost.

CARRIED

Following further discussion of the project WEROC Council resolved as shown below on Wednesday 22 August 2018:

RESOLUTION: *Moved: Mr Criddle* *Seconded: Cr Forsyth*

That the Executive Officer liaise with Accingo and Member Councils to develop a schedule for works associated with the conduct of an asset audit that meets needs of both Member Councils and Accingo and allows for Accingo to have its asset audit report available for the WE-ROC Executive Meeting scheduled for Wednesday 6 February 2019.

CARRIED

Following still further discussions with Accingo, WEROC Council resolved as follows on Wednesday 24 October 2018:

RESOLUTION: *Moved: Mr Clarke* *Seconded: Mr Griffiths*

That:

1. WE-ROC accepts the change/alteration of the scope of works to include the cut-off figure of \$2,000 for the value of assets being considered in the review being undertaken by Accingo;
2. As a condition of contract Accingo be requested to demonstrate that it carries Workers Compensation Insurance, Public Liability Insurance (\$10M) and Professional Indemnity Insurance (\$1M); and
3. The Executive Officer advise Accingo of WE-ROC's decision and arrange a new exchange of letters.

CARRIED

As Member Councils are aware, Accingo has accepted the offer made by WEROC to undertake an asset audit for its Member Councils, with work commencing mid-February.

All work associated with the conduct of the asset audit has been completed and a draft report prepared by Accingo was considered by the WEROC Executive when it met on Wednesday 29 May 2019.

At this time the Executive resolved as shown below:

RESOLUTION: *Moved: Greg Powell* *Seconded: Darren Mollenoyux*

1. *That feedback be provided to Accingo on its draft asset audit report, with a request that the following issues be further reported on:*
 - a) *Provision of data for the Shire of Merredin be made available as soon as possible;*
 - b) *An explanation as to why the asset audit report contained no information on trucks. If the data is available a request be made for it to be included in the final report provided to WEROC;*

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- c) *A request for the inclusion of information on the frequency an asset is used; and*
 - d) *Clarification of the data provided for the Shire of Bruce Rock, with details on the differences shown and why these differences occurred.*
2. *That Accingo be requested to have a further draft of its report variable for consideration by the WEROC Executive at its next meeting, scheduled for Wednesday 24 July 2019.*

CARRIED

Accingo has prepared a final report and developed recommendations for WEROC's consideration. Both the report and Accingo's recommendations form attachments to the meeting agenda.

It should be noted that both documents were distributed ahead of the meeting agenda.

The report and recommendations developed by Accingo following its review of Member Councils' assets are presented for discussion and decision by the WEROC Executive.

Consultation:	Nil
Financial Implications:	As yet unknown
Voting Requirement:	Simple Majority

Meeting Comment:

The Executive Officer advised that just prior to the Executive meeting Accingo had provided a further revised version of its asset review report.

Whilst a copy of the report had been circulated to all CEOs it will also form an attachment to the minutes of the meeting.

There was general agreement that Recommendations 1-4 might have application for WEROC.

During the discussion around the report and its recommendations some CEOs made comment that a regional management of assets might work particularly given the cost of hiring equipment. That being the case there may be benefit in WEROC investigating ways to make better use of its underutilised equipment.

RESOLUTION: **Moved: Greg Powell** **Seconded: Jamie Criddle**

That the:

- 1. WEROC Executive be requested to table Accingo's report and recommendations on the review of mobile assets and plant across each Member Council for discussion at either their October or November round of Council meetings; and**
- 2. Executive Officer be provided with comments from these discussions to enable a report to be prepared for the WEROC Executive Meeting scheduled to be held Wednesday 27 November 2019.**

CARRIED

5.2 The Future Governance for WEROC – Development of the WEROC Constitution

File Reference:	031-4 Intergovernment Relations
Author:	Helen Westcott, Executive Officer
Portfolio:	CEO/Governances (Governance Shire of Yilgarn) Advocacy (Shared Portfolio)
Disclosure of Interest:	No interest to disclose
Date:	17 September 2019
Attachments:	Draft WEROC Constitution WEROC Memorandum of Understanding (MoU)

The matter is presented for discussion and decision.

Executive Officer's Report:

The development of a new constitution was considered at the WEROC Council Meeting held Wednesday 26 June 2019 at which time it was resolved as shown below:

RESOLUTION: Moved: Mr Griffiths Secoded: Cr Forsyth

That the Shire of Tammin be approached to ascertain whether the Shire may wish to join/rejoin WEROC.

CARRIED

RESOLUTION: Moved: Cr Strange Secoded: Mr Criddle

That:

- 1. The Executive Officer's Report be received;*
- 2. Two members from each local government be appointed by the individual Member Councils to the WEROC Committee and the draft constitution be amended to reflect that arrangement in regard to membership;*
- 3. A draft constitution be developed and referred to Member Councils for comment prior to the WEROC Council Meeting on 21 August 2019; and*
- 4. The WEROC Executive Committee only meet on an as needs basis.*

CARRIED

The Shire of Tammin accepted WEROC's invitation to attend the August WEROC Council Meeting.

A draft constitution was prepared as per the above resolution and forwarded to Member Councils on Wednesday 31 July 2019 with a request that the draft be considered by Member Councils at their August meetings.

Following discussions with the WEROC CEO during the 2019 WALGA Convention it was determined that further work on the constitution was required, specifically to include wording from the Warren Blackwood Alliance of Councils (WBAC) Constitution. Work on redrafting the constitution was not completed sufficiently for consideration at the August WEROC Council Meeting.

A draft based on the WEROC CEOs requirements form an attachment to the meeting agenda as does a copy of WEROC's current MoU.

In working through the draft constitution, it should be recognised that the objectives, purpose and functions/powers of the WBAC constitution and repurposed into the attached draft of the WEROC Constitution are quite different to those articulated in the current WEROC MoU.

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In preparing the draft the Executive Officer has also included wording that takes into account WEROC's decision with respect to membership of WEROC once incorporated. At the WEROC Council Meeting held Wednesday 26 June 2019 it was resolved as follows:

RESOLUTION: *Moved: Cr Strange* *Seconded: Mr Criddle*

That:

1. *The Executive Officer's Report be received;*
2. *Two members from each local government be appointed by the individual Member Councils to the WEROC Committee and the draft constitution be amended to reflect that arrangement in regard to membership;*
3. *A draft constitution be developed and referred to Member Councils for comment prior to the WEROC Council Meeting on 21 August 2019; and*
4. *The WEROC Executive Committee only meet on an as needs basis.*

CARRIED

The WEROC Executive needs to ensure that the draft as presented meets the group's needs before it is presented to Member Councils for further review and then adoption by WEROC at some future date.

Consultation: Nil

Financial Implications: As yet unknown

Voting Requirement: Simple Majority

RESOLUTION: **Moved: Raymond Griffiths** **Seconded: Jamie Criddle**

That the draft WEROC Constitution be accepted, subject to the changes detailed below, as presented and referred to Member Councils for comment.

Clause 6.4 to read:

6.4 *Representatives qualifications*
Representatives of Local Governments must be sitting Councilors or the Chief Executive Officer and must be approved by WEROC Board.

A new clause be added to cover the financial contribution to be made by new members on their joining WEROC:

10.2 *Financial Contributions by New Members*
Where a new member is admitted to WEROC, a financial contribution to be made by the new member, in addition to the annual financial contribution, will be as determined by the Board.

Clause 14.2 to be simplified:

14.2 *Where a vacancy on the Board occurs after 31 March in any year:*
(a) the position can remain vacant until the next Annual General Meeting or;
(b) an election to fill the vacancy is to take place at a Special meeting called for that purpose.

Clause 15.2 to read:

15.2 *Notice of Meeting*
Notice of a meeting of the Board, stating the business of the meeting and including reports and supporting documentation must be given by the Executive Officer to each representative at least 5 business days prior to the meeting.

Clause 16.1 to read:

16.1 Executive Officer Appointed

The Board is empowered to appoint an Executive Officer for a contract period not exceeding five years or to remove an Executive Officer from WEROC and to decide upon his or her remuneration and duties. The contract of an Executive Officer so appointed may be renewed from time to time at the discretion of the Board.

CARRIED

Note: The revised draft to be provided will also include any numbering or consequential changes that arise from implementing the above changes requested by the WEROC Executive.

5.3 Records Management in Local Government

File Reference:	013-2 Strategic and Future Planning 042-2 Finance, Audit and Compliance
Author:	Bruce Wittber, Executive Officer
Portfolio:	CEO/Governance (Shire of Yilgarn)
Disclosure of Interest:	Nil
Date:	19 September 2019
Attachments:	Nil

RECOMMENDATION:

That the decision made by flying email on Thursday 5 September 2019 and detailed below be endorsed by the WEROC Executive. That:

1. Subject to further discussions with Information Enterprises Australia Pty Ltd around costings for the review to include only four of WEROC's five Member Councils, Information Enterprises Australia Pty Ltd be engaged to undertake a review of WEROC Member Councils' record keeping policies using the methodology "Option 1" as detailed within the proposal provided by Information Enterprises Australia Pty Ltd; and
2. The WEROC Executive give consideration at the Executive Meeting to be held Wednesday 25 September 2019 as to how the project will be funded, with a recommendation prepared for consideration by the WEROC Council by way of flying email in order that work on the review of participating Member Councils records management policies can commence as soon as possible.

Executive Officer's Report:

Following its review of the Western Australia's Auditor General report on the topic of records management in Local Government, the WEROC Executive resolved as shown when it met on Wednesday 29 May 2019:

RESOLUTION: Moved: Greg Powell Seconded: Jamie Criddle

That the WEROC Executive recommend to the WEROC Council that WEROC seek quotations from suitably qualified records management consultants to undertake a review of Member Councils' recordkeeping policies and procedures to ensure they adequately support their respective Record Keeping Policies.

CARRIED

WEROC Council approved this recommendation at a meeting held Wednesday 26 June 2019.

A request for quotation (RFQ) for quotation was prepared as per the resolution and sent to the following organisations:

- Compu-Stor (contact details provided by the Shire of Yilgarn);
- Information Enterprises Australia Pty Ltd (the Executive Officer has worked with Information Enterprises Australia Pty Ltd on similar projects to the one currently being undertaken by WEROC); and
- Kim Boulter (contact details provided by the Shire of Kellerberrin).

The closing date for submissions was Friday 23 August 2019.

A report on the work undertaken to date in appointing a consultant was provided to the WEROC Council when it met on Tuesday 27 August 2019, with WEROC Council resolving as shown below:

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RESOLUTION: *Moved: Cr Forsyth* *Seconded: Cr Day*

That the WEROC Executive be given delegated authority to finalise the appointment of a qualified records management consultant to undertake a review of Member Councils' recordkeeping policies and procedures to ensure they adequately support their respective Record Keeping Policies.

CARRIED

Darren Mollenoyux also advised the meeting advised that the Shire of Bruce Rock would not be part of the record management project.

On Thursday 5 September 2019 the Executive Officer emailed all members of the WEROC Executive in relating to progressing the appointment of a consultant to undertake the records management review, with the email detailed below.

Hello everyone

At the WEROC Council Meeting held Tuesday 27 August 2019 it was resolved as follows with respect to progressing a review of Member Councils' records management policies:

RESOLUTION: *Moved: Cr Forsyth* *Seconded: Cr Day*

That the WEROC Executive be given delegated authority to finalise the appointment of a qualified records management consultant to undertake a review of Member Councils' recordkeeping policies and procedures to ensure they adequately support their respective Record Keeping Policies.

CARRIED

Notwithstanding the above decision, the Shire of Bruce Rock advised that it would not be part of the record management project.

As you are all aware, a request for quotation (RFQ) was requested from three (3) organisations:

- 1. Compu-Stor (contact details provided by the Shire of Yilgarn);*
- 2. Information Enterprises Australia Pty Ltd (the Executive Officer has worked with Information Enterprises Australia Pty Ltd on similar projects to the one currently being undertaken by WEROC); and*
- 3. Kim Boulter (contact details provided by the Shire of Kellerberrin).*

A copy of the RFQ, whilst previously provided to Member Councils, forms an attachment to my email.

Please note these costings should be treated as commercial in confidence documents and not distributed beyond the WEROC membership.

All 3 organisations indicated they would submit a costing.

Only Compu-Stor and Information Enterprises Australia Pty Ltd (IEA) responded to WEROC's RFQ by the closing date for lodgement – Friday 23 August 2019.

Only IEA provided evidence that it carries appropriate levels of Professional Indemnity and Public Liability Insurances as requested in the RFQ.

Copies of IEA's certificates of insurance will be provided upon request.

Both Compu-Stor and IEA provided capacity statements within their proposals which demonstrated their ability to undertake the work required by WEROC's Member Councils.

Comment on each of the proposals submitted is provided below.

Page 5 of Compu-Stor's proposal details the methodology it will use to undertake the record review at each Member Council. The proposal includes site visits.

Page 7 of the costing details the timeframe over which the review will be completed.

Pages 8 and 9 of the proposal detail the costing developed by Compu-Stor to undertake the work requested, with “consulting services” calculated to cost \$17,595.00 (GST excl). An estimate for travel and accommodation has been set at \$5,950.00.

IEA has provided WEROC with two (2) costing options, being covered in pages 5-10 of its proposal. The proposal provides a detailed explanation for both Options 1 and 2.

The methodology for the review remains essentially the same across both options, the difference in Option 2 is that onsite visits have been included to all Member Councils, whereas in Option 1 onsite visits will occur only if they are deemed necessary by the project’s Senior Consultant and agreed to by the Member Council.

The cost to WEROC should Option 1 be accepted would be \$21,240.00 (excl GST).

IEA has noted that an additional 6 hours of consulting costs at \$180.00 ex GST per hour (\$1,080.00 ex GST) should be placed in the project budget for each Member Council, should the findings of Phase 3a identify that the Senior Consultant needs to complete an onsite visit.

The following travel and accommodation costs will also apply to Option 1 should a visit(s) be required to a Member Council, with:

- *Mileage charged at 68 cents per kilometre as per ATO directive;*
- *Accommodation and meal costs of \$237.60 per day as per ATO Tax Determination TD 2019/11; and*
- *Travel time @ \$90.00 per hour (excl GST).*

Option 2 includes onsite visits to all Member Councils. This option allows for onsite visits to all Member Councils over a 3 – 4 day period.

The visits will occur after a review of all documentation provided by Member Councils has been completed.

The cost to WEROC should Option 2 be accepted would be \$22,680.00 (excl GST) for the conduct of the review and preparation of the report.

The following travel and accommodation costs will apply to Option 2, with:

- *Mileage charged at 68 cents per kilometre as per ATO directive - estimated 826 Km @ .68 cents per km is \$561.68 ex GST;*
- *Accommodation and meal costs of \$237.60 per day as per ATO Tax Determination TD 2019/11 - estimated 5 days is \$1,188.00; and*
- *Travel time @ \$90.00 per hour (excl GST) - estimated 10.50 hours is \$945.00 (ex GST).*

Adding both cost components, the total cost to WEROC should Option 2 be accepted would be \$25,374.58 (excl GST).

IEA has noted in its proposal that where it is not possible to schedule all site visits into one trip then additional costs will be applied, based on the rates provided at 3.2.1 Estimated Costings For Option 2.

The costings provided by IEA are far more detailed than those provided by Compu-Stor, with both options extensively detailing the work to be undertaken and the timeframes over which the work will be undertaken. IEA’s costings clearly articulate what the deliverables are and how the outcomes will be achieved.

The proposal also highlights the additional costs that may be necessary as preliminary results from the review become known.

In terms of Local Government experience, IEA demonstrated greater evidence of working within the Local Government sector. Importantly from WEROC’s perspective, a considerable amount of this work has been with small Councils outside the metropolitan area (refer to pages 12 and 13 of IEA’s proposal).

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Compu-Stor's proposal notes that it has experience in "Government" but does not list any specific examples of project work within the Local Government sector.

Whilst IEA's costing for Option 1 is more expensive than the costing provided by Compu-Stor the Executive Officer believes that this proposal should be further investigated by WEROC as it more clearly defines the work to be undertaken, how this work will be carried out and the timeframe over which the work will be conducted. Given that much of the information to be reviewed is available electronically, there is no specific reason for site visits to be undertaken. Similarly, the conduct of telephone interviews also negates the need for travel.

Onsite visits would only be required should an issue or area of non-compliance need further investigation.

IEA also has more clearly identified the experience it has within the Local Government sector and more particularly its experience with small Councils outside the metropolitan area.

In addition to choosing a consultant, WEROC must also consider how the project is to be funded. When the Executive Officer presented the recommendation to Member Councils that a review of record keeping policies be undertaken it was done with a view to WEROC's project funds providing the funds for the work to be undertaken, in much the same way as the assets review by Accingo is being funded by WEROC.

With the Shire of Bruce Rock advising that it did not wish to participate in the records keeping review project this matter must be resolved by WEROC Council.

The Executive Officer believes that at least a portion of the project's cost should be met by WEROC.

Additionally, whatever consultant is chosen, there will be a need to discuss with the successful consultant whether or not there will be any changes to the costings associated with the conduct of the review itself given that there will only be four Councils participating in the project.

On the basis of the above information the following recommendation is presented for consideration by way of flying email.

RECOMMENDATION:

That:

- 1. Subject to further discussions with Information Enterprises Australia Pty Ltd around costings for the review to include only four of WEROC's five Member Councils, Information Enterprises Australia Pty Ltd be engaged to undertake a review of WEROC Member Councils' record keeping policies using the methodology "Option 1" as detailed within the proposal provided by Information Enterprises Australia Pty Ltd; and*
- 2. The WEROC Executive give consideration at the Executive Meeting to be held Wednesday 25 September 2019 as to how the project will be funded, with a recommendation prepared for consideration by the WEROC Council by way of flying email in order that work on the review of participating Member Councils records management policies can commence as soon as possible.*

If you could please have your responses to me no later than close of business on Wednesday 11 September 2019 that would be greatly appreciated as this will allow a report (with accompanying recommendations to allow the project to be funded) to be prepared for WEROC Council's consideration as proposed in Part 2 of the above recommendation.

Should you have any questions regarding the proposal provided by either Compu-Stor or IEA please call/email me.

Take care

HW

At Tuesday 17 September 2019 the Executive Officer had received advice from the CEOs at the Shires of Kellerberrin, Merredin and Yilgarn that they were happy with the recommendation as provided on 5 September. As this constituted a majority of the WEROC Executive being in favour of appointing Information Enterprises Australia Pty Ltd (IEA), the Executive Officer has advised IEA of WEROC's decision. Arrangements are in hand for the Executive Officer to meet with

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representatives from IEA to finalise arrangements around the review now covering only the Shires of Kellerberrin, Merredin, Westonia and Yilgarn. The Executive Officer will provide a verbal report to the Executive on any discussions that may take place ahead of the Executive Meeting on 25 September 2019.

The Executive Officer will also advise Compu-Stor it was unsuccessful in gaining the contract to review record keeping practices across the four participating Member Councils.

The WEROC Executive is also required to give consideration as to how the project is to be funded.

The Executive Officer envisaged that WEROC would fund this work in much the same way it funded the asset review work undertaken by Accingo. With the Shire of Bruce Rock's advice that it will not be participating in this project the Executive Office believes the Executive needs to consider how best (and equitably) the project should be funded.

One possible way for meeting the project's cost is for WEROC to meet the costs shown for Option 1, with travel and other costs associated with an onsite visit if required or requested to be covered by the Council being visited.

This matter is presented for discussion and decision.

Meeting Comment:

The Executive Officer noted that a revised costing from IEA had been received and circulated ahead of the Executive Meeting. A copy of the revised costing also forms an attachment to the minutes for the meeting.

The Executive Officer also advised that she would be meeting with representatives from IEA on Thursday 26 September 2019 to initiate the commencement of the project.

The meeting also discussed ways in which the records management review could be funded. It was agreed that the methodology suggested by the Executive Officer was an appropriate way for the project to be funded.

Darren Mollenoyux explained that the Shire of Bruce Rock would be happy to consider participating in any work that arose from recommendations made as a result of the work being undertaken by IEA.

On this basis, it was also agreed that the Shire of Bruce Rock should be given the opportunity to participate in any future records management projects should they be considered following the conclusion of the IAE's review of record keeping policies across the Shires of Kellerberrin, Merredin, Westonia and Yilgarn.

RESOLUTION: **Moved: Jamie Criddle** **Seconded: Greg Powell**

- 1. That the decision made by flying email on Thursday 5 September 2019 and detailed below be endorsed by the WEROC Executive. That:**
 - a) Subject to further discussions with Information Enterprises Australia Pty Ltd around costings for the review to include only four of WEROC's five Member Councils, Information Enterprises Australia Pty Ltd be engaged to undertake a review of WEROC Member Councils' record keeping policies using the methodology "Option 1" as detailed within the proposal provided by Information Enterprises Australia Pty Ltd; and**
 - b) The WEROC Executive give consideration at the Executive Meeting to be held Wednesday 25 September 2019 as to how the project will be funded, with a recommendation prepared for consideration by the WEROC Council by way of flying email in order that work on the review of participating Member Councils records management policies can commence as soon as possible.**

- 2. That the WEROC Executive recommend to the WEROC Council that:**
 - a) WEROC meet the costs associated with Enterprises Australia Pty Ltd undertaking the work detailed in Option 1 of its proposal to undertake a review of the record keeping policies for the Shires of Kellerberrin, Merredin, Westonia and Yilgarn, with travel and other costs associated with any onsite visits if required or requested to be covered by the Council being visited; and**

- b) The Shire of Bruce Rock be given the opportunity to participate in any future records management projects should they be considered following the conclusion of the IAE's review of record keeping policies across the Shires of Kellerberrin, Merredin, Westonia and Yilgarn.**

CARRIED

5.4 Participation by WEROC in Renewable Energy Projects

File Reference:	013-2 Strategic and Future Planning 135-1 Economic Sustainability
Author:	Helen Westcott, Executive Officer
Portfolio:	Economy (Bruce Rock) Advocacy (Shared Function)
Disclosure of Interest:	Nil
Date:	19 September 2019
Attachments:	Joint Media statement from Hon Alannah MacTiernan MLC and Hon Ben Wyatt LLB MSc MLA

RECOMMENDATION:

The matter is presented for discussion and decision.

Executive Officer's Report:

Following its meeting with Steve Mason, CEO Innovation Central Midlands WA Inc (ICM), on ICM's involvement with BSC Energy, Power Ledger and others in developing sources of renewable energy on Tuesday 27 August 2019, WEROC Council resolved as shown below:

RESOLUTION: *Moved: Cr Rajagopalan* *Seconded: Mr Criddle*

That WEROC:

- 1. Initiate discussions with BSC Energy and Power Ledger seeking the conduct of a pre-feasibility study in respect to developing a micro-grid system across the WEROC geographic area; and*
- 2. Extend an invitation to Steve Mason to meet with WEROC Council in 2020 to provide an update on Innovation Central Midlands WA Inc's renewable energy project.*

CARRIED

In her follow up with Steve Mason on this matter, the Executive Officer has advised that WEROC would like to meet with ICM in 202 to receive an update on the progress of its renewable energy project across the Shires of Dalwallinu, Moora and Wongan-Ballidu.

In terms of initiating discussions with BSC Energy and Power Ledger to commence a pre-feasibility study the Executive Officer has been hampered by a lack of information from Member Councils to assist in discussions with both BSC Energy and Power Ledger. In an email dated 4 Septembers 2019 the Executive Officer wrote as follows:

Hello everyone

Following your meeting with Steve Mason from ICM at last week's WEROC's Council Meeting it was resolved as follows with respect to where WEROC would like to take furthering the group's potential involvement in renewable energy:

RESOLUTION: *Moved: Cr Rajagopalan* *Seconded: Mr Criddle*

That WEROC:

- 3. Initiate discussions with BSC Energy and Power Ledger seeking the conduct of a pre-feasibility study in respect to developing a micro-grid system across the WEROC geographic area; and*
- 4. Extend an invitation to Steve Mason to meet with WEROC Council in 2020 to provide an update on Innovation Central Midlands WA Inc's renewable energy project.*

CARRIED

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Following the WEROC Council meeting Steve Mason provided Bruce with feedback on the presentation.

One thing highlighted was that when Mark Imrie (BSC Solar) and Caren McClaren (Power Ledger) met with WEROC Council in June one question they were looking to have answered by Member Councils was had any Member Council received development plan applications for business ventures and/or were they aware of potential business ventures? Answers to these question will impact on the viability of developing a micro grid system across the WEROC geographic area.

If you could please provide this information as soon as possible that would be greatly appreciated as it will enable me to write to Mark Imrie to commence discussions around the conduct of a pre-feasibility study.

I also understand that the issue of current power usage for shires, businesses and residential properties was discussed with Steve Mason at last week's WEROC Council Meeting. This information can be sourced by BSC Solar through Western Power. Did you want me to request BSC Solar to obtain this information for WEROC? Again, if you could provide an answer on this question as quickly as possible so I can progress work on this project.

Thankyou for your help.

Take care and hear from you in due course.

HW

At the time of preparing the meeting agenda the Executive Officer had received replies to her request for information from only three Member Councils – the Shires of Bruce Rock, Merredin and Yilgarn. For WEROC to approach BSC Energy and Power Ledger in any meaningful way it requires information from all Member Councils.

As such the Executive Officer is hopeful that this information (and any additional information Member Councils believe might be useful) will be forthcoming during the course of the meeting.

More broadly speaking, the Executive Officer considers that the Executive should provide some direction to the WEROC Council as to how important/beneficial such a project may or may not be to its communities.

A recent joint media statement by Hon Alannah MacTiernan MLC and Hon Ben Wyatt LLB MSc MLA on the development by Enwave Australia of a solar-powered microgrid in the Peel Region highlights the growing importance of this source of renewable energy. The statement can be accessed by following the link shown below:

<https://www.mediastatements.wa.gov.au/Pages/McGowan/2019/09/Ground-breaking-microgrid-to-power-jobs-in-the-Peel.aspx>

A copy of the media statement also forms an attachment to the meeting agenda.

The matter is presented for discussion and decision.

Meeting Comment:

Raymond Griffiths advised that the Shire of Kellerberrin had 4 or 5 industrial blocks that could be considered potential business ventures for the purpose of this project.

Member Councils also gave approval for the Executive Officer to advise BCS Solar that WEROC is happy for WESTERN Power to be approached to gain information current power usage for Member Councils, businesses and residential properties across WEROC.

Whilst no resolution was taken, the meeting agreed that work around this matter should continue.

5.5 Public Consultation- Pesticides Regulation Review in Western Australia

File Reference:	013-2 Strategic and Future Planning 013-4 Intergovernmental Relations
Author:	Helen Westcott, Executive Officer
Portfolio:	Environment (Shire of Merredin) Advocacy (Shared Function)
Disclosure of Interest:	Nil
Date:	19 September 2019
Attachments:	Nil

The matter is presented for discussion and decision.

Executive Officer's Report:

The review of the *Health (Pesticides) Regulations 2011* currently underway was discussed by WEROC Council when it met on Tuesday 27 August 2019, with the meeting resolving as shown below:

RESOLUTION: *Moved: Cr Day* *Seconded: Cr Rajagopalan*

That WEROC:

- 1. Encourages Member Councils to complete the online survey developed by the Department of Health as part of its review of the Health (Pesticides) Regulations 2011;*
- 2. Member Councils share the information provided in the online survey with WALGA as it works on a sector wide submission around the review of the Health (Pesticides) Regulations 2011; and*
- 3. WEROC prepare a submission that highlights the potential difficulties small rural and remote local governments may face if Option C is adopted by the State Government as an outcome of its review of the Health (Pesticides) Regulations 2011*

CARRIED

Following the meeting on 27 August, the Executive Officer emailed all WEROC CEOs regarding the review. The email sent on Wednesday 4 September 2019 is provided below:

Hello again everyone

WEROC Council resolved as shown below with respect to preparing a submission on the pesticides regulation review:

RESOLUTION: *Moved: Cr Day* *Seconded: Cr Rajagopalan*

That WEROC:

- 4. Encourages Member Councils to complete the online survey developed by the Department of Health as part of its review of the Health (Pesticides) Regulations 2011;*
- 5. Member Councils share the information provided in the online survey with WALGA as it works on a sector wide submission around the review of the Health (Pesticides) Regulations 2011; and*
- 6. WEROC prepare a submission that highlights the potential difficulties small rural and remote local governments may face if Option C is adopted by the State Government as an outcome of its review of the Health (Pesticides) Regulations 2011*

CARRIED

Whilst the submission period does not close until Thursday 10 October 2019 I need to begin compiling information for the submission now to give us enough time to properly prepare a submission.

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If you are looking to complete the online survey could you, in addition to providing WALGA with your answers, also provide me with your Council's views on how the new regulations might impact its operations.

Thankyou.

Take care – I look forward to hearing from you.

HW

Whilst responses have been provided the Shires of Bruce Rock, Merredin and Yilgarn, the Executive Officer at the time of preparing the meeting agenda had yet to receive any feedback from either Shire of Kellerberrin or the Shire of Westonia.

It is imperative for all Member Councils to have input into the preparation of the WEROC submission if it is to be truly representative of the organisation as a whole. It is vital that the voice of small rural/regional Councils such as those in WEROC are heard. To quote from the minutes of the WEROC Council held Tuesday 27 August 2019 when this matter was discussed:

At a time when the sector is under attack from several quarters on what some perceive as the excessive red tape applied by local governments across the State, the last thing the sector needs is further administrative burdens to be thrust upon it.

It should be noted that the discussion paper does not detail how (if at all) Local Government will be compensated for taking on the role of enforcing the new regulations once developed. Similarly, it also does not detail how cost recovery in the longer term is going to be managed, what mechanisms will be put in place at the time the new regulations come into force to ensure Local Government will be able to charge true recovery costs into the future.

The discussion paper also does not take into consideration the potential difficulties for small rural and remote Councils in being responsible for the enforcement of the pesticide regulation once legislated.

As in Agenda Item 5.4, the Executive Officer is hopeful that this information (and any additional information Member Councils believe might be useful) will be forthcoming during the course of the meeting, with this information and that already collated help in preparing a submission that represents the views of WEROC as a whole.

Noted

5.6 Ongoing Development of the WEROC App and Website

File Reference:	013-2 Strategic and Future Planning 132-1 WE-ROC Tourism 132-3 Central Wheatbelt Visitor Centre 135-5 Economic Sustainability
Author:	Helen Westcott, Executive Officer
Portfolio:	Shared Function (Economic Development currently through Wheatbelt Communities Inc)
Disclosure of Interest:	No interest to disclose
Date:	18 September 2019
Attachments:	Digital Economy Enablement Strategy Overview

The matter is presented for discussion and decision.

Executive Officer's Report:

The ongoing development of the WEROC App and website was considered at the WEROC Council Meeting held in Kellerberrin on Tuesday 27 August 2019, at which time it was resolved as follows:

RESOLUTION: Moved: Cr Hooper Seconded: Cr Rajagopalan

That prior to the Executive Officer applying for funding for further work on either the WEROC App or website:

- 1. The WEROC Executive determine what areas should be targeted, with a report and recommendation to be presented at the WEROC Council Meeting scheduled to be held Wednesday 30 October 2019; and*
- 2. Any applications for funding be based only upon decisions arising from WEROC Council's consideration at the meeting scheduled for Wednesday 30 October 2019.*

CARRIED 6/4

On Thursday 5 September 2019 the Executive Officer emailed a copy of the digital enablement strategy referred to at the meeting held 27 August 2019 to help members of the WEROC Executive prepare ahead of its September Meeting.

A copy of the strategy also forms an attachment to the meeting agenda.

The Executive Officer had also hoped to develop some briefing notes prior to the distribution of the meeting agenda but in truth all the information around the project has been covered in the agenda item prepared for the August meeting of the WEROC Council. Given that this is the case, the Executive Officer provides below an extract from the minutes of that meeting to again cover what has been achieved during the life of the project.

To aid discussion around the recommendation provided on this matter the Executive Officer has provided a brief history of the work around the WEROC App and website. Whilst this report covers only work around the WEROC App, the further development of the WEROC website needs also to be considered by WEROC Council as it has been developed as part of the App's evolution.

In early 2016 WEROC embarked on a project to develop a mobile app, engaging Go2EVENTS¹/Peacock Digital to assist in its endeavours. At a meeting held Wednesday 27 April 2016 WEROC Council resolved as follows:

¹ Note that Go2Events has become go2GUIDES.

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RESOLUTION: *Moved: Cr Hooper* *Seconded: Cr Forsyth*

That:

1. WE-ROC accept the quote provided by Go2EVENTS/Peacock Digital to develop a mobile application for WE-ROC that will provide information to both residents and visitors to the communities across WE-ROC;
2. Development of the mobile application be done as a Wheatbelt Communities Inc project with funding through the WE-ROC project account; and
3. The annual maintenance be met by WE-ROC should funding for maintenance of the application not be met by way of subscriptions.

CARRIED

Since that time WEROC/Wheatbelt Communities Inc has worked with Steven Peacock to digitally enable the communities across the region covered by Member Councils. This work has at times not been easy for a variety of reasons. For example, the work agreed to early in 2017, as detailed in the resolution below (and agreed to at a Wheatbelt Communities Inc meeting held Wednesday 29 March 2017) was never fully undertaken.

RESOLUTION: *Moved: Jamie Criddle* *Seconded: Darren Mollenoyux*

That:

- The report on the development of the WE-ROC mobile app be noted;
- Wheatbelt Communities' Member Councils have responsibility for the management of their "local" content for a period of six months at which time a review will be undertaken to determine whether or not the management of the app should be outsourced;
- Training on managing the app be arranged as soon as possible for those officers across Wheatbelt Communities given the responsibility of managing content within their respective communities;
- The Executive Officer approach both Go2EVENTS/Peacock Digital and the Wheatbelt Business Network for a costing for managing app content, listings etc on the app; and
- The Executive Officer prepare a draft charging policy for users of the app.

CARRIED

Training on the App was provided but for many reasons did not see the management of content occurring in a way that allowed for greater development or uptake of the App.

Management of the App was not given to the WBN, with Wheatbelt Communities Inc resolving on Wednesday 15 May 2017 as follows:

By consensus it was agreed that the Central Wheatbelt Visitors Centre would be approached to manage the content of the WE-ROC app.

This decision was augmented by a further decision WEROC Council at a meeting held Wednesday 28 February 2018, at which time it was resolved:

RESOLUTION: *Moved: Cr Forsyth* *Seconded: Cr Hooper*

That:

1. WE-ROC agree to continue providing financial support for the WE-ROC App;
2. WE-ROC look to fund the Central Wheatbelt Visitors Centre for a two-period commencing on 1 July 2018 and concluding on 30 June 2020, with a review of the contract during the first quarter of the 2019/2020 financial year;
3. WE-ROC enter into negotiations with the Wheatbelt Business Network to assist with the future development of the WE-ROC App, particularly in the area of promoting and encouraging business to register on the WE-ROC App; and
4. In developing the WE-ROC Budget for 2018/2019, for WE-ROC Council's consideration, the WE-ROC Executive develop a financial plan for the management and future development of the WE-ROC App.

CARRIED

WEROC Executive Meeting Wednesday 25 September 2019 - Minutes

In addition to further funding for the App WEROC Council also briefly considered a discussion paper prepared by go2GUIDES which looked at developing a strategy that provide WEROC with greater digital enablement. At the time, WEROC Council resolved as shown below:

RESOLUTION: Moved: Cr Strange Seconded: Mr Griffiths

That the WE-ROC Executive use the discussion paper, "Digital Economy Enablement Strategy", prepared by go2Guides in its discussions when preparing the draft WE-ROC Budget for 2018/2019.

CARRIED

This did not occur in any great detail at the Executive Meeting held Wednesday 28 March 2018.

Other matters related to the WEROC App were, however, considered, with the Executive resolving as shown below:

RESOLUTION: Moved: Raymond Griffiths Seconded: Darren Mollenoyux

That:

- 1. Subject to its review, WE-ROC enter into a contract with the Wheatbelt Business Network to assist WE-ROC with the future development of the WE-ROC App, particularly in the area of promoting and encouraging business to register on the WE-ROC App; and*
- 2. Signage advertising the WE-ROC App should be purchased and installed without delay.*

CARRIED

Work with the WBN was undertaken. Physical signage has not been erected to date but advertising of the App is done through the Central Wheatbelt Visitor Centre and organisations with which it is affiliated, eg Australia's Golden Outback.

A proposal by go2GUIDES to continue work on the WEROC App was considered as part of budget deliberations, with WEROC Council resolving as follows when it met on Wednesday 2 May 2018:

RESOLUTION: Moved: Mr Griffiths Seconded: Mr Powell

That WE-ROC accept the proposal and costing provided by go2Guides for the further development of the WE-ROC App at a cost of \$8,520 (GST exclusive).

CARRIED

7/1

The above decision was taken because the proposal was considered to provide "value for money".

This funding represents the amount spent by WEROC in the last financial year on the WEROC App project.

Work undertaken by the WBN on WEROC's behalf highlighted the problems faced in getting greater uptake by local businesses across WEROC. Because of this WEROC Council resolved as follows when it met on Wednesday 22 August 2018:

RESOLUTION: Moved: Cr Forsyth Seconded: Mr Powell

That WE-ROC enter into discussions with the Wheatbelt Business Network (WBN) to postpone completion of Stage Two of work associated with improvements and further development of the WE-ROC App and website in order to undertake Stage Three of the contract between its contract with the WBN.

CARRIED 7/1

At the WEROC Council Meeting held Wednesday 24 October 2018 the Executive Officer was requested to research the Agreement/Contract between WEROC and go2GUIDES to ascertain whether there were any ongoing commitments in relation to the development of the WEROC App in order for this to be referred to the Executive Meeting scheduled for Wednesday 28 November 2018.

This research identified that WEROC still had contractual obligations to go2GUIDES.

WEROC Executive Meeting Wednesday 25 September 2019 - Minutes

At this meeting the WEROC Executive also met (via teleconference) with Steven Peacock and Fabian Vleer from Go2GUIDES. Following this meeting it was resolved as shown below:

RESOLUTION: Moved: Greg Powell Seconded: Jamie Criddle

That WE-ROC seek a project brief, implementation plan and costing from go2GUIDES to market the WE-ROC App as means to attract visitors to the region.

CARRIED

go2GUIDES provided WEROC with the information requested and at the WEROC Executive Meeting held Wednesday 13 February 2019 it was resolved as follows:

RESOLUTION: Moved: Darren Mollenoyux Seconded: Jamie Criddle

That the WEROC Executive recommend to the WEROC Council that:

1. Subject to successful grant funding applications to assist WEROC in resourcing the WEROC App Marketing Project, WEROC look to fund the project in the 2019/2020 financial year and beyond; and
2. Go2GUIDES be advised of WEROC's decision.

CARRIED

This action was agreed to by WEROC Council when it met on Wednesday 27 February 2019.

The Executive Officer advised the attendees at the WEROC Council Meeting on Wednesday 1 May 2019 she had conveyed WEROC's decision to go2GUIDES.

Since returning from leave the Executive Officer in July has received various documents and costings from go2GUIDES in an effort to work on finding funding to further the WEROC App. At this point the most relevant document is the Digital Economy Enablement Strategy Overview prepared for WEROC by go2GUIDES a copy which forms an attachment to this item. Provided as "Commercial in Confidence" the overview outlines how ongoing use and further refinement of the App will aid in showcasing the region to an audience beyond the communities within WEROC.

As the Executive Officer has noted previously, the development of the WEROC App has created a means of showcasing businesses and attractions (both social and environmental) to an audience far greater than just the residents and businesses within the WEROC region. It provides a mechanism for WEROC and the communities it represents to lift the region's economic footprint through becoming more digitally enabled.

For the Executive Officer to look at funding sources and prepare applications to further the development and marketing of the App and website, Member Councils need to be aware that funding of any significance is likely to require a contribution from WEROC.

Is WEROC willing to commit, where required, to a co-contribution in any funding application lodged?

There is also the question of who will manage the App and website once development is completed and how that will be funded.

In discussions the Executive has had with the Shire of Merredin, the Shire has agreed to manage the App but would do so only on a fee for service basis. Given that this is recurrent expenditure it is extremely unlikely that grant funding, even with a contribution from WEROC, will be available.

Again, is WEROC willing to commit to this expenditure? Such a commitment will be vital. It will also be ongoing.

If Member Councils answer yes to each of the above questions then there must be discussion around what aspects of the WEROC App and website development and marketing do they wish to focus on? Only when these issues are resolved can funding sources be identified and meaningful applications prepared.

This would be a task the Executive could undertake and provide recommendation on to WEROC Council. Once agreement has been reached on what aspects of the App to focus upon the Executive Officer will be in a position to find sources of funds relevant to WEROC's needs.

WEROC Executive Meeting Wednesday 25 September 2019 - Minutes

If WEROC determines it does not wish to expend any funds then there is no point to applying for funding.

It should also be noted that WEROC's contract with the Central Wheatbelt Visitor Centre to maintain the WEROC App and website has expired. As advised previously, the Shire of Merredin has advised that it is happy for a new contract to be entered into. The costs associated with renewing the contract must be considered by the WEROC Executive as it considers the future development and funding of the App and website.

Consultation: Nil

Financial Implications: As yet unknown

Voting Requirement: Simple Majority

The matter is presented for discussion and decision.

RESOLUTION: Moved: Jamie Criddle Seconded: Raymond Griffiths

That the WEROC Executive recommend to the WEROC Council that:

1. WEROC terminate its contract with go2GUIDES; and
2. WEROC examine alternative ways to manage the WEROC website.

CARRIED

5.7 Funding to Support and Mentor Local Governments to Assist in the Development of Public Health Plans

File Reference: 013-2 Strategic and Future Planning

Author: Helen Westcott, Executive Officer

Portfolio: Social (Kellerberrin) and Environment (Merredin)
Shared Function (Advocacy)

Disclosure of Interest: Nil

Date: 18 September 2019

Attachments: Nil

The matter is presented for discussion and decision.

Executive Officer's Report:

Following its discussions with Jo Malcom from the Public Health Advocacy Institute of WA (PHAIWA), the Executive may wish to discuss what further action, if any, is required in seeking further assistance from PHAIWA as Member Councils look to develop their Public Health Plans.

RESOLUTION: **Moved: Darren Mollenoyux** **Seconded: Greg Powell**

That the WEROC Executive recommend to the WEROC Council that:

- 1. WEROC write to the WA Local Government Association (WALGA) requesting that it prepare a local health plan template based on the Salaries and Allowances Tribunal four band classification model to assist in the preparation of local health plans that meet the needs of small rural and remote local governments; and**
- 2. If WALGA is unable to assist in preparing a template to assist in the preparation of local health plans WEROC look to creating its own template from which Member Councils can prepare individual local health plans.**

CARRIED

The meeting adjourned at 10.57am

The meeting resumed at 10.06am

The following people did not return to the meeting:

Mr Alan O'Toole;
Ms Ashleigh Waight;
Mr Peter Zenni; and
Mr Nic Warren

The meeting then returned to Agenda Item 4.1

6. EMERGING ISSUES

6.1 Wheatbelt Medical Students Immersion Project (WMSIP)

Raymond Griffiths advised that at a recent Local Emergency Management Committee Meeting it was suggested that students coming out to Kellerberrin as part of the WMSIP in 2020 could participate in a training exercise. The participation in such an activity would see the students as casualties in any exercise planned and could be seen as their community activity for the time in Kellerberrin.

The meeting agreed that this was an idea that should be pursued, with the Executive Officer asked to raise the matter at the next meeting of the WMSIP Planning Group, scheduled to held Thursday 26 September 2019.

6.2 Productivity Commission - Release of Draft Report into Remote Area Tax Concessions and Payments

The Executive Officer advised that the Productivity Commission had released a report in remote area tax concessions and payments, enquiring whether WEROC wished to prepare a submission to the Productivity Commission on the adverse impact that some of its recommendations might have on attracting staff to non-metropolitan Councils such as those in WEROC.

It was agreed that a submission would not be prepared, with Councils to provide WALGA with any information they thought of value for inclusion into the submission WALGA will prepare on the sector's behalf.

6.3 Productivity Commission - Release of Draft Report into Mental Health

The Executive Officer advised that the Productivity Commission report on mental health in the workplace will be released on 31 October 2019, with public hearings to be held during November and December. A hearing will be held in Perth on Wednesday 20 November.

No date has been set as yet for the release of the final report.

The Executive Officer sought advice from the Executive as to whether it wanted WEROC to attend the public hearing, given it had previously made a submission.

It was agreed that no further action was required at this point.

6.4 Size and Scale Compliance Regime – Local Government Act Review

The Executive Officer drew Member Councils attention to the recent Infopage from the WA Local Government Association (WALGA) regarding its request for examples of where a size and scale compliance regime could be identified in the Act and Regulations.

It was agreed that the Executive Officer should provide WALGA with a copy of the submission it submitted to the Department of Local Government, Sport and Cultural Industries on the review of the Local Government Act.

It was also agreed that Member Councils should also provide WALGA with any examples they believe should be included in the work being undertaken by WALGA.

Any information for this with work must be with WALGA by Friday 25 October 2019.

6.5 Removal of CA07

Jamie Criddle raised the matter of the email received from Main Roads WA on Monday 23 September 2019 regarding the removal of CA07.

It was agreed that in light of the email received just prior to the WEROC Executive Meeting from Nick Sloan, CEO WALGA that the matter be left for further review at the WEROC Council Meeting scheduled for Wednesday 30 October 2019.

6.6 Departmental Circular 9 2019 – Consultation of Proposed Code of Conduct and CEO Standards

The WEROC Executive briefly discussed Departmental Circular 9 2019 which was released on Tuesday 24 September 2019.

It was agreed that this matter be left with individual Member Councils.

7. OTHER MATTERS

Nil

8. FUTURE MEETINGS

WEROC Council	Wednesday 30 October 2019 (Shire of Westonia)
WEROC Executive	Wednesday 27 November 2019 (Shire of Shire of Bruce Rock)

9. CLOSURE

There being no further business the Chair closed the meeting at 12.55pm



CEACA

Supporting Age Friendly Communities

**CENTRAL EAST AGED CARE
ALLIANCE INC EXECUTIVE
COMMITTEE**

IN-PERSON MEETING

**MEETING ROOM, MERREDIN
REGIONAL COMMUNITY AND
LEISURE CENTRE**

**WEDNESDAY 5 JUNE 2019,
COMMENCING AT 9.09AM**

MINUTES



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Minutes

Central East Aged Care Alliance Inc (CEACA)

Executive Committee Meeting

1. OPENING AND ANNOUNCEMENTS

CEACA's Chair, Hon Terry Waldron JP, opened the meeting at 9.09am welcoming all in attendance.

2. RECORD OF ATTENDANCE AND APOLOGIES

2.1 Attendance - Members

Hon Terry Waldron JP, Chair
Mr Ken Hooper, Secretary
Ms Rachel Kirby, Treasurer
Mr Gary Shadbolt, Executive Committee Member
Mr Raymond Griffiths, Executive Committee Member

Ms Helen Westcott, Executive Officer

2.2 Attendance - Guests

Nil

2.3 Apologies

Nil

3. DECLARATION OF INTEREST

Pursuant to Clause 21 of the Central East Aged Care Alliance Inc Constitution, Members must declare to the Chairman any potential conflict of interest they may have in a matter before the meeting as soon as they become aware of it. Members and Deputies may be directly or indirectly associated with some recommendations of Central East Aged Care Alliance Inc. If you are affected by these recommendations, please excuse yourself from the meeting and do not participate in deliberations.

This is in accordance with Clause 21.4 of the Constitution which states:

21.4 *When a member or employee discloses a pecuniary interest he or she may neither participate in discussions nor take any part in the decision making process in respect to that matter nor be present when the matter is being discussed or voted upon*

Nil

4. PRESENTATIONS/MEETINGS

Nil

5. MINUTES OF MEETINGS

5.1 Minutes from an Executive Committee Meeting of the Central East Aged Care Alliance Inc held Wednesday 22 May 2019

Whilst the minutes from the Executive Committee Meeting of the Central East Aged Care Alliance Inc held Wednesday 22 May 2019 have been completed, they will be presented for adoption at a future meeting of the Executive Committee.

6. MATTERS FOR NOTING

Nil

7. CHAIR'S REPORT

Nil

8. CEACA FINANCE

Nil reports for this meeting

9. BUSINESS OF THE MEETING

9.1 Management of CEACA's Housing being Constructed through the CEACA Seniors Housing Project

Author: Helen Westcott, Executive Officer

Disclosure of Interest: No interest to disclose

Date: 2 June 2019

Attachments: Proposal from Force Realty - CONFIDENTIAL
Introducing Force Real Estate
Proposal from Foundation Housing - CONFIDENTIAL

Background:

Work around securing a management agreement for CEACA's aged housing post construction is ongoing. This unforeseen work has resulted from Access Housing Australia (AHA) being unable to enter into an agreement with CEACA because AHA could only enter into a lease arrangement with CEACA and given the GST implications for CEACA should it not gain charitable status, entering into a lease agreement with Access Housing was not possible.

On this basis, the CEACA Committee resolved as shown below when it met on 26 February 2019:

RESOLUTION: *Moved: Rachel Kirby* *Seconded: Freda Tarr*

That the CEACA Executive Committee be given delegated authority to enter into discussions with appropriately qualified organisations with respect to the management of housing being constructed through the CEACA Seniors Housing Project.

CARRIED

Since that time the Executive Committee has been working to secure a management agreement for CEACA's agenda housing post construction.

The matter was most recently discussed by CEACA's Executive Committee when it met on 22 May 2019. At this time the Executive Committee discussed a proposal received from Force Real Estate. It was agreed that clarification be sought on a number of issues including:

- What expenditure/responsibilities would Force Real Estate have and conversely what would be required of CEACA should Force Real Estate take on the management of the aged housing post construction?
- How will CEACA be billed?
- How will be maintenance be undertaken and will there be limits on expenditure for repairs, ie is a limit in place before Force Real Estate as the property manager seeks approval from CEACA?
- What experience does Force Realty have with rental properties within the affordable housing space?
- Given that the availability of houses across each of the 11 members, will the cost of managing the properties be staged or will it be the total from whatever date the contract commences.

- On vacant properties, would the fee for managing vacant properties commence immediately or would that be incurred after the first tenant leaves a house?

A proposal had also been sought from the not-for-profit housing agency Foundation Housing.

Whilst interested in preparing a proposal for CEACA Foundation Housing, through its CEO Kathleen Gregory, advised on 22 May 2019 that they had been unable to complete a proposal due to staff absence. Kathleen Gregory, advised, however, initial feasibility work undertaken by Foundation Housing had identified working with CEACA would be a viable contract for them and it was keen to work with CEACA.

On the basis of its discussion, the Executive Committee resolved as shown below:

<i>RESOLUTION:</i>	<i>Moved: Ken Hooper</i>	<i>Seconded: Gary Shadbolt</i>
<i>That:</i>		
<ol style="list-style-type: none"> 1. <i>The matter of the management of CEACA's Housing post construction be deferred until Thursday 30 May 2019; and</i> 2. <i>Foundation Housing be invited to submit its proposal and Force Realty to resubmit a revised proposal no later than close of business on Thursday 30 May 2019</i> 		
		<i>CARRIED</i>

Executive Officer Comment:

Both Force Real Estate and Foundation met the deadline set by the Executive Committee.

Copies of Force Real Estate's original proposal and Foundation Housing's proposal received on 30 May 2019 form attachments to the meeting agenda. A copy of the brochure detailing the services provided by Force Real Estate also forms an attachment to the meeting agenda.

When CEACA Executive Committee reviewed Force Real Estate's proposal it requested the Executive Officer seek clarification on a number of issues. This request was made with additional information/clarification sought on the following:

1. Will the \$55 per week fee kick in on all of CEACA's aged housing from day one or will it progressively pick up each house as it is completed and ready to occupy?
2. Given the sites will come on progressively, when would the 12-month term of the contract commence?
3. Confirmation that CEACA would be responsible for insuring its housing stock.
4. Would Force Real Estate assist in the allocation of CEACA's aged housing?
5. Availability to meet with representatives from CEACA

Rory Trotter from Force Real Estate provided the following response by email on 28 May:

Hi Helen

Please find below the responses to your requests.

1. *Our major cost factor would be the costs of employing a full time Property Manager and conducting quarterly inspections. The inspections would more than likely involve a two to three day road trip.*
2. *If any accounts were to be charged to CEACA, we would send an invoice and either await payment or have the amount deducted from the monthly statement, if we had the authority to do so.*

3. *If maintenance is required we would generally have a limit on the Management Authority as to how much we could spend without contacting CEACA. This amount is generally around \$500 but can be more or less on CEACA's authority. If a major cost is to be incurred then we would not proceed without written authority. In the initial stages, Dave and myself would visit each town and source the best, reliable and economical tradesperson in the area. We would interview each company to ensure that they are the most suitable. We would also seek some guidance from the local agents in respect to selecting the best business.*
4. *Force oversee quite a few strata complexes and the largest is a 40 unit retirement complex in Marangaroo. We manage quite a number of smaller complexes and have a special strata programme installed which gives us, and the vendor's quality up to date service. We are more than confident that managing CEACA's portfolio is not an issue.*
5. *You are correct in your assumption that we would be costing the management fees on the 30 properties initially. As the balance comes on board, we would instigate the fees.*
6. *Generally, if the property is vacant, the fee would still be charged, however, this can be discussed at our next meeting and adjustments made if required.*

Thank you for sending through the construction completion schedule and I do hope the questions have been answered to your satisfaction.

Please feel free to contact either Dave or myself if you have any further questions.

We are looking forward to meeting the Executive Committee in due course.

In other emails to the Executive Officer the following information was also provided by David Brewer and Rory Trotter:

- To cover wages for the new property manager, Force Real Estate would potentially look at payment for 30 managements from the commencement the dedicated property manager for the CEACA portfolio; and
- The leasing of CEACA's houses would be undertaken by Force Real Estate. Tenant selection would be determined from the guidance of CEACA's eligibility criteria and direct consultation as required.

Foundation Housing's proposal is more complex in structure than the one provided by Force Real Estate. This makes it more difficult to compare the two proposals, particularly given that Foundation Housing notes that its portfolio profit and loss scenario is only indicative, being based on several assumptions with respect to revenue and cost items. Whilst these can be investigated at a later date, time is not something CEACA has. A management structure is required to be implemented without delay to ensure it is able to drawdown further funding as construction of its aged housing nears completion.

Another critical consideration for CEACA is whether or not the management model being proposed by Foundation Housing will align with its efforts to gain charitable status.

Whilst Foundation Housing believe its management proposal will not impact on any application, CEACA's lawyers are not as confident that this will be the case. Following CEACA's meeting with Foundation Housing on 15 April 2019 this concern was expressed by Greg Mohen from Kott Gunning to both CEACA's then Acting Chair, Gary Shadbolt, and the Executive Officer.

Given this uncertainty and the urgent need to finalise arrangements for the management of its aged housing, the most practical option may be for CEACA to enter into a management agreement for a period of 12 months (as proposed by Force Real Estate). During this initial 12-month period CEACA

will be able to further discuss the management option presented by Foundation Housing with testing of the assumptions based on actual data collected as the houses are tenanted and a revenue stream established. These discussions will also be undertaken in the knowledge of whether or not CEACA has achieved charitable status.

Additional Meeting Comment:

In discussing the two proposals presented it was agreed that should the Force Real Estate proposal be adopted as per the Executive Officer's recommendation there should be negotiation around the weekly charged for unoccupied houses.

The Executive Committee were of the view that a fee of \$20-30 (GST excl) per week for an unoccupied house was more appropriate.

RECOMMENDATION:

That CEACA:

1. Accept in principle the proposal provided by Force Real Estate;
2. The Executive Committee meet with representatives from Force Real Estate to finalise arrangements around the management of CEACA's aged housing for a period of 12 months; and
3. The Executive Committee enter into discussions with Foundation Housing to work through the management model submitted to refine the portfolio profit and loss scenario as detailed in Part 7 of Foundation Housing's proposal in order that it can be compared to the management model offered by Force Real Estate before the conclusion of CEACA's 12-month contract with Force Real Estate.

RESOLUTION: **Moved: Raymond Griffiths** **Seconded: Ken Hooper**

That CEACA:

1. **Accept in principle the proposal provided by Force Real Estate; and**
2. **The Executive Committee meet with representatives from Force Real Estate to negotiate arrangements around the management of CEACA's aged housing for a period of 12 months. These discussions are to include negotiating a separate fee for occupied and unoccupied houses.**

CARRIED

Note: **It was agreed that the Chair would seek to meet with Force Real Estate and soon as possible. Other members of the Executive Committee would be welcome to attend if available.**

10. FUTURE MEETINGS

10.1 Meetings of the CEACA Committee

Wednesday 5 June 2019 Ordinary Committee Meeting in Merredin
Wednesday 4 September 2019 Ordinary Committee Meeting (Venue to be determined)
Wednesday 6 November 2019 AGM and Ordinary Committee Meeting

10.2 Meetings of CEACA Executive Committee

Wednesday 14 August 2019
Wednesday 16 October 2019

Meetings will either be via teleconference or in-person, with the venue being Perth or Kellerberrin.

11 CLOSE OF MEETING

There being no further business the meeting was declared closed at 9.49am

DECLARATION

These minutes were confirmed by the Central East Aged Care Alliance Inc Executive Committee at the meeting held _____

Signed _____
Person presiding at the meeting at which these minutes were confirmed

9. DECLARATION OF INTEREST

In accordance with Section 5.65 of the *Local Government Act 1995* the following disclosures of **Financial** interest were made at the Council meeting held on **24th October 2019**.

Name/Position	
Item No./Subject	
Nature of interest	
Extent of Interest	

In accordance with Section 5.65 of the *Local Government Act 1995* the following disclosures of **Closely Association Person And Impartiality** interest were made at the Council meeting held on **24th October 2019**.

Name/Position	
Item No./Subject	
Nature of interest	
Extent of Interest	



In accordance with Section 5.60B and 5.65 of the *Local Government Act 1995* the following disclosures of **Proximity** interest were made at the Council meeting held on **24th October 2019**.

Name/Position	
Item No./Subject	
Nature of interest	
Extent of Interest	

10.MATTERS REQUIRING A COUNCIL DECISION

10.1. GOVERNANCE, ADMINISTRATION AND FINANCIAL SERVICES

10.1.1 ACCOUNTS FOR PAYMENT

Responsible Officer:	Jamie Criddle, CEO
Author:	Kay Geier, Senior Finance Officer
File Reference:	F1.3.3 Monthly Financial Statements
Disclosure of Interest:	Nil
Attachments:	Attachment 9.1.1 List of Accounts
Signature:	Officer  CEO 

Purpose of the Report

Executive Decision

Legislative Requirement

Background

This information is provided to Council on a monthly basis in accordance with provisions of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996. A Local Government is to develop procedures for the authorisation of, and payment of, accounts to ensure that there is effective security for, which money or other benefits may be obtained.

Comment

Attached is a copy of Accounts for Payment for the month of September 2019. The credit card statements currently show: -

CEO **September 2019 \$3,386.06** associated with the purchase of Activ8inet Housing & Office, Fuel, Email Exchange Platform, Rapid Plan Renewal, Fuel and Accommodation and Meals Corporate Golf Day

Works Supervisor **September 2019 \$1,656.54** associated with the purchase Headworks Scheelite Street, Zinc, Old Cart and Fabric for Museum, Potted Colour

Statutory Environment

Local Government (Financial Management) Regulations 1996 Regulations 12 & 13 requires the list of accounts to be presented to Council. Payments are made by staff under delegated authority from the CEO and Council.

Policy Implications

Council does not have a policy in relation to payment of accounts.

Strategic Implications

Accounts for payment are presented to Council in the interests of accountability and provide information on Council expenditure.

Financial Implications

Expenditure in accordance with the 2019/2020 Annual Budget.



Voting Requirements



Simple Majority



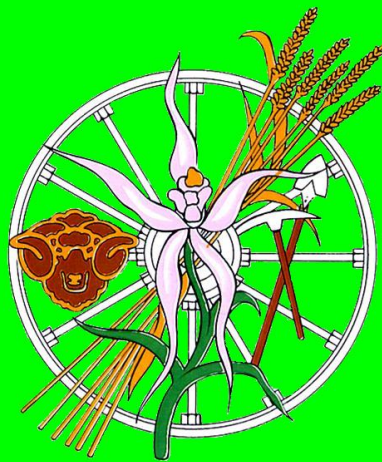
Absolute Majority

OFFICER RECOMMENDATIONS

That September 2019 accounts submitted to today's meeting on Municipal vouchers numbered from 3786 to 3792, and D/Debits from EFT3783 to EFT3830 (inclusive of Department of Planning and Infrastructure / Creditor and Bank Fees Directly Debited and Visa Card Payments) totalling \$323,962.99 be passed for payment.

Attachment 10.1.1

Shire of Westonia



Accounts for Payment

for period ending
30 September 2019

List of Accounts Due & Submitted to Council September 2019

Chq/EFT	Date	Name	Description	Amount	Bank	Type
3793	01/09/2019	Water Corporation	Various Water Accounts	-5196.44	1	CSH
PAYROLL	01/09/2019	PAYROLL	Payroll Liability FE 01/09/19	-28830.13	1	CSH
PAYROLL	01/09/2019	SOC CLUB	Payroll Liability FE 01/09/19	-70.00	1	CSH
DD2499.1	01/09/2019	WASUPER	Payroll deductions	-5434.65	1	CSH
DD2499.2	01/09/2019	Colonial First State FirstChoice Wholesale Personal Super	Superannuation contributions	-86.03	1	CSH
DD2499.3	01/09/2019	MLC Masterkey	Superannuation contributions	-256.97	1	CSH
DD2499.4	01/09/2019	Sunsuper	Superannuation contributions	-106.81	1	CSH
DD2499.5	01/09/2019	Amp Flexible Lifetime Super	Superannuation contributions	-178.28	1	CSH
B/S	02/09/2019	WESTNET - INTERNET PROVIDER FEE	BANK FEES	-66.00	1	FEE
3794	03/09/2019	Synergy	various power accounts	-4937.20	1	CSH
EFT3831	03/09/2019	Copier Support	Meter read for Shire and CRC Printers	-728.79	1	CSH
EFT3832	03/09/2019	Ron Bateman & Co	Tray Fastener & Slime Cards repair	-73.34	1	CSH
EFT3833	03/09/2019	Tyreright Merredin	1 Rustband Repair and 1 new tube	-132.00	1	CSH
EFT3834	03/09/2019	Westonia Tavern	Meals & Beverages Council Meeting 15/8/19	-192.00	1	CSH
EFT3835	03/09/2019	Shire of Merredin	Annual Contribution 2019/20	-2500.00	1	CSH
EFT3836	03/09/2019	Liberty Oil rural Pty Ltd	4250 lt bulk Diesel	-5689.05	1	CSH
EFT3837	03/09/2019	Eastern Districts Panel Beaters	Windscreen Replacement for Canter	-544.00	1	CSH
EFT3838	03/09/2019	Jason Signmakers	Various Street name signs, Golf Club signs, Mick's sign & Road Users sign	-2080.10	1	CSH
EFT3839	03/09/2019	JR & A Hersey Pty Ltd	Rags, Sunglasses, Dust masks, Spray mark, Gloves, Pink Tape, Duct Tape & PVC Tape	-596.04	1	CSH
EFT3840	03/09/2019	State Library Of WA	Annual Fee Lost & Damaged Public Libraries	-220.00	1	CSH
EFT3841	03/09/2019	Cliff Haines Tyres & More	7 x Drive Tyres	-2275.00	1	CSH
EFT3842	03/09/2019	A.D. Engineering International	Quarterly 3G Service	-89.10	1	CSH
EFT3843	03/09/2019	Chatfields (McCreery Business Trust)	Ezy Planter Rubbers & Postage	-178.20	1	CSH
EFT3844	03/09/2019	Scottish Pacific Business Finance Pty Ltd (Transair Holdings Pty Ltd)	Power Supply including setup for the Westonia Repeater	-429.00	1	CSH
EFT3845	03/09/2019	Australia Post	Bulk Mail Out	-28.75	1	CSH
EFT3846	03/09/2019	StrataGreen	SCurve Hardline Galv Edge	-2810.50	1	CSH
EFT3847	03/09/2019	Midland Sand & Soil Supplies & Midland Minicrete	1 Bulka Bag white sand	-90.00	1	CSH
EFT3848	03/09/2019	StrataGreen	SCurve Hardline Galv Edge	-2810.50	2	CSH
EFT3849	03/09/2019	Department of Fire & Emergency	2019/20 ESL Option B	-19572.00	1	CSH
EFT3850	03/09/2019	T - Quip	1 Second Hand Kubota Mower	-15000.00	1	CSH
B/S	10/09/2019	FEE - BANK FEES	BANK FEES	-368.23	1	FEE
B/S	13/09/2019	TPORT - DEPT TRANSPORT LICENSING	DEPT TRANSPORT LICENSING	-1601.84	1	FEE
PAYROLL	15/09/2019	PAYROLL	Payroll Liability FE 15/09/19	-29226.79	1	CSH

PAYROLL	15/09/2019	SOC CLUB	Payroll Liability FE 15/09/19	-70.00	1	CSH
DD2507.1	15/09/2019	WASUPER	Payroll deductions	-5196.88	1	CSH
DD2507.2	15/09/2019	Colonial First State FirstChoice Wholesale Personal Super	Superannuation contributions	-81.94	1	CSH
DD2507.3	15/09/2019	MLC Masterkey	Superannuation contributions	-209.47	1	CSH
DD2507.4	15/09/2019	Sunsuper	Superannuation contributions	-106.81	1	CSH
DD2507.5	15/09/2019	Amp Flexible Lifetime Super	Superannuation contributions	-177.70	1	CSH
3795	17/09/2019	Water Corporation	Service charge Land (res) 20 Pyrite St	-44.06	1	CSH
3796	17/09/2019	TELSTRA CORPORATION LIMITED	Various Telephone usage	-892.99	1	CSH
3797	17/09/2019	Synergy	Street light account	-990.20	1	CSH
EFT3851	17/09/2019	WALGA	Delegation Registration Local Govt Week 2019 - Cr DellaBosca, Huxtable, Geier, CEO	-6095.00	1	CSH
EFT3852	17/09/2019	Toll Ipec	Freight - Jason Signs	-41.97	1	CSH
EFT3853	17/09/2019	Carrabin Roadhouse (Rythdale P/L)	Doctor Meals July	-91.00	1	CSH
EFT3854	17/09/2019	Tyreright Merredin	1x N120 Battery	-286.00	1	CSH
EFT3855	17/09/2019	Westonia Tavern	refreshments & accommodation	-155.00	1	CSH
EFT3856	17/09/2019	Bunnings Group Ltd	Various retic fittings, Nylex Hose reel, Pain for mower deck	-533.92	1	CSH
EFT3857	17/09/2019	Covs Parts	2 globes, 50ml loctite	-56.15	1	CSH
EFT3858	17/09/2019	Institute of Automotive Mechanical Engineers (I.A.M.E)	Test & Tag Tags	-433.90	1	CSH
EFT3859	17/09/2019	Newtravel INC	2019/20 Membership marketing, Tourism Officer, Wheatbelt Way specific marketing.	-5000.00	1	CSH
EFT3860	17/09/2019	Dylan Copeland	Landholder vegetation decline, site visits & meetings	-1584.00	1	CSH
EFT3861	17/09/2019	Westonia Co - operative	Various purchases August 2019	-1262.63	1	CSH
EFT3862	17/09/2019	Marketforce	West Australian advertising Local govt Vacancy - Swimming Pool Manager	-824.25	1	CSH
EFT3863	17/09/2019	Central East Aged Care Alliance (Inc)	Legal services, duty on land transfer, lands & heritage purchase, document preparation, landgate lodgement fee	-1226.45	1	CSH
EFT3864	17/09/2019	Fleet Partners	Monthly Lease payment 21Aug to 20Sept 2019	-2146.41	1	CSH
EFT3865	17/09/2019	Ancor Electrical	Install new Genset backup Power System	-1543.64	1	CSH
EFT3866	17/09/2019	Parmelia Management Pty Ltd	Accommodation, & other expenses Local govt week August 2019	-3923.00	1	CSH
EFT3867	17/09/2019	Wongan Trees	Seedling collection from Northam & Quairading & delivering to Westonia	-741.40	1	CSH
PAYROLL	19/09/2019	PAYROLL	Payroll Liability FE 19/09/19	-948.52	1	CSH
249	19/09/2019	Cash	Return Of Nomination Deposit	-240.00	2	CSH
3798	19/09/2019	TELSTRA CORPORATION LIMITED	Shire Mobiles to 6/9/19	-1247.60	1	CSH
EFT3868	19/09/2019	Ron Bateman & Co	Grub screws, roll pin, ducting tape.	-15.64	1	CSH
EFT3869	19/09/2019	Tyreright Merredin	Tube repair & replace tube & dust cover	-170.50	1	CSH
EFT3870	19/09/2019	Hutton and Northey Sales	1 x New ring feeder	-411.09	1	CSH
EFT3871	19/09/2019	LGIS Risk Management	5 day OHS Representative course - J McDowall	-1566.09	1	CSH
EFT3872	19/09/2019	Liberty Oil rural Pty Ltd	10.000Lt diesel and 1000 Lt ULP	-14578.50	1	CSH



EFT3873	19/09/2019	Sharp FX	4 Custom Made Mannequins 50% down payment	-15950.00	1	CSH
EFT3874	19/09/2019	HA & KM Townrow	4m/3 concrete culvert ends	-1650.00	1	CSH
EFT3875	19/09/2019	Wheatbelt Steel Supplies	Length flat bar & 50 x 50 pre gal & Paint + freight	-84.63	1	CSH
EFT3876	19/09/2019	Ancor Electrical	RCD Board upgrade - Complex	-2640.00	1	CSH
EFT3877	19/09/2019	Fullworks Fire Safety	Fire Extinguishers	-1042.80	1	CSH
EFT3878	19/09/2019	K J Gibson & Aaron Smith T/A Alison Pastoral	3000m3 Gravel	-3300.00	1	CSH
EFT3879	19/09/2019	AMS (Aerodrome Management Services Pty Ltd)	Standard white cones and windsock	-861.67	1	CSH
DD2516.1	20/09/2019	Display Me	Magnetic Lockable & Water Resistant Holds 12 x A4	-457.45	1	CSH
EFT3880	24/09/2019	BUILDING COMMISSION	Faithfull - August Return	-261.60	2	CSH
B/S	25/09/2019	2V.Net Solutions	INTERNET PROVIDER FEE	-578.95	1	FEE
3799	25/09/2019	Shire of Westonia	Registration renewal for WT770 & WT1224	-245.30	1	CSH
EFT3881	25/09/2019	WALGA	Enrolling to vote, Call for nominations & Result of election Advert	-1265.00	1	CSH
EFT3882	25/09/2019	Ron Bateman & Co	4 bearings & plastic tube	-47.77	1	CSH
EFT3883	25/09/2019	Tyrreright Merredin	4 Tyres and rotate & fit 'o'Ring	-1664.00	1	CSH
EFT3884	25/09/2019	Hutton and Northey Sales	Engine oil, separator, fuel filter, air filter & freight	-168.83	1	CSH
EFT3885	25/09/2019	Merredin Rural	1 pack steel fence droppers	-184.01	1	CSH
EFT3886	25/09/2019	Jason Signmakers	Bolts & 2 bus turnaround signs	-215.49	1	CSH
EFT3887	25/09/2019	Ag Implements	John Deere Mirror & JCB Mirror	-305.73	1	CSH
EFT3888	25/09/2019	Wattleup Tractors	Heavy wheel assembly & Blade kit	-1091.55	1	CSH
EFT3889	25/09/2019	Crystal Printing Solutions Pty Ltd	2 Purchase Order Books	-786.00	1	CSH
EFT3890	25/09/2019	Wessie Pty Ltd	Push up Gravel in Herman's and Smiths pits	-8569.00	1	CSH
EFT3891	25/09/2019	BOYA Equipment	Air & Oil Filters	-427.33	1	CSH
EFT3892	26/09/2019	Trailer Stone Star Pty Ltd	Deposit for Water Tanker	-1000.00	1	CSH
PAYROLL	29/09/2019	PAYROLL	Payroll Liability FE 29/09/19	-28735.49	1	CSH
PAYROLL	29/09/2019	SOC CLUB	Payroll Liability FE 29/09/19	-80.00	1	CSH
DD2528.1	29/09/2019	WASUPER	Payroll deductions	-5750.39	1	CSH
DD2528.2	29/09/2019	Colonial First State FirstChoice Wholesale Personal Super	Superannuation contributions	-81.94	1	CSH
DD2528.3	29/09/2019	MLC Masterkey	Superannuation contributions	-209.47	1	CSH
DD2528.4	29/09/2019	Sunsuper	Superannuation contributions	-89.09	1	CSH
DD2528.5	29/09/2019	Amp Flexible Lifetime Super	Superannuation contributions	-178.28	1	CSH
B/S	30/09/2019	TPORT - DEPT TRANSPORT LICENSING	DEPT TRANSPORT LICENSING	-10891.25	1	FEE
				-24006.90		

The above list of accounts has been paid under delegation, by the Chief Executive Officer, since the previous list of accounts. Municipal vouchers numbered from 3793 to 3799, and D/Debits from EFT3831 to EFT3892 Inclusive of Department for Planning and Infrastructure / Creditor and Bank Fees Directly Debited and Visa Card Payments) totalling \$240,006.90 submitted to each member of the Council on Thursday 24th October 2019, have been checked and are fully supported by vouchers and duly certified invoices with checks being carried out as to prices, computations and costing.



CHIEF EXECUTIVE OFFICER

10.1.2 MONTHLY STATEMENT OF FINANCIAL ACTIVITY – SEPTEMBER 2019

Responsible Officer:	Jamie Criddle, CEO		
Author:	Jasmine Geier, Executive Support Officer		
File Reference:	F1.3.3 Monthly Financial Statements		
Disclosure of Interest:	Nil		
Attachments:	Attachment 9.1.2 Monthly Statement of Financial Activity		
Signature:	Officer		CEO
			

Purpose of the Report

- Executive Decision Legislative Requirement

Background

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

Comment

The Monthly Statement of Financial Activity for the period ending 31 September 2019 is attached for Councillor information, and consists of:

1. Summary of Bank Balances
2. Summary of Outstanding Debtors
3. Balance Sheet
4. Budget v Actuals Schedules

Statutory Environment

General Financial Management of Council
Council 2019/2020 Budget
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. Council policy is that the material variation be set at \$10,000 and 15%.

Strategic Implications

The Monthly Statement of Financial Activity is a record of Council's activities and financial performance during the reporting period.

Financial Implications

There is no direct financial implication in relation to this matter.

Voting Requirements

- Simple Majority Absolute Majority

OFFICER RECOMMENDATIONS

That Council adopt the Monthly Financial Report for the period ending 30th September 2019 and note any material variances greater than \$10,000 or 15%.

Attachment 10.1.2

Shire of Westonia



Monthly Statement of Financial Activity

for period ending
30 September 2019

SHIRE OF WESTONIA
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the Period Ended 30 September 2019

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

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**Shire of Westonia
Information Summary
For the Period Ended 30 September 2019**

Key Information

Report Purpose

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996*,

Overview

Summary reports and graphical progressive graphs are provided on pages 2 - 3.

Statement of Financial Activity by reporting program

Is presented on page 6 and shows a surplus as at 30 September 2019 of \$2,004,176.

Items of Significance

The material variance adopted by the Shire of Westonia for the 2019/20 year is \$10,000 or 15% whichever is the

Capital Expenditure

Infrastructure - Roads ▲ \$ 132,295 0

Capital Revenue

Grants, Subsidies and Contributions ▲ \$40,811 0

Proceeds from Disposal of Assets ▲ \$57,000 0

	% Collected / Completed	Annual Budget	YTD Budget	YTD Actual
Significant Projects				
Buildings	15%	\$ 173,808	\$ 9,684	\$ 26,136
Furniture & Office Equip.	82%	\$ 15,000	\$ 3,749	\$ 12,250
Plant , Equip. & Vehicles	16%	\$ 587,840	\$ 86,961	\$ 91,351
Transport	15%	\$ 1,099,626	\$ 298,405	\$ 166,110
Grants, Subsidies and Contributions				
Operating Grants, Subsidies and Contributions	35%	\$ 857,267	\$ 142,878	\$ 297,769
Non-operating Grants, Subsidies and Contributions	13%	\$ 630,700	\$ 105,426	\$ 80,000
	25%	\$ 1,487,967	\$ 248,304	\$ 377,769
Rates Levied	100%	\$ 1,047,341	\$ 1,282,661	\$ 1,043,197

% Compares current ytd actuals to annual budget

Financial Position	This Time Last	
	Year 30 Sep 2018	Current 30 Sep 2019
Adjusted Net Current Assets	153% \$ 1,932,848	\$ 2,964,485
Cash and Equivalent - Unrestricted	155% \$ 1,738,795	\$ 2,689,354
Cash and Equivalent - Restricted	142% \$ 618,719	\$ 880,613
Receivables - Rates	111% \$ 230,079	\$ 254,382
Receivables - Other	22% \$ 33,246	\$ 7,307
Payables	388% \$ 9,023	\$ 35,024

% Compares current ytd actuals to prior year actuals at the same time

Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of

Preparation

Prepared by: Jasmine Geier



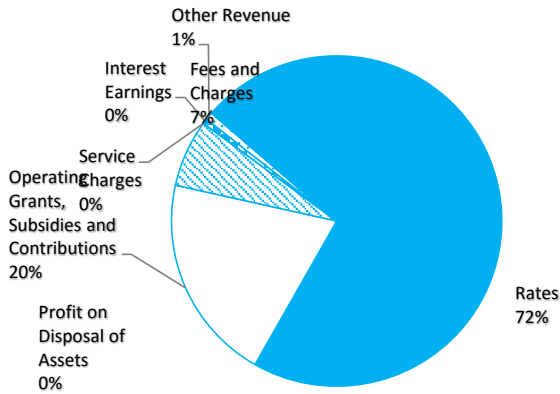
Reviewed by: Jamie Criddle



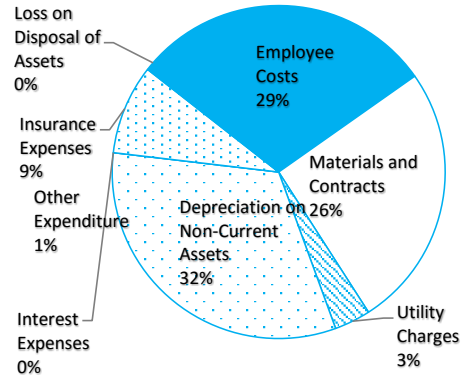
Date prepared:

**Shire of Westonia
Information Summary
For the Period Ended 30 September 2019**

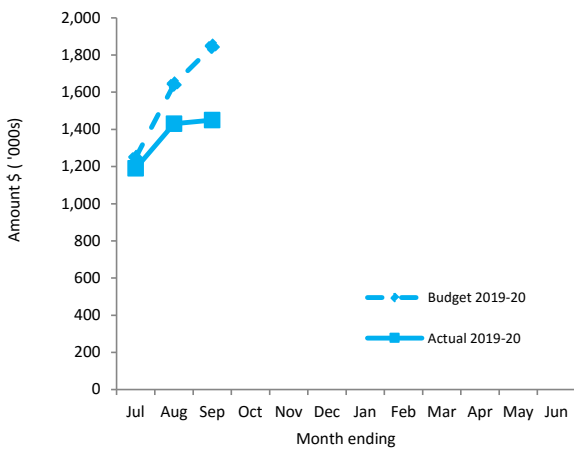
Operating Revenue



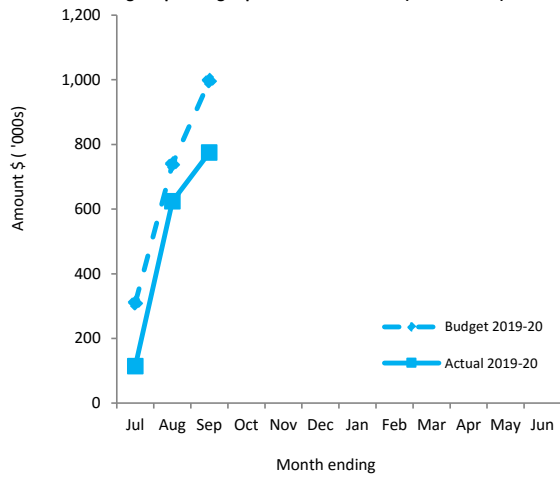
Operating Expenditure



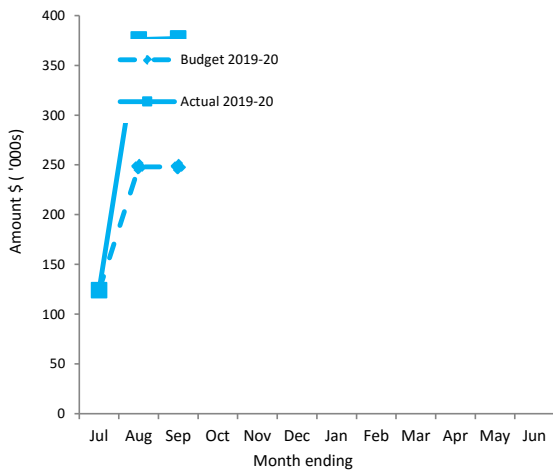
Budget Operating Revenues -v- Actual (Refer Note 2)



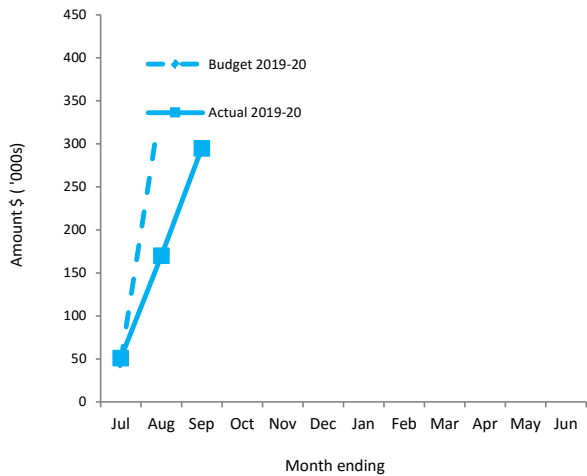
Budget Operating Expenses -v- YTD Actual (Refer Note 2)



Budget Capital Revenue -v- Actual (Refer Note 2)



Budget Capital Expenses -v- Actual (Refer Note 2)



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF WESTONIA
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 30 September 2019

	Note	Amended Annual Budget	Amended YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus(Deficit)	3	1,115,759	1,115,759	1,115,759	0	0%	
Revenue from operating activities							
Governance		1,150	500	0	(500)	(100%)	
General Purpose Funding - Rates	9	1,047,341	1,282,661	1,043,197	(239,464)	(19%)	
General Purpose Funding - Other		657,167	316,147	178,764	(137,383)	(43%)	▼
Law, Order and Public Safety		42,400	20,984	100	(20,884)	(100%)	▼
Health		2,000	998	600	(398)	(40%)	
Education and Welfare		8,750	2,286	3,636	1,350	59%	
Housing		171,280	56,550	41,482	(15,068)	(27%)	▼
Community Amenities		10,300	2,573	8,250	5,677	221%	▲
Recreation and Culture		43,800	11,099	155	(10,944)	(99%)	▼
Transport		116,000	66,750	122,419	55,669	83%	▲
Economic Services		89,092	24,711	21,877	(2,834)	(11%)	
Other Property and Services		103,500	61,521	29,526	(31,995)	(52%)	▼
		2,292,780	1,846,780	1,450,006			
Expenditure from operating activities							
Governance		(330,116)	(218,335)	(73,622)	144,713	66%	▲
General Purpose Funding		(36,500)	(19,618)	(3,804)	15,814	81%	▲
Law, Order and Public Safety		(79,000)	(35,392)	(12,944)	22,448	63%	▲
Health		(34,290)	(17,291)	(4,996)	12,295	71%	▲
Education and Welfare		(38,000)	(20,323)	(7,225)	13,098	64%	▲
Housing		(158,946)	(60,464)	(26,695)	33,769	56%	▲
Community Amenities		(130,266)	(32,574)	(18,356)	14,218	44%	▲
Recreation and Culture		(738,398)	(184,605)	(135,438)	49,167	27%	▲
Transport		(1,210,252)	(301,516)	(364,649)	(63,133)	(21%)	▼
Economic Services		(359,950)	(90,267)	(56,507)	33,760	37%	▲
Other Property and Services		(17,100)	(16,761)	(71,462)	(54,701)	(326%)	▼
		(3,132,818)	(997,146)	(775,698)			
Operating activities excluded from budget							
Add back Depreciation		1,428,840	381,113	251,458	(129,655)	(34%)	▼
Adjust (Profit)/Loss on Asset Disposal	8	303,347	75,834	(1,038)	(76,872)	(101%)	▼
Adjust Provisions and Accruals		0	0	0	0		
Amount attributable to operating activities		892,149	1,306,581	924,728			
Investing Activities							
Non-operating Grants, Subsidies and Contributions	11	665,555	166,389	207,200	40,811	25%	▲
Proceeds from Disposal of Assets	8	263,100	0	57,000	57,000		▲
Land Held for Resale		0	0	0	0		
Land and Buildings	13	173,808	(9,684)	(26,136)	(16,452)	(170%)	▼
Infrastructure Assets - Roads	13	1,099,626	(298,405)	(166,110)	132,295	44%	▲
Infrastructure Assets - Public Facilities	13	0	0	0	0		
Infrastructure Assets - Footpaths	13	25,000	0	0	0		
Infrastructure Assets - Drainage	13	0	0	0	0		
Heritage Assets	13	0	0	0	0		
Plant and Equipment	13	587,840	(86,961)	(91,351)	(4,390)	(5%)	
Furniture and Equipment	13	15,000	(3,749)	(12,250)	(8,501)	(227%)	▼
Amount attributable to investing activities		2,829,929	(232,410)	(31,647)			
Financing Activities							
Proceeds from New Debentures		0	0	0	0		
Proceeds from Advances		0	0	0	0		
Self-Supporting Loan Principal		0	0	0	0		
Transfer from Reserves	7	(380,000)	300,000	0	(300,000)	(100%)	▼
Advances to Community Groups		0	0	0	0		
Repayment of Debentures	10	(75,808)	(75,808)	0	75,808	100%	▲
Transfer to Reserves	7	(1,098,200)	(1,098,200)	(4,664)	1,093,536	100%	▲
Amount attributable to financing activities		(1,554,008)	(874,008)	(4,664)			
Closing Funding Surplus(Deficit)	3	3,283,829	1,315,922	2,004,176			

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 for an explanation of the reasons for the variance.

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

SHIRE OF WESTONIA
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 30 September 2019

	Note	Amended Annual Budget	Amended YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus (Deficit)	3	1,115,759	1,115,759	1,115,759	0	0%	
Revenue from operating activities							
Rates	9	1,047,341	1,282,661	1,043,197	(239,464)	(19%)	▼
Operating Grants, Subsidies and Contributions	11	877,517	375,005	294,133	(80,872)	(22%)	▼
Fees and Charges		289,930	86,263	95,741	9,478	11%	▲
Service Charges		0	0	0	0		
Interest Earnings		22,400	10,944	7,212	(3,732)	(34%)	
Other Revenue		55,592	16,146	10,760	(5,386)	(33%)	▼
Profit on Disposal of Assets	8	303,347	75,834	(1,038)			
		2,292,780	1,846,853	1,450,006			
Expenditure from operating activities							
Employee Costs		(916,606)	(233,530)	(223,733)	9,797	4%	
Materials and Contracts		(474,161)	(286,405)	(199,343)	87,062	30%	▲
Utility Charges		(146,800)	(38,650)	(27,255)	11,395	29%	▲
Depreciation on Non-Current Assets		(1,428,840)	(381,113)	(251,458)	129,655	34%	▲
Interest Expenses		(4,201)	(2,811)	0	2,811	100%	▲
Insurance Expenses		(103,587)	(29,798)	(67,583)	(37,785)	(127%)	▼
Other Expenditure		(58,623)	(24,839)	(6,326)	18,513	75%	▲
Loss on Disposal of Assets	8	0	0	0			
		(3,132,818)	(997,146)	(775,698)			
Operating activities excluded from budget							
Add back Depreciation		1,428,840	381,113	251,458	(129,655)	(34%)	▼
Adjust (Profit)/Loss on Asset Disposal	8	303,347	75,834	(1,038)	(76,872)	(101%)	▼
Adjust Provisions and Accruals			0	0	0		
Amount attributable to operating activities		892,149	1,306,654	924,728			
Investing activities							
Non-operating Grants, Subsidies and Contributions	11	665,555	166,389	207,200	40,811	25%	▲
Proceeds from Disposal of Assets	8	263,100		57,000	57,000		▲
Land Held for Resale		0	0	0	0		
Land and Buildings	13	173,808	(9,684)	(26,136)	(16,452)	(170%)	▼
Infrastructure Assets - Roads	13	1,099,626	(298,405)	(166,110)	132,295	44%	▲
Infrastructure Assets - Public Facilities	13	0	0	0	0		
Infrastructure Assets - Footpaths	13	25,000	0	0	0		
Infrastructure Assets - Drainage	13	0	0	0	0		
Heritage Assets	13	0	0	0	0		
Plant and Equipment	13	587,840	(86,961)	(91,351)	(4,390)	(5%)	
Furniture and Equipment	13	15,000	(3,749)	(12,250)	(8,501)	(227%)	▼
Amount attributable to investing activities		2,829,929	(232,410)	(31,647)			
Financing Activities							
Proceeds from New Debentures		0	0	0	0		
Proceeds from Advances		0	0	0	0		
Self-Supporting Loan Principal		0	0	0	0		
Transfer from Reserves	7	(380,000)	300,000	0	(300,000)	(100%)	▼
Advances to Community Groups		0	0	0	0		
Repayment of Debentures	10	(75,808)	(75,808)	0	75,808	100%	▲
Transfer to Reserves	7	(1,098,200)	(1,098,200)	(4,664)	1,093,536	100%	▲
Amount attributable to financing activities		(1,554,008)	(874,008)	(4,664)			
Closing Funding Surplus (Deficit)	3	3,283,829	1,315,995	2,004,176	688,181	52%	▲

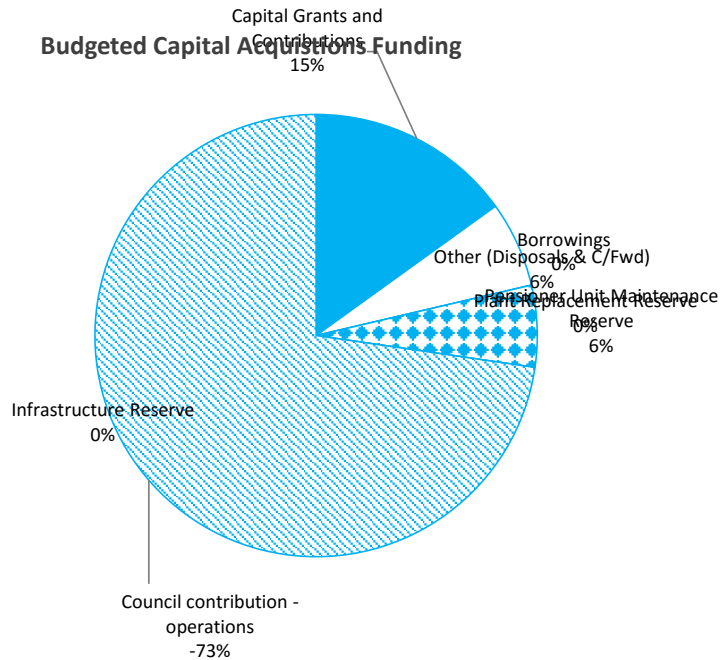
Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.
Refer to Note 2 for an explanation of the reasons for the variance.

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

SHIRE OF WESTONIA
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 30 September 2019

Capital Acquisitions

	Note	YTD Actual New /Upgrade (a)	YTD Actual (Renewal Expenditure) (b)	Amended YTD Budget (d)	Amended Annual Budget	YTD Actual Total (c) = (a)+(b)	Variance (d) - (c)
		\$	\$	\$	\$	\$	\$
Land and Buildings	13	26,136	0	(9,684)	(173,808)	(26,136)	(16,452)
Infrastructure Assets - Roads	13	166,110	0	(298,405)	(1,099,626)	(166,110)	132,295
Infrastructure Assets - Footpaths	13	0	0	0	(25,000)	0	0
Plant and Equipment	13	25,510	65,840	(86,961)	(587,840)	(91,351)	(4,390)
Furniture and Equipment	13	12,250	0	(3,749)	(15,000)	(12,250)	(8,501)
Capital Expenditure Totals		230,006	65,840	(398,799)	(1,901,274)	(295,847)	102,952
Capital acquisitions funded by:							
Capital Grants and Contributions				105,426	630,678	80,000	
Borrowings				0	0	0	
Other (Disposals & C/Fwd)				0	263,100	57,000	
Council contribution - Cash Backed Reserves							
Infrastructure Reserve				0	0	0	
Pensioner Unit Maintenance Reserve				0	250,000	0	
Plant Replacement Reserve				0	0	0	
Council contribution - operations				(504,225)	(3,045,052)	(432,847)	
Capital Funding Total				(398,799)	(1,901,274)	(295,847)	



SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 1: Significant Accounting Policies

(a) 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), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also 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.

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.

(b) 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 12.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) 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.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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 financial position.

(g) Trade and Other Receivables

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.

(h) Inventories

General

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.

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Fixed Assets

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.

SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 1: Significant Accounting Policies

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

Asset	Years
Buildings	0 to 20 years
Furniture and Equipment	0 to 10 years
Plant and Equipment	0 to 10 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
bituminous seals	20 years
construction/road base	50 years
Gravel Roads	
formation	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years

(k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(m) Interest-bearing Loans and Borrowings

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.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 1: Significant Accounting Policies

(o) 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. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non current based on Council's intentions to release for sale.

(p) Nature or Type Classifications

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

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.

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

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.

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.

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.

SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 1: Significant Accounting Policies

(r) Program Classifications (Function/Activity)

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

GOVERNANCE

Objective:

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

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

Objective:

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

Activities:

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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.

RECREATION AND CULTURE

Objective:

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

Activities:

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

Objective:

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

Activities:

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.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire overheads operating accounts.

Activities:

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

SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 2: 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 budget materially.

The material variance adopted by Council for the 2019/20 year is \$10,000 or 15% whichever is the greater.

Reporting Program	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
Operating Revenues	\$	%			
Governance	(500)	(100%)		Timing	
General Purpose Funding - Rates	(239,464)	(19%)		Timing	
General Purpose Funding - Other	(137,383)	(43%)	▼	Timing	
Law, Order and Public Safety	(20,884)	(100%)	▼	Timing	
Health	(398)	(40%)			
Education and Welfare	1,350	59%		Timing	
Housing	(15,068)	(27%)	▼	Timing	
Community Amenities	5,677	221%	▲	Timing	
Recreation and Culture	(10,944)	(99%)	▼	Timing	
Transport	55,669	83%	▲	Timing	
Economic Services	(2,834)	(11%)		Timing	
Other Property and Services	(31,995)	(52%)	▼	Timing	
Operating Expense					
Governance	144,713	66%	▲	Timing	
				Timing	
General Purpose Funding	15,814	81%	▲	Timing	
Law, Order and Public Safety	22,448	63%	▲	Timing	
Health	12,295	71%	▲	Timing	
Education and Welfare	13,098	64%	▲	Timing	
Housing	33,769	56%	▲	Timing	
Community Amenities	14,218	44%	▲	Timing	
Recreation and Culture	49,167	27%	▲	Timing	
Transport	(63,133)	(21%)	▼	Timing	
Economic Services	33,760	37%	▲	Timing	
Other Property and Services	(54,701)	(326%)	▼	Timing	
Capital Revenues					
Grants, Subsidies and Contributions	40,811	25%	▲	Timing	
Proceeds from Disposal of Assets	57,000		▲	Timing	
Capital Expenses					
Land and Buildings	(16,452)	(170%)	▼	Timing	
Infrastructure - Roads	132,295	44%	▲	Timing	
Infrastructure - Public Facilities	0				
Infrastructure - Footpaths	0				
Infrastructure - Drainage	0				
Heritage Assets	0				
Plant and Equipment	(4,390)	(5%)		Timing	
Furniture and Equipment	(8,501)	(227%)	▼	Timing	
Financing					
Loan Principal	75,808	100%	▲	Timing	

General Comments

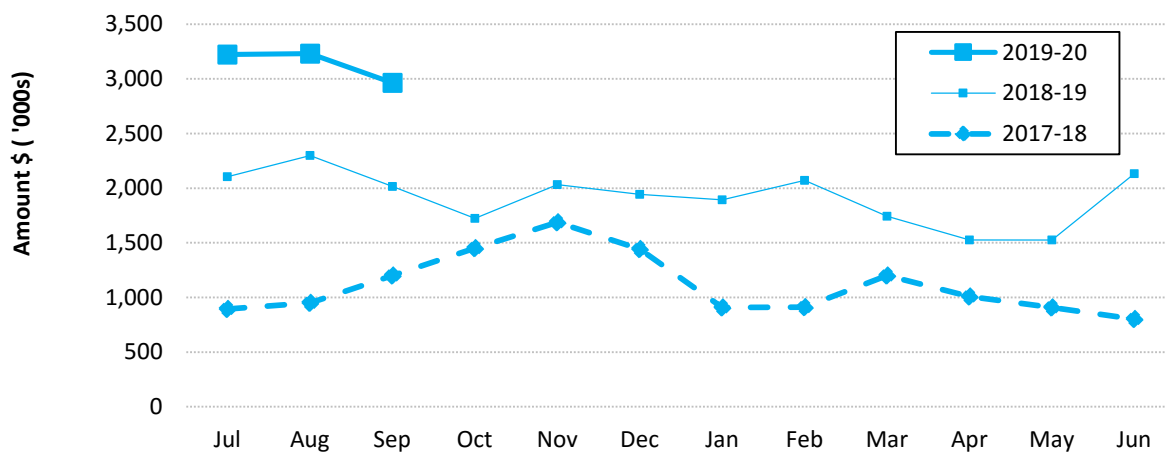
SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 3: Net Current Funding Position

Positive=Surplus (Negative=Deficit)

		Last Years Closing	This Time Last Year	Current
	Note	30 June 2018	30 Sep 2018	30 Sep 2019
		\$	\$	\$
Current Assets				
Cash Unrestricted	4	1,372,432	1,738,795	2,689,354
Cash Restricted - Conditions over Grants	11	0	0	0
Cash Restricted	4	615,082	618,719	880,613
Receivables - Rates	6	10,377	230,079	254,382
Receivables - Other	6	71,093	33,246	7,307
Interest / ATO Receivable/Trust		(147)	(297)	0
Inventories		7,964	7,964	139,424
		2,076,801	2,628,506	3,971,080
Less: Current Liabilities				
Payables		(9,023)	(869)	(35,024)
Provisions		(76,070)	(76,070)	(90,958)
		(85,093)	(76,939)	(125,982)
Less: Cash Reserves	7	(875,949)	(618,719)	(880,613)
Net Current Funding Position		1,115,759	1,932,848	2,964,485

Note 3 - Liquidity Over the Year



Comments - Net Current Funding Position

SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 4: Cash and Investments

	Unrestricted	Restricted	Trust	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
(a) Cash Deposits							
Municipal Bank Account	2,689,354			2,689,354	BankWest	0.10%	At Call
Trust Bank Account			74,503	74,503	BankWest	0.10%	At Call
Cash On Hand				0	N/A	Nil	On Hand
(b) Term Deposits							
Municipal Gold		880,613		880,613	BankWest	3.00%	23-Jun-19
Total	2,689,354	880,613	74,503	3,644,470			

Corporate MasterCard

Transaction Summary		Total Amount	Institution	Interest Rate	Reporting Period End Date
		\$			
Card # **** *270					
Criddle, Jameon C			Bankwest	17.99%	30-Sep-19
	Activ8inet Housing & Office	449.49			
	Email Exchange Platform	211.86			
	Accom. & Meals Coporate Golf Day	2,171.29			
	Rapid Plan Licence	412.50			
	Vehicle Purchases/Fuel	140.92			
Card # **** *693					
Price, Arthur W			Bankwest	17.99%	30-Sep-19
	Zinc	79.90			
	Headworks Scheelite Street	995.84			
	Old Cart & Fabric for Museum	253.09			
	Tap Timer, Rose Food & Potted Colour	327.71			
		5,042.60			

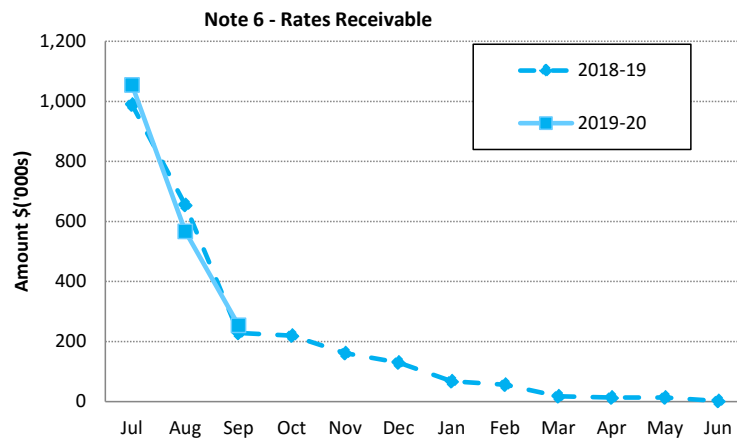
SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 6: Receivables

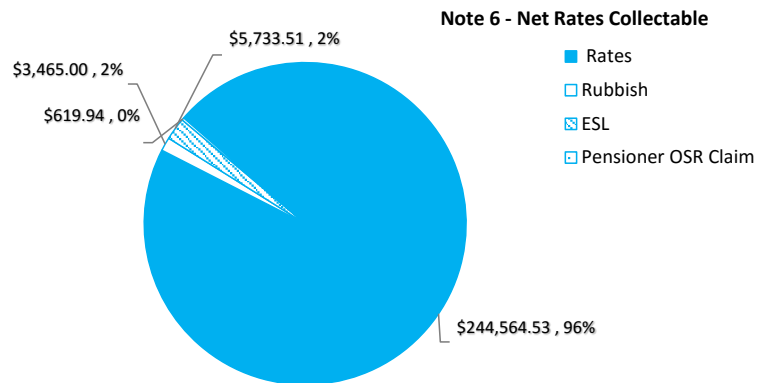
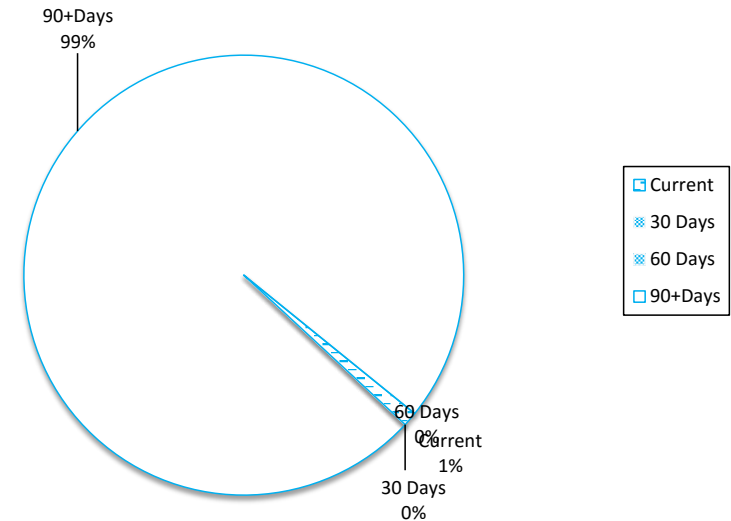
Receivables - Rates Receivable	30 Sep 2019	30 June 2018
	\$	\$
Opening Arrears Previous Years	13,046	9,166
Levied this year	1,042,818	998,882
Less Collections to date	(801,483)	(995,002)
Equals Current Outstanding	254,382	13,046
Net Rates Collectable	254,382	13,046
% Collected	75.91%	98.71%

Receivables - General	Current	30 Days	60 Days	90+Days
	\$	\$	\$	\$
Receivables - General	77	0	0	7,230
Balance per Trial Balance				
Sundry Debtors				7,307
Receivables - Other				
Total Receivables General Outstanding				7,307

Amounts shown above include GST (where applicable)



Note 6 - Accounts Receivable (non-rates)

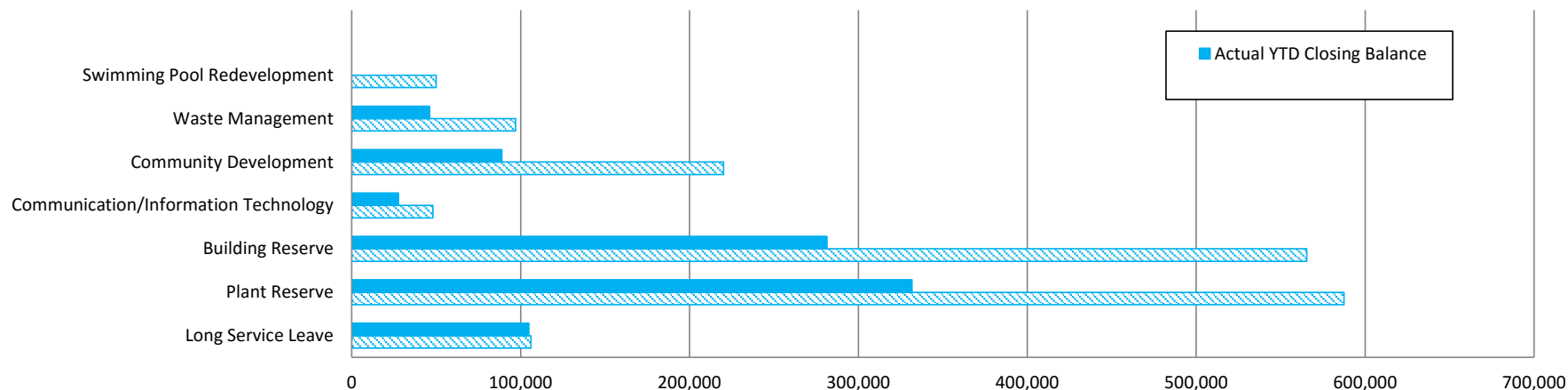


SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 7: Cash Backed Reserve

Name	Opening Balance	Amended Budget Interest Earned	Actual Interest Earned	Amended Budget Transfers In (+)	Actual Transfers In (+)	Amended Budget Transfers Out (-)	Actual Transfers Out (-)	Amended Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Service Leave	104,283	1,800	555	0	0	0	0	106,083	104,838
Plant Reserve	329,939	7,500	1,757	500,000	0	(250,000)	0	587,439	331,696
Building Reserve	279,864	285,500	1,490	0	0	0	0	565,364	281,354
Communication/Information Technology	27,542	20,600	147	0	0	0	0	48,142	27,689
Community Development	88,360	1,800	470	180,000	0	(50,000)	0	220,160	88,830
Waste Management	45,961	51,000	245	0	0	0	0	96,961	46,206
Swimming Pool Redevelopment	0	50,000	0	0	0	0	0	50,000	0
	875,949	418,200	4,664	680,000	0	(300,000)	0	1,674,149	880,613

Note 7 - Year To Date Reserve Balance to End of Year Estimate



SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 8: Disposal of Assets

Asset Number	Asset Description	YTD Actual				Amended Budget			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	Transport								
A489	Work Supervisors Vehicle	55,962	57,000	1,038		54,000	52,000		(2,000)
	Work Supervisors Vehicle					54,000	52,000		(2,000)
	Prime Mover					240,000	0		(240,000)
	Mower					15,000	2,000		(13,000)
	Other Property & Services								
	Toyota Landcruiser GXL					68,920	71,600	2,680	
	Toyota Landcruiser GXL					68,920	71,000	2,080	
	Toyota Rav 4					31,000	14,500		(16,500)
		55,962	57,000	1,038	0	531,840	263,100	4,760	(273,500)

SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 9: Rating Information

RATE TYPE	Rate in	Number of Properties	Rateable Value	YTD Actual			Amended Budget				
				Rate Revenue	Interim Rates	Back Rates	Total Revenue	Rate Revenue	Interim Rate	Back Rate	Total Revenue
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
GRV	7.207300	48	614,339	44,277	0	0	44,278	44,279	0	0	44,280
GRV - Mining	20.495300	2	1,305,800	267,628	0	0	267,628	267,628	0	0	267,628
UV	1.592200	130	44,851,498	714,126	0	0	714,126	714,126	0	0	714,126
UV- Mining	1.592200	6	167,877	2,673	0	0	2,673	2,673	0	0	2,673
Sub-Totals		186	46,939,514	1,028,703	0	0	1,028,704	1,028,705	0	0	1,028,706
Minimum Payment	Minimum										
	\$										
GRV	355.00	16	23,722	5,680	0	0	5,680	5,680	0	0	5,680
UV	355.00	17	136,402	6,035	0	0	6,035	6,035	0	0	6,035
UV - Mining	200.00	12	48,866	2,400	0	0	2,400	2,400	0	0	2,400
Sub-Totals		45	208,990	14,115	0	0	14,115	14,115	0	0	14,115
		231	47,148,504	1,042,818	0	0	1,042,819	1,042,820	0	0	1,042,821
Concession							0				0
Amount from General Rates							1,042,819				1,042,821
Ex-Gratia Rates							4,522				4,530
Specified Area Rates											
Totals							1,047,341				1,047,351

Comments - Rating Information

SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 10: Information on Borrowings

(a) Debenture Repayments

Particulars	01 Jul 2019	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Amended Budget	Actual	Amended Budget	Actual	Amended Budget
			\$ 0	\$ 66,061	\$ 60,061	\$ 0	\$ 3,108	
Loan 5 - Lifestyle Village	60,061		0	66,061	60,061	0	3,108	
Loan 6 - School Bus *	20,244		0	9,747	20,244	0	1,092	
	20,244	0	0	75,808	80,305	0	4,200	

All debenture repayments were financed by general purpose revenue.

(b) New Debentures

No new debentures were raised during the reporting period.

SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 11: Grants and Contributions

	Grant Provider	Type	Opening Balance (a)	Amended Budget Operating	Capital	YTD Budget	Annual Budget (d)	Post Variations (e)	Expected (d)+(e)	YTD Actual Revenue	(Expended) (c)	Unspent Grant (a)+(b)+(c)
				\$	\$	\$				\$	\$	\$
General Purpose Funding												
	WALGGC	Operating	0	397,804	0	66,301	397,804		397,804	110,771	(110,771)	0
	WALGGC	Operating	0	235,213	0	39,202	235,213		235,213	59,905	(59,905)	0
Law, Order and Public Safety												
	Dept. of Fire & Emergency Serv.	Operating	0	24,000	0	4,000	24,000		24,000	0	0	0
	Evolution Mining	Operating	0	13,500	0	2,250	13,500		13,500	0	0	0
Recreation and Culture												
	Contributions/Rembursements	Operating	0	8,750	0	1,458	8,750		8,750	3,636	(3,636)	0
Transport												
	Main Roads WA	Operating	0	116,000	0	19,333	116,000		116,000	123,457	(123,457)	0
	Main Roads WA	Non-operating	0		308,140	51,357	308,140		308,140	0	0	0
	Roads to Recovery	Non-operating	0		324,415	54,069	324,415		324,415	80,000	(80,000)	0
Economic Services												
	Evolution Mining	Operating	0	14,000	0	2,333	14,000		14,000	0	0	0
	Evolution Mining	Operating	0	28,000	0	4,667	28,000		28,000	0	0	0
	NRM	Operating	0	20,000	0	3,333	20,000		20,000	0	0	0
TOTALS			0	857,267	632,555	248,304	1,489,822	0	1,489,822	377,769	(377,769)	0
SUMMARY												
	Operating Grants, Subsidies and Contributions		0	857,267	0	142,878	857,267	0	857,267	297,769	(297,769)	0
	Operating - Tied		0	0	0	0	0	0	0	0	0	0
	Non-operating Grants, Subsidies and Contributions		0	0	630,700	105,426	630,678	0	630,678	80,000	(80,000)	0
TOTALS			0	857,267	630,700	248,304	1,487,945	0	1,487,945	377,769	(377,769)	0

SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

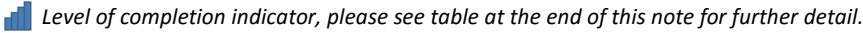














Note 12: Trust Fund

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 01 Jul 2019	Amount Received	Amount Paid	Closing Balance 30 Sep 2019
	\$	\$	\$	\$
Police Licensing	1,467	48,708	-48,266	1,910
BCITF Training Levy - Now CTF Levy	0	381	0	381
BRB Building Levy - Now BSL Levy	0	267	-262	5
Nomination Deposits	0	240	-240	0
Bonds	1,981	0	0	1,981
George Rd Water Extensions	0	1	0	1
St John's Westonia	2,047	0	0	2,047
Westonia Sports Council	122	0	0	122
Westonia Progress Association	3,135	0	0	3,135
Accommodation Units	2,900	0	0	2,900
WEIRA - Booderockin Water Scheme	0	0	0	0
Warralakin Hall	1,700	0	0	1,700
Social Club	4,412	760	0	5,172
Walgoolan History Group	0	1	0	1
Community Project	1,000	0	0	1,000
Rural Youth	4,636	0	0	4,636
Westonia P & C	909	0	0	909
LGMA - Receipts	4,962	804	-531	5,235
Donations J Townrow	0	0	0	0
Rates Incentive Prize	0	0	0	0
Rent Pre Payment	835	0	0	835
Westonia Historical Society	9,292	0	0	9,292
Cemetery Committee	9,151	1	-2,811	6,341
	48,549	51,163	(52,109)	47,603
















SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 13: Capital Acquisitions

Assets	Account	YTD Actual			Amended Budget			Strategic Reference / Comment
		New/Upgrade	Renewal	Total YTD	Annual Budget	YTD Budget	YTD Variance	
		\$	\$	\$	\$	\$	\$	
								
Buildings								
Housing								
 Solar Panels 37 Diorite & 7 Quartz	9232	11,636	0	11,636	12,000	3,000	8,636	
 Carport 37 Diorite	9128	0	0	0	7,000	1,749	(1,749)	
 Principal Loan #5	16114	0	0	0	66,061	0	0	
Housing Total		11,636	0	11,636	85,061	4,749	6,887	
Education & Welfare								
 Old School -Solar	8203	0	0	0	10,000	2,499	(2,499)	
Economic Services Total		0	0	0	10,000	2,499	(2,499)	
Economic Services								
 Old Club Hotel Museum	13216	14,500	0	14,500	37,000	0	14,500	
 Standpipe Controllers	13606	0	0	0	32,000	0	0	
 Principal Loan #6	16115	0	0	0	9,747	2,436	(2,436)	
Economic Total		14,500	0	14,500	78,747	2,436	12,064	
 Buildings Total		26,136	0	26,136	173,808	9,684	16,452	
Furniture & Office Equip.								
Governance								
 Admin Generator	14514	12,250	0	12,250	10,000	2,499	9,751	
 Reserves Infrastructure	11603	0	0	0	5,000	1,250	(1,250)	
Governance Total		12,250	0	12,250	15,000	3,749	8,501	
 Furniture & Office Equip. Total		12,250	0	12,250	15,000	3,749	8,501	
Plant , Equip. & Vehicles								
Governance								
 CEO Vehicle Replacement	14520	0	0	0	137,840	34,461	(34,461)	
 Land Development Scheelite Subdivision	14704	25,510	0	25,510	50,000	12,501	13,009	
 Administration Vehicle	14523	0	0	0	31,000	7,749	(7,749)	
Governance Total		25,510	0	25,510	218,840	54,711	(29,201)	











SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

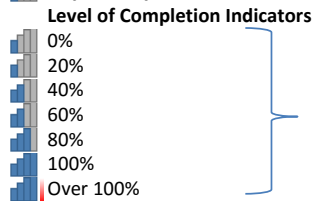
Note 13: Capital Acquisitions

Assets	Account	YTD Actual			Amended Budget			Strategic Reference / Comment
		New/Upgrade	Renewal	Total YTD	Annual Budget	YTD Budget	YTD Variance	
		\$	\$	\$	\$	\$	\$	
Plant , Equip. & Vehicles Cont.								
Transport								
 Works Supervisor Vehicle Replacement x2	14213	0	51,295	51,295	108,000	27,000	24,295	
 Water Cart	PLTRAI	0	909	909	0	0	909	
 Depot Storage Shed Gates	SSHEL	0	0	0	6,000	1,500	(1,500)	
 Mower	MOWER	0	13,636	13,636	15,000	3,750	9,886	
 New Prime Mover	12308	0	0	0	240,000	0	0	
Transport Total		0	65,840	65,840	369,000	32,250	33,590	
 Plant , Equip. & Vehicles Total		25,510	65,840	91,351	587,840	86,961	4,390	
Roads (Council Funded)								
Transport								
 Boodarockin Road Polycor - CAPITAL	C0032	30,082	0	30,082	36,000	23,499	6,583	
 4 Mile Gate Rd Floodway - CAPITAL	C0019	0	0	0	52,000	13,000	(13,000)	
 Goldfields Road Floodway - CAPITAL	C0008	0	0	0	68,000	17,000	(17,000)	
 Warrachuppin Road - CAPITAL	C0005	18,632	0	18,632	60,000	15,000	3,632	
 Della Bosca Road - CAPITAL	C0080	0	0	0	39,000	9,750	(9,750)	
Transport Total		78,795	0	78,795	313,000	101,748	(22,953)	
 Roads (Council Funded) Total		78,795	0	78,795	313,000	101,748	(22,953)	
Roads (MRWA)								
Transport								
 Koorda-Southern Cross Rd (M40) Reconstruction	RRG91C	14,987	0	14,987	283,710	70,928	(55,941)	
 Koorda-Southern Cross Rd (M40) Reseals	RRG91R	0	0	0	178,500	44,625	(44,625)	
Transport Total		14,987	0	14,987	462,210	115,553	(100,566)	
 Roads (MRWA) Total		14,987	0	14,987	462,210	115,553	(100,566)	

SHIRE OF WESTONIA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2019

Note 13: Capital Acquisitions

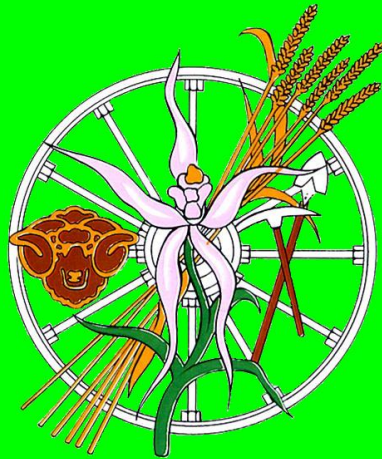
Assets	Account	YTD Actual			Amended Budget			Strategic Reference / Comment
		New/Upgrade	Renewal	Total YTD	Annual Budget	YTD Budget	YTD Variance	
		\$	\$	\$	\$	\$	\$	
Streetscapes								
Footpaths								
 Jasper Street Footpaths & Drainage	FP0054	0	0	0	2,500	0	0	
 Kaolin Street Footpaths & Drainage	FP0058	0	0	0	7,500	0	0	
 Wolfram Street Footpaths & Drainage	FP0061	0	0	0	10,000	0	0	
 Pyrites Street Footpaths & Drainage	FP0056	0	0	0	5,000	0	0	
Footpaths Total		0	0	0	25,000	0	0	
 Footpaths Total		0	0	0	25,000	0	0	
Town (R2R)								
Transport								
 Boodarockin Rd - R2R	R2R07	46,323	0	46,323	80,000	20,000	26,323	
 Maxfield Road -R2R	R2R11	2,410	0	2,410	65,116	16,279	(13,869)	
 Morrison Rd - R2R	R2R50	23,594	0	23,594	48,000	12,000	11,594	
 Walgoolan South Rd- R2R	R2R04	0	0	0	131,300	32,825	(32,825)	
Transport Total		72,327	0	72,327	324,416	81,104	(8,777)	
 Town (R2R) Total		72,327	0	72,327	324,416	81,104	(8,777)	
Capital Expenditure Total		230,006	65,840	295,847	1,901,274	398,799	(102,952)	



Percentage YTD Actual to Annual Budget
 Expenditure over budget highlighted in red.

Attachment 10.1.3

Shire of Westonia



GST Reconciliation Report

for period ending
30 September 2019

**SHIRE OF WESTONIA
BAS EXTRACT - 30 SEPTEMBER 2019**



ABN:	87 507 505 958
Business Activity Statement:	Sep-19
Period/Year end:	2019/2020

Name	Jasmine Geier
Position	Manager of Coporate Services
Date	9/10/2019


Month	GST			Fuel Tax Credit <i>*1144040.170</i>	PAYG <i>*1406010</i>	FBT Instalment <i>*1142210 & 1145090</i>	Nett Payment /(Refund)
	A On Sales (collected) <i>*1405000</i>	B On Purchases (paid) <i>*1304000</i>	C Nett GST Payable / (Receivable)				
Jul-19	15,772.00	14,117.00	1,655.00	(4,098.00)	21,367.00	0.00	18,924.00
Aug-19	3,523.00	20,316.00	(16,793.00)	(4,766.00)	17,945.00	0.00	(3,614.00)
Sep-19	1,161.00	10,904.00	(9,743.00)	(3,030.00)	27,101.00	4,489.00	18,817.00
Oct-19			0.00			0.00	0.00
Nov-19			0.00			0.00	0.00
Dec-19			0.00			0.00	0.00
Jan-20			0.00			0.00	0.00
Feb-20			0.00			0.00	0.00
Mar-20			0.00			0.00	0.00
Apr-20			0.00			0.00	0.00
May-20			0.00			0.00	0.00
Jun-20			0.00			0.00	0.00
Total	20,456.00	45,337.00	(24,881.00)	(11,894.00)	66,413.00	4,489.00	34,127.00

A - B = C (Net GST)

C + D + E + F = G (Nett (Refund/Payment))

10.1.4 2020 COUNCIL MEETING DATES

Responsible Officer:	Jamie Criddle, CEO	
Author:	Jamie Criddle, CEO	
File Reference:	A2.4.1	
Disclosure of Interest:	Nil	
Attachments:	Nil	
Signature:	Officer	CEO



Purpose of the Report

Executive Decision

Legislative Requirement

Background

Regulation 12 of the Local Government (Administration) Regulations 1996 requires a local government to at least once a year give local public notice of the dates, time and place of:

- a) Ordinary Council meetings; and
- 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;

that are to be held in the next twelve months.

Comment

Council's current policy on Council Meetings states that, "A Councillors forum will be held at 1.00pm before each Ordinary Council Meeting and Ordinary Meetings of Council will be held on the third Thursday of each month not including January, commencing at 3.30pm in the Shire of Westonia Council Chambers."

In accordance with the current policy ordinary meetings of Council are to be held in 2020 as follows:-

Ordinary Council meetings:

February – Thursday 20th

March – Thursday 19th

April – Thursday 16th

May – Thursday 21st

June – Thursday 18th

July – Thursday 16th

August – Thursday 20th

September – Thursday 17th

October – Thursday 15th

November – Thursday 19th

December – Thursday 17th;

with all meetings commencing at 3.30pm in the Council Chamber, Wolfram Street, Westonia.

The Audit Committee meetings is at this stage proposed for the following dates:

April – Thursday 16th

August – Thursday 20th

October – Thursday 15th

Thursday 17th December 2020; at 3.00pm in the Council Chamber.

Statutory Environment

Regulation 12 of the Local Government (Administration) Regulations.

Policy Implications

Council Policy 1.1

 **Strategic Implications**

Nil

 **Financial Implications**

Nil

 **Voting Requirements**



Simple Majority



Absolute Majority

OFFICER RECOMMENDATIONS

That the following meeting schedule for 2020 be advertised in accordance with the requirements of the legislation:-

Ordinary Council meetings:

February – Thursday 20th

March – Thursday 19th

April – Thursday 16th

May – Thursday 21st

June – Thursday 18th

July – Thursday 16th

August – Thursday 20th

September–Thursday 17th

October – Thursday 15th

November–Thursday 19th

December – Thursday 17th;

with all meetings commencing at 3.30pm in the Council Chamber, Wolfram Street, Westonia.

The Audit Committee meetings is at this stage proposed for the following dates:

April – Thursday 16th


August – Thursday 20th

October – Thursday 15th

Thursday 17th December 2020; at 3.00pm in the Council Chamber.

10.1.5 CHRISTMAS CLOSURE

Responsible Officer:	Jamie Criddle, CEO	
Author:	Jamie Criddle, CEO	
File Reference:	A2.4.1	
Disclosure of Interest:	Nil	
Attachments:	Nil	
Signature:	Officer	CEO



Purpose of the Report



Executive Decision



Legislative Requirement

Background

Council has traditionally closed the office and operations over the festive season to accommodate the taking of leave and public holidays, given that the town is very quiet during this time. Xmas day and New Year's Day fall on a Wednesday this year.

It is also anticipated to hold the Annual end of year Christmas function at the conclusion of the December Ordinary Council meeting. This year it falls on the 19th December which coincides with the outside crew break up.

Comment

A few members of the Outside Crew have requested an alteration to the annual shut down period with some not wanting to take the full 4 weeks in one hit, plus the Boodarockin Roadworks will still be in operation. The outside crew will commence the Xmas break on Friday 20th December 2019, with a return to work on between Thursday 2nd and Monday 6th January 2020.

Arrangements are in place to provide for emergencies with a skeleton staff available during the holiday period with contact details being advertised and displayed.

It is proposed that the office will be closed from 12.00pm on Tuesday 24th December 2019 until 8.30 am on Monday 6th January 2020.

The Chief Executive Officer will be away from the 24th December and returning to work on Monday 6th January 2020 and working through January.

There has traditionally been no meeting in January in previous years.

Statutory Environment

Nil

Policy Implications

7.12 Christmas Office Shutdown & Two Paid "Grace & Favour" Days for Staff

The Council office & depot will be closed from 12 noon on the last working day prior to the Christmas Day holiday until normal office hours on the day following the New Year public holiday. At least one Senior staff member will remain contactable and reasonably close to town in the event of an emergency such as a bushfire during this shutdown period.

Staff will also be granted 2 paid "grace and favor days" based on their ordinary hours in recognition of time worked in excess of normal hours during the year, to assist with covering their leave over the shutdown period between

Christmas and New Year. Staff required to work during the Christmas Shutdown period as part of responding to an emergency will be granted the equivalent hours of ordinary time paid leave by agreement at another time.



Strategic Implications

Nil



Financial Implications

There are no financial implications in relation to this matter.



Voting Requirements



Simple Majority



Absolute Majority


OFFICER RECOMMENDATIONS

That Council

1. approve the office closure from 12.00pm on the 24th December 2019 until 8.30 am on Monday the 6th January 2020, and note the absence of the CEO from during this period.
2. hold the annual end of year Christmas function at the conclusion of the December Ordinary Council meeting to be held on 19th December 2019.

10.1.6 WEROC CONSTITUTION

Responsible Officer:	Jamie Criddle, CEO	
Author:	Jamie Criddle, CEO	
File Reference:	A2.8.5	
Disclosure of Interest:	Nil	
Attachments:	Nil	
Signature:	Officer	CEO



Purpose of the Report



Executive Decision



Legislative Requirement

To present to Council for consideration, a draft of the new Constitution for WEROC.

Background

As has been reported previously to Council, WEROC has been discussing the need for continuing with Wheatbelt Communities Incorporated (WCI), which was established a number of years ago for the purpose of being a body that could apply for funding external to the WEROC member Councils. WCI has done little over the last few years other than holding meetings as required under the Associations Incorporation Act 2015.

It was considered by WEROC that rather than operating with two bodies, WEROC and WCI, it would be more appropriate for WEROC to become the constituted body and officially dissolve WCI.

Comment

Council's representatives on WEROC have constantly pushed for the above to happen as they could see no benefit in operating with two separate organisations who ultimately have the same objectives. The Wheatbelt East Regional Organisation of Councils name is also more recognisable and relevant to that of Wheatbelt Communities Inc., which could be construed as covering the entire Wheatbelt area.

The Draft Constitution presented to Council has been developed similar to that of the Warren Blackwood Alliance of Councils Inc., a group of three Local Governments in the South West that work cooperatively together and have achieved projects by having just the one constituted body.

WEROC seeks Council input to the Draft Constitution before it is presented to WEROC for adoption.

Statutory Environment

Associations Incorporation Act 2015

Policy Implications

Nil

Strategic Implications

N/A

Financial Implications

Nil



Voting Requirements

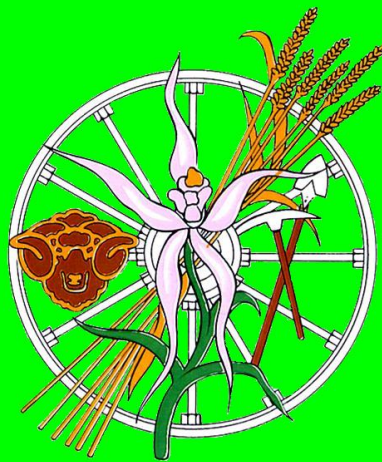
- Simple Majority Absolute Majority

OFFICER RECOMMENDATIONS

That Council advises WEROC's Executive Officer that it supports the proposed Draft Constitution as presented which enables WEROC to become the Incorporated body under the Associations Incorporation Act 2015 as opposed to the current Wheatbelt Communities Inc.

Attachment 10.1.6

Shire of Westonia



CONSTITUTION

WHEATBELT EAST REGIONAL ORGANISATION OF COUNCILS INC

CONSTITUTION

as at 9 October 2019

Commented [HW1]: Once WEROC has adopted a final draft for submission to the Department of Mines Industry Regulation and Safety for approval the WEROC logo will be applied.

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Constitution of Wheatbelt East Regional Organisation of Councils Inc

1. NAME

The name of the Association is "The Wheatbelt East Regional Organisation of Councils Inc" referred to in these Rules as "WEROC".

2. INTERPRETATION

In the event of any question arising as to the interpretation or application of these Rules, the Board, shall decide the matter, subject to an appeal for a final decision to a general meeting of WEROC.

2.1 Definitions

The following definitions apply in this Constitution unless the context otherwise requires:

- (a) "absolute majority" means the smallest whole number greater than one half of the current Members of WEROC, Board or Committee as appropriate;
- (b) "Act" means the *Associations Incorporation Act 2015*;
- (c) "Association" means the incorporated association to which these Rules apply;
- (d) "Board" means the Board of WEROC as described in Rule 11;
- (e) "Central Eastern Wheatbelt Region" means the area covered by the local government areas of the Shires of Bruce Rock, Kellerberrin, Merredin, Westonia and Yilgarn together with any adjoining area so determined by a Special Resolution adopted by a general meeting of the Association;
- (f) "Executive" means the Chair, Deputy Chair Secretary/Treasurer and Executive Officer of WEROC;
- (g) "financial year" of WEROC runs from 1 July – 30th June each year;
- (h) "Member", means the Local Government as detailed in Rule 2.1 (e);
- (i) "Representative" means the Councillor Representatives of their Local Government who are nominated in accordance with Rule 6.1;
- (j) "Rule" means Rule of this Constitution;
- (k) "register of members" means the register of members referred to in section 53 of the Act.

3. NOT FOR PROFIT BODY

3.1 The property and income of WEROC must be applied solely towards the promotion of the objects or purposes of WEROC and no part of that property or income may be paid or otherwise distributed, directly or indirectly, to any Member or Representative, except in good faith in the promotion of those objects or purposes.

3.2 A payment may be made to a Member or Representative out of the funds of WEROC only if it is authorised under Rule 3.2(a).

- (a) A payment to a Member or Representative out of the funds of WEROC is authorised if it is;
 - (i) the payment in good faith as reasonable remuneration for any services provided to WEROC, or for goods supplied to WEROC, in the ordinary course of business; or
 - (ii) the payment of interest, on money borrowed by WEROC from the Member or Representative, at a rate not greater than the cash rate published from time to time by the Reserve Bank of Australia; or
 - (iii) the payment of reasonable rent to the Member or Representative for premises leased by the Member to WEROC; or
 - (iv) the reimbursement of reasonable expenses properly incurred by the Member or Representative on behalf of WEROC.

4. OBJECTS

The Objects of WEROC shall be:

- (a) To effectively represent the businesses, community and local governments of the Central Eastern Wheatbelt Region in its broadest sense and to promote the economic, cultural and environmental development of the region;
- (b) To take an active interest in all matters of the moment affecting the Central Eastern Wheatbelt Region with the view to improving, promoting and protecting the interests of Members and the Community;
- (c) To establish a rapport with civic, business, ethnic and other sectors of the Community;
- (d) Be recognised as representing and presenting the view of community to the relevant agencies and communities of the participating Members;
- (e) To keep Members informed on important matters affecting the economic, cultural and environmental development of the region;
- (f) To consider and respond to and advocate the amendment of Commonwealth or State legislation, regulations and policies and the local laws, regulations and policies of local government bodies and other corporations directly or indirectly affecting the interests of the Central

Eastern Wheatbelt Region and for such purposes to take all such steps or proceedings as may be expedient;

- (g) To gain greater recognition of the Central Eastern Wheatbelt Region;
- (h) To encourage Government and private enterprise to support the Central Eastern Wheatbelt Region;
- (i) To deliver projects considered beneficial to the whole of the Central Eastern Wheatbelt Region.

5. POWERS

In carrying out its Objects, WEROC shall have the following powers:

- (a) To purchase, lease, acquire, sell, let on lease or otherwise dispose of, or deal with, any real or personal property for purposes which are, or are likely to be, in furtherance of, or consistent with the Objects of WEROC and, without limiting the generality of the foregoing:
 - (i) To invest any monies not immediately required for any of the above Objects in such manner, or in such security, as may to WEROC seem appropriate;
 - (ii) To draw, accept and negotiate cheques, bills of exchange, payments, promissory notes and other negotiable instruments;
 - (iii) To obtain, collect, generate, produce, earn and receive money, income and funds, by way of contributions, donations, subscriptions, legacies, license fees, grants or any other lawful method, and to accept and receive gifts of property of any description whether subject to any special trusts or not;
 - (iv) To erect, maintain and improve or make alterations to any land or buildings or other property in the care, control, custody or ownership of WEROC;
 - (v) To undertake such activities as may be necessary or expedient for the production, earning, generation or procuring of income, donations or contributions to enable WEROC to further its Objects;
 - (vi) To conduct bank accounts that are deemed necessary by WEROC;
- (b) To join, cooperate or affiliate with, or support, any other person or group of persons, or corporate bodies, for purposes that are consistent with the above Objects;
- (c) In furtherance of the objectives of WEROC, to lend or advance money or give credit, to any person or body corporate, to guarantee and give guarantees and indemnities for the payment of money, or the performance of contracts or obligations by any person or body corporate, and otherwise to grant financial assistance to any person or body corporate;

- (d) To enter into any arrangements with a Government or authority, Commonwealth, State, Local or otherwise that may be conducive to the attainment of the Objects of WEROC;
- (e) To obtain from or grant to any such Government or authority any rights, privileges, concessions and obligations which to the Board seem desirable to obtain or grant, and to carry out, exercise and comply with any such arrangements, rights, privileges, concessions and obligations;
- (f) To engage by contracts of service or for services for remuneration, professional assistance of any kind to perform services for WEROC in furtherance of the above-mentioned Objects;
- (g) To employ executive staff and employees and pay them salaries, wages, gratuities and superannuation or as a contractor;
- (h) To affiliate with bodies whose objectives are similar or conducive to the objectives of WEROC;
- (i) To print and publish electronically or non-electronically, all or any of newspapers, periodicals, pamphlets, circulars, bulletins, web pages, newsletters etc;
- (j) To use or cause to be used, any form of media, radio or television, e-mail or facsimile to promote to the community or to Members any of the Objects of WEROC. All Media Releases must be approved by the Presidents of the Member Councils;
- (k) To do all such other things as WEROC or its Members may deem to be necessary, incidental or conducive to the attainment of the above Objects and the exercise of these powers;
- (l) To make by-laws for the better management and day to day operation of WEROC or any of its committees.

6. MEMBERSHIP

The membership of the WEROC Board shall consist of:

6.1 Representation on WEROC Board

- o two (2) members of the Shire of Bruce Rock and appointed by the Council of the Shire of Bruce Rock;
- o two (2) members of the Shire of Kellerberrin and appointed by the Council of the Shire of Kellerberrin;
- o two (2) members of the Shire of Merredin and appointed by the Council of the Shire of Merredin;
- o two (2) members of the Shire of Westonia and appointed by the Council of the Shire of Westonia; and
- o two (2) members of the Shire of Yilgarn and appointed by the Council of the Shire of Yilgarn.

Representatives are to be nominated at least biannually by each Local Government and notified to the Executive Officer in writing.

6.2 Proxies

A nominated proxy can act as Proxy if required with voting rights.

6.3 Voting rights

Each of the Members as detailed in 6.1 shall have one vote each except the Chair who shall have a second vote in the event that any vote is tied.

6.4 Representatives qualifications

Representatives of Local Governments must be sitting Councillors or the Chief Executive Officer and must be approved by WEROC Board.

Commented [HW2]: This clause has been amended as per the resolution of the WEROC Executive on 25 September 2019

6.5 Withdrawal of nominees

Written notice of the revocation of power as Representative must be given by the Local Government Member to the Executive Officer of WEROC along with the name of the succeeding representative.

7. TERMINATION

7.1 Termination of Membership

A Member shall cease to be a Member if they:

- (a) Do not pay outstanding debts owed to WEROC within 3 months of the debt becoming due unless the Board resolves to extend the period for a further 3 months in which case the amount must be paid within 6 months of first becoming due;
- (b) As a Local Government become defunct or is wound up.

7.2 Resignation

Members wishing to resign must give 3 month's written notice to the Executive Officer. Resignation does not take effect until the end of the financial year.

Resignation or termination of membership does not clear debts owed to WEROC. Upon resignation or termination of membership for whatever reason, Members must pay any outstanding debts including arrears of subscriptions, owed to WEROC.

7.3 Reinstatement

The Board may reinstate by absolute majority, the membership of any former Member to WEROC once that Member has cleared all debts owed to WEROC as outlined Rule 7.1(a).

8. EXPULSION

WEROC reserves its right to expel any Member or Representative whose behavior is prejudicial to the Objects of the group and may do so by:

- (a) Calling a Special General Meeting to expressly consider the question of "a motion of expulsion";

- (b) Giving the Member or Representative who is the subject of the motion written notice, setting out the grounds for complaint, 7 days before the scheduled Special General Meeting;
- (c) securing the votes of the Representatives present at the Special General Meeting of at least:
 - (i) 80% of Representatives when voting to expel a Representative: or
 - (ii) Two thirds of Representatives when voting to expel a local government.

9. REGISTER OF MEMBERS

- 9.1 WEROC Executive must keep and maintain a Register in accordance with section 53 of the Act, containing:
 - a) The name of each Member;
 - b) The residential, postal or email address of each Member;
 - c) The date of entry to WEROC of each Member.
- 9.2 Inspecting and copying the Register
 - a) WEROC will make register available for inspection free of charge for any current Member upon written request to the Executive.
 - b) A Member may make a copy of entries in the Register.
 - c) A Member must not use or disclose any information in the Register for any purpose other than a purpose that:
 - i. is directly connected with the affairs of WEROC; or
 - ii. relates to the administration of the Act.

10. SUBSCRIPTIONS

- 10.1 Annual Subscriptions

Members are not required to pay a membership fee or annual subscription but may be required to pay an annual financial contribution as determined by the Association with such contributions to be in equal shares.
- 10.2 Financial Contributions by New Members

Where a new Member is admitted to WEROC, a financial contribution to be made by the new Member, in addition to the annual financial contribution, will be as determined by the Board.

Commented [HW3]: This clause has been inserted as per the resolution of the WEROC Executive on 25 September 2019

11. BOARD

11.1 Composition of Board

- (a) The management and control of WEROC and its affairs and property shall be vested in the Board.
- (b) The Board may co-opt any person for their expertise when required. Such persons shall have no vote.
- (f) All Members must hold office until their successors are appointed but the elected positions must be declared vacant immediately prior to the Annual General Meeting.

11.2 Vacancies on Board

A position on the Board will be deemed vacant if a Representative:

- (a) Resigns by notice in writing sent to the Chair;
- (b) Is removed at a Special General Meeting of Members of WEROC;
- (c) In the event that a Representative cease to be a Councillor or Chief Executive Officer for their Member;
- (d) Dies, or departs for more than 6 months from the State of Western Australia; or
- (e) Is convicted of an offence under the Act.

11.3 Chair Ineligible

- (a) In the event of death, disqualification, or resignation of the Chair, the Deputy Chair shall become the interim Chair until the next Annual General Meeting.
- (b) If the Deputy Chair is not prepared to act, then any Member of the Board may be elected as interim Chair.

12. POWERS OF THE BOARD

12.1 Powers of the Board

The Board is empowered to do all things required for the management of WEROC and for the furtherance of WEROC's Objects, except those things, which, according to this Constitution must be done by WEROC in General or Special Meetings.

12.2 Appoint or Dismiss Staff

The Board may from time to time, appoint or dismiss any Executive Officer and staff as it deems to be necessary for the purpose of carrying out the Objects of WEROC and may pay or allow salaries, allowances, superannuation and recompenses that the Board, from time to time, deems appropriate.

- 12.3 Entering into Contracts
The Board may enter into contracts on behalf of WEROC that it deems advisable and at all times may dispose of funds of WEROC that it deems to be in the best interest of and for carrying out the Objects of WEROC.

13. COMMITTEES OF THE BOARD

- 13.1 Committees Appointed
The Board may appoint committees to provide advice to the Board consisting of at least 4 Members, to consider any specific matters. Any 3 Members or at least 51% of Members, whichever is greater, of the committee, will constitute a quorum.
- 13.2 Co-opting Committee members
The Board may co-opt people with suitable qualifications to these committees.

14. ELECTIONS

- 14.1 Elections at Annual General Meeting
- (a) Elections for Chair, Deputy Chair, Secretary/Treasurer and Board members will take place at the Annual General Meeting of WEROC where the Chair will declare all positions vacant.
 - (b) The Chair and Deputy Chair must be from a different Local Government.
 - (c) Subject to Rule 14.2, a Board member's term will be from his or her election at an annual general meeting until the election at the next annual general meeting after his or her election, but he or she is eligible for re-election to membership of the Board.
- 14.2 Where a vacancy on the Board occurs after 31 March in any year:
- (a) the position can remain vacant until the next Annual General Meeting or;
 - (b) an election to fill the vacancy is to take place at a Special meeting called for that purpose.

Commented [HW4]: This clause has been amended as per the resolution of the WEROC Executive on 25 September 2019

15. PROCEDURES OF BOARD MEETINGS

- 15.1 Meetings
The Board will, unless otherwise determined by WEROC in general meeting, meet at least four times a year, on a day that the Board determines from time to time. Special Board meetings may be convened by the Chair, or in their absence the Deputy Chair, or by any 4 other Board members.
- 15.2 Notice of Meeting
Notice of a meeting of the Board, stating the business of the meeting and including reports and supporting documentation must be given by the Executive Officer to each Representative at least 5 business days prior to the meeting.

- 15.3 Chair of Meetings
The Chair, or in their absence, the Deputy Chair, shall be the Chair of all meetings of the Board, or in their absence, the Board may elect a Member to chair the meeting.
- 15.4 Quorum
No business will be transacted at any Board meeting unless a quorum of at least 51% of Board Members is present at the time when the meeting proceeds to business.

16. EXECUTIVE OFFICER

- 16.1 Executive Officer Appointed
The Board is empowered to appoint an Executive Officer for a contract period not exceeding five years or to remove an Executive Officer from WEROC and to decide upon his or her remuneration and duties. The contract of an Executive Officer so appointed may be renewed from time to time at the discretion of the Board.
- 16.2 Executive Officer's role
The Executive Officer will act as Secretary/Treasurer of WEROC and non-voting member of the Board and will:
- (a) Receive all monies on behalf of WEROC, give receipts thereof on the official receipt form of WEROC, and pay such monies into such account or accounts at such bank as the Board may, from time to time, decide upon. These accounts shall be operated upon generally for the good conduct of the affairs of WEROC in such a manner as the Board shall, from time to time, determine.
 - (b) Keep the accounts of WEROC and shall make up an annual statement of accounts and balance sheet of WEROC to June 30 in each year, which shall, after audit, be circulated amongst the Members of WEROC with the notice of the Annual General Meeting. The Executive Officer shall also prepare a statement of receipts and expenditure for each meeting of the Board.
 - (c) Maintain a Register of Members.
 - (d) Unless the Members resolve otherwise at a general meeting, have custody of all books, documents, records and registers of WEROC.
 - (e) Compile Minutes, Grant applications and acquittals, arrange Guest Speakers and collective Board Member training.
 - (f) Undertake all other duties as directed by the Board.

Commented [HW5]: This clause has been amended as per the resolution of the WEROC Executive on 25 September 2019

17. FINANCE

- 17.1 The financial year for WEROC will be as detailed in Rule 2.1(g).
- 17.2 The Board will ensure sound financial management;

- 17.3 The Board will prepare and approve the annual budget at least 1 month before the end of the financial year.
- 17.4 Any operating expense or capital expenditure not included in the budget must be approved by the Board prior to being incurred.
- 17.5 The Executive Officer will be responsible for arranging the keeping of a correct and up to date accounting record with full details of all receipts and expenditure connected with the work of WEROC.
- 17.6 The Executive Officer will present to each meeting of the Board, a true and correct financial statement comparing actual to budget for the period up to the end of the prior month.
- 17.7 The financial statement, or summary of the financial statement, will form a part of the minutes of the meeting at which it is presented.
- 17.8 The financial statement of WEROC may be published from time to time as the Board determines or otherwise made available to Members.

18. MINUTES

- 18.1 Minutes to be kept
Proper minutes must be kept of all proceedings of general meetings and meetings of the Board and Committees.
- 18.2 Circulation of minutes
Copies of minutes of the last general meeting or meeting of the Board will be circulated with or prior to the notice summoning the next general meeting or meeting of the Board, as the case may require. Minutes will be taken as read unless a majority of those present at the subsequent meeting decide to the contrary.
- 18.3 Minutes to be Adopted
All minutes of general meetings or meetings of the Board must be confirmed at the next meeting.

19. MEETINGS

- 19.1 Annual General Meeting
The Annual General Meeting of WEROC is to be held not later than 31 December in each year for the purpose of:
 - (a) Receiving the Chair's Annual Report;
 - (b) Receiving the audited financial statement of accounts for the previous financial year;
 - (c) The election of the Board for the ensuing year;
 - (c) The appointment of a firm of auditors of WEROC in accordance with Rule 22; and

- (e) Dealing with any other business of which it has been given notice of at least 21 days before the meeting.

19.2 Special General Meetings

The Board may whenever it deems appropriate, and the Chair will on requisition of at least 20% of Members of WEROC, convene a Special General Meeting of WEROC. The requisition must:

- (a) be in writing; and
- (b) state the purpose for which the meeting is being called.

9.3 Notice of Meetings

A notice of all Annual General Meetings or Special General Meetings must state the business of the meeting and notice must be given to all Members at least 14 days prior to the meeting.

19.4 Quorum

No business will be transacted at an Annual or Special General Meeting of WEROC unless a quorum of at least 51% of Representatives is present.

If a quorum is not present within 30 minutes after the time appointed for the General Meeting in the notice:

- (a) where the meeting is convened on the requisition of Representatives, the meeting must be automatically dissolved; and
- (b) in any other case:
 - (i) the meeting stands adjourned to a day and at a time and place as the Board decides or, if no decision is made by the Board, to the same day in the next week at the same time and place; and
 - (ii) if no quorum is present at the resumed meeting within 30 minutes after the time appointed for the meeting, provided at least 2 Representatives are Present at the resumed meeting, they will be taken to constitute a quorum.

19.5 Chair

The Chair or, in their absence, the Deputy Chair will be the Chair of all Annual or Special General Meetings. If neither the Chair nor the deputy Chair is present, the meeting will elect a Chair of that meeting.

19.6 Voting

All Representatives present at the Annual or Special General Meetings are entitled to one vote each. Voting at all Annual or Special General Meetings will be done by a show of hands. In the event of equality of votes, the Chair of the meeting will have a second vote.

19.7 Decisions
Except where otherwise required in these Rules, decisions of WEROC at a General Meeting will be passed by a majority of Representatives present and voting. In the event of equality of votes, the Chair of the meeting will have a second vote.

20. COMMON SEAL

20.1 Custody of Seal
WEROC will have a Common Seal, which will be in the custody of the Executive Officer at the office for the time being of WEROC.

20.2 Affixing Seal
The Seal will be affixed:

- (a) to all deeds, instruments and documents that need to be under seal;
- (b) pursuant to a resolution of the Board of WEROC; and
- (c) in the presence of 2 Representatives from different member Local Governments.

21. ALTERATION OF CONSTITUTION

This Constitution may at any time be altered by 'Special Resolution' in a manner resolved by 75% of Representatives present and entitled to vote and voting at the Annual General Meeting or at a Special General Meeting of WEROC convened for that purpose.

22. AUDIT

WEROC must comply with all financial reporting obligations imposed under the Act.

22.1 Auditor's Access to records
The auditor must audit the accounts of WEROC once a year and is entitled to full and free access to all accounts, records, documents and papers of WEROC relating directly or indirectly to the receipt and payment of monies or to the acquisition, receipt, custody or disposal of assets by WEROC.

22.2 Auditor's Report
Before the Annual General Meeting the Auditor will examine the accounts and records of WEROC for the previous financial year and report on whether the accounts and records give a true and fair view of the financial affairs of WEROC, and on any other matters arising out of the records that the Auditor considers should be reported to the Members.

23. APPOINTMENT OF AUDITOR

WEROC will, at each Annual General Meeting, appoint an Auditor for a period of 1 year, who is not a Member of WEROC. The Auditor will be eligible for

reappointment by WEROC and WEROC Board has the power to fill any temporary vacancy in the office of Auditor.

24. INSPECTION OF RECORDS, ETC OF ASSOCIATION

A Representative may at any reasonable time inspect without charge the books, documents, records and securities of WEROC.

25. DISPUTES & MEDIATION

- a) The grievance procedure set out in this rule applies to disputes under these rules between-
 - (i) a Member / Representative and another Member / Representative; or
 - (ii) a Member / Representative and WEROC; or
 - (iii) Non-Members who receive services from WEROC, and WEROC.
- b) The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days after the dispute comes to the attention of all of the parties.
- c) If the parties are unable to resolve the dispute at the meeting, or if a party fails to attend that meeting, then the parties must, within 10 days, hold a meeting in the presence of a mediator.
- d) The mediator must be:
 - (i) in the case of a dispute between a Member / Representative and another Member / Representative, a person appointed by the Board of WEROC; or
 - (ii) in the case of a dispute between a Member / Representative, or non-Member and WEROC, a person who is a mediator appointed to, or employed with, a not for profit organisation.
- e) A Member of WEROC can be a mediator.
- f) The mediator cannot be a Member or Representative who is a party to the dispute.
- g) The parties to the dispute must, in good faith, attempt to settle the dispute by mediation.
- h) The mediator, in conducting the mediation, must-
 - (i) give the parties to the mediation process every opportunity to be heard;
 - (ii) allow due consideration by all parties of any written statement submitted by any party; and
 - (iii) ensure that natural justice is accorded to the parties to the dispute throughout the mediation process.


- i) The mediator must not determine the dispute.
- j) The mediation must be confidential and without prejudice.
- k) If the mediation process does not result in the dispute being resolved, the parties may seek to resolve the dispute in accordance with the Act or otherwise at law.

26. DISSOLUTION

- 26.1. WEROC may be dissolved or wound up by a resolution at any General Meeting or at a Special General Meeting called for that purpose.
- 26.2. Upon the winding up or cancellation of WEROC, any Surplus Property will not be paid to or distributed among the Members, but will be distributed to one or more organisations listed in section 24 of the Act with Objects similar to the Objects.

10.1.7 WALGA – SIZE AND SCALE COMPLIANCE REGIME – LOCAL GOVERNMENT ACT REVIEW

Responsible Officer:	Jamie Criddle, CEO	
Author:	Jamie Criddle, CEO	
File Reference:	A2.4.1	
Disclosure of Interest:	Nil	
Attachments:	Nil	
Signature:	Officer	CEO



Purpose of the Report



Executive Decision



Legislative Requirement

To seek Council's input into WALGA's endorsed position on advocacy principles in relation to the Local Government Act Review on Size and Scale Compliance Regime.

Background

Mr Tony Brown, WALGA's Executive Manager Governance and Organisational Services advises that during the current Local Government Act review process, WALGA following consultation with the sector, developed key principles and advocacy positions which were subsequently endorsed through the Zone and State Council meeting process.

The following are the key principles;

- 1) That the sector endorse a 'Principles over Prescription' approach to the Local Government Act Review and actively promote the benefits of the general principles listed below, intended to safeguard against the new Local Government Act becoming overly prescriptive:
 - (a) Uphold the General Competence Principle currently embodied in the Local Government Act;
 - (b) Provide for a flexible, principles-based legislative framework;
 - (c) Promote a size and scale compliance regime;
 - (d) Promote enabling legislation that empowers Local Government to carry out activities beneficial to its community taking into consideration the Local Governments role in creating a sustainable and resilient community through;
 - i. Economic Development
 - ii. Environmental Protection
 - iii. Social Advancement;
 - (e) Avoid red tape and 'de-clutter' the extensive regulatory regime that underpins the Local Government Act; and
 - (f) The State Government must not assign legislative responsibilities to Local Governments unless there is provision for resources required to fulfil the responsibilities.
2. (a) Support the continuance of the Department of Local Government, Sport and Cultural Industries as a direct service provider of compliance and recommend the Department fund its capacity building role through the utilisation of third party service providers.

- (b) Call on the State Government to ensure there is proper resourcing of the Department of Local Government, Sport and Cultural Industries to conduct timely inquiries and interventions when instigated under the provisions of the Local Government Act 1995.

In respect principle 1 (c) Promote a size and scale compliance regime, to assist in advocacy to the State Government as part of the Local Government Act review process, sector assistance is requested in identifying examples of where a size and scale compliance regime could be identified in the Act and Regulations.

Mr Brown indicates that if Council could provide examples by Friday 25 October 2019 it would be appreciated.

Comment

It has been argued by many in the Local Government sector that the requirements imposed on Bands 3 and 4 (rural and remote LGA's) are the same as Bands 1 and 2 (metropolitan and larger regional LGA's). The Band levels were set by the Salaries and Allowances Tribunal (SAT) to determine Elected Member Fees and CEO's remuneration packages with Bands 1 and 2 commanding significantly higher salaries and allowances than Bands 3 and 4.

The above Bands identify the size, particularly revenue wise, of LGA's and therefore, SAT obviously considers that those in Bands 1 and 2 have more responsibility associated with their positions than those in bands 3 and 4. If this is the case, then it is fair to argue why Bands 3 and 4 have to comply with exactly the same legislative requirements as Bands 1 and 2. Band 3 and 4 LGA's are also limited in their human resource capacity and therefore are at a greater disadvantage to Band 1 and 2 LGA's.

The Integrated Planning processes and the current Australian Accounting Standards are two of the main areas that require a significant amount of time and resources to meet the requirements of the Local Government Act and associated Regulations. Staff are of the opinion that some of these requirements should be lessened on Band 3 and 4 LGA's.

Statutory Environment

Local Government Act 1995

Policy Implications

Nil.

Strategic Implications

Nil

Financial Implications

There are no financial implications in relation to this matter.

Voting Requirements



Simple Majority




Absolute Majority

OFFICER RECOMMENDATIONS

That Council advises WALGA that in respect to one of its key principles in promoting a size and scale compliance regime in the review of the Local Government Act, Council supports the lessening of legislative requirements associated with Integrated Planning processes and the Australian Accounting Standards for SAT Bands 3 and 4 and requests that WALGA supports this position.

10.1.8 WALGA – STATE COUNCIL AND ZONE STRUCTURE WORKING GROUP FINAL REPORT

Responsible Officer:	Jamie Criddle, CEO	
Author:	Jamie Criddle, CEO	
File Reference:	A2.4.1	
Disclosure of Interest:	Nil	
Attachments:	Nil	
Signature:	Officer	CEO



Purpose of the Report



Executive Decision



Legislative Requirement

To present to Council for consideration, WALGA's Working Group Final Report on recommendations associated with State Council and Zone Structure review.

That Council advises WALGA that it supports the ten (10) recommendations contained within the Final Report of the State Council and Zone Structure and Process Working Group.

Background

WALGA State Council has released for consultation the Final report prepared by the Working Group charged with reviewing WALGA's governance structures and processes.

WALGA advises that the Working Group has made a number of recommendations, four of which have been endorsed for immediate implementation by State Council, with the balance endorsed in principle pending sector consultation. The recommendations endorsed by State Council for implementation relate to the provision of information about WALGA to Elected Members, State Council's Committee structure, and the process for considering submissions to Government.

WALGA seeks Council consideration and feedback on the balance of the recommendations, which relate to the composition of State Council, the continuing role of Deputy State Councillors, no term limits for State Councillors, the Member Advisor Program, services to Zones, and the State Council Agenda, including the cessation of the production of printed Agendas.

WALGA seeks feedback by 5.00pm Friday, 25 October 2019 to allow an Agenda Item to be included in the December State Council Agenda for consideration at the November round of Zone meetings.

Comment

The WALGA Working Group's Final Report is provided as an attachment to the Agenda. Ten (10) recommendations are listed in the Final Report to which WALGA is seeking feedback. None of the recommendations are overly contentious and therefore it is the opinion of the author of this report is that Council advises WALGA that it has no objections to the recommendations submitted.

Statutory Environment

Nil

Policy Implications

Nil

Strategic Implications

Nil



Financial Implications

There are no financial implications in relation to this matter.



Voting Requirements



Simple Majority



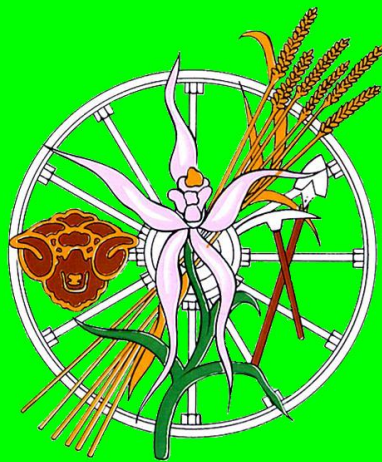
Absolute Majority

OFFICER RECOMMENDATIONS

That Council advises WALGA that it supports the ten (10) recommendations contained within the Final Report of the State Council and Zone Structure and Process Working Group.

Attachments 10.1.8

Shire of Westonia



WALGA – STATE COUNCIL AND ZONE STRUCTURE WORKING GROUP FINAL REPORT



Final Report

State Council and Zone Structure and Process Working Group

August 2019

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Background

State Council, at its 27 March 2019 meeting, endorsed a recommendation of the Executive Committee to establish a working group to develop options to revise State Council's structure. At the State Council Blue Sky workshop held in June 2018 there was discussion relating to WALGA's structure and it was suggested that a preferred model should be developed for sector consultation.

Reviews of State Council's structure and processes were undertaken in 2011 and 2015. These reviews endorsed the current structure of State Council, but led to some modifications relating to process.

Specifically, there were two key outcomes from the 2015 review:

1. Formation of the Executive Committee – expanded the remit of the previous Finance and Services Committee to include enhanced responsibility for policy matters including interim submissions, as well as explicit responsibility for undertaking the Chief Executive Officer performance review.
2. Emerging Issues – Streamlining of emerging issues process, which has led to 15 emerging issues being considered at the last 12 State Council meetings since December 2016.

To facilitate the review, State Council formed a working group with well-defined terms of reference.

Working Group

The Working Group has been convened to develop an alternative model to the existing State Council structure for State Council consideration and then, if endorsed by State Council as worthy of further consideration, consultation with WALGA's members.

In particular, the working group could consider the:

- Composition of State Council as a representative board;
- Underpinning principle that metropolitan and country Local Governments should be equally represented on State Council;
- Role of Zones;
- Method of election of State Councillors;
- Relationship between State Council and Zones;
- Existing Zone structures and the basis for the membership of Zones;
- Method of election of the President;
- Role of the Deputy President;

- Role and membership of the Executive Committee;
- Continuing effectiveness of State Council committees such as the Selection Committee, and Honours Panel;
- Membership and efficacy of State Council Policy Teams, and Policy Forums;
- Ability of Zones to shape State Council decision-making through emerging issues;
- Interim submission process to meet Government deadlines;
- Format of State Council meetings and agendas;
- Continuing need to print and distribute hard-copy State Council agendas;
- Protocols for Zone delegates and Local Governments putting forward Zone agenda items;
- Any other matters relating to the existing structure or process of State Council, committees of State Council and Zones.

The working group has been charged by State Council with making recommendations to State Council for an alternative structural governance model for WALGA. In addition, the working group may consider making recommendations that would enhance the effectiveness of WALGA's governance processes for the benefit of members and the organisation.

Working Group Membership

The Working Group comprised of the following members:

WALGA President	President Cr Lynne Craigie OAM (Chair)
WALGA Deputy President	Mayor Tracey Roberts
State Councillor	President Cr Phil Blight
State Councillor	President Cr Karen Chappel JP
State Councillor	Cr Jan Court JP
State Councillor	President Cr Tony Dean
State Councillor	Cr Russ Fishwick JP
State Councillor	Mayor Logan Howlett JP
State Councillor	Cr Paul Kelly
State Councillor	President Cr Stephen Strange
WA Regional Cities Alliance	President Cr Harold Tracey, Shire of Broome (Meetings one and two)
	Mayor Dennis Wellington, City of Albany (Meeting three)
Country Local Government Chief Executive Officer	Annie Riordan, Shire of Harvey
Metropolitan Local Government Chief Executive Officer	Michael Parker, City of Rockingham
WALGA Chief Executive Officer	Nick Sloan
WALGA Executive Manager Governance and Organisational Services	Tony Brown
WALGA Manager Strategy and Association Governance	Tim Lane

Method and Timeline

In broad terms the Working Group adopted the following process:

1. Provision of a range of background material including the WALGA Constitution, Corporate Governance Charter, and outcomes and discussion papers from the 2015 and 2011 reviews;
2. Consideration of strengths and weaknesses of the current model;
3. Development of an alternative model or models, and additional recommendations for presentation to State Council.

The following timeline was adopted for the Working Group's process:

Stage 1 – Working Group Review

May 2019 – Working Group formed

- President to appoint State Council and member Chief Executive Officer representatives

June 2019 – Working Group Meeting One

- Confirmation of Working Group Terms of Reference and Purpose
- Consideration of Previous Review processes and outcomes
- Consideration of Governance Structures of other State Associations and Local Government New Zealand
- Discussion relating to current arrangements including strengths and weaknesses of the current model and processes
- Initial development of ideas and opportunities for change

July 2019 – Working Group Meeting Two

- Refinement of initial ideas and opportunities for change
- Development of further ideas and opportunities for change
- Development of draft recommendations

August 2019 – Working Group Meeting Three

- Confirmation of a preferred model
- Agreement regarding presentation of recommendations to State Council

Stage 2 – Consideration of Working Group Recommendations

September 2019 – State Council Consideration of Working Group Recommendations

- Endorsement of internal recommendations relating to process or procedure (if appropriate)
- Endorsement of consultation process relating to external and structural recommendations

- Implementation of internal recommendations once endorsed by State Council

October 2019-December 2019 – Sector Consultation (if required)

- Consultation on external and structural recommendations with Local Governments and Zones

March 2020 – State Council endorsement of external and structural recommendations

- State Council endorsement of external and structural recommendations
- Drafting of Constitutional Amendments (if required)
- Drafting of amendments to Corporate Governance Charter (if required)
- Implementation of endorsed recommendations

August 2020 – Constitutional Amendments (if required)

- Consideration of Constitutional Amendments at 2020 Annual General Meeting

Working Group Review

The working group first considered previous reviews undertaken by WALGA, and also investigated governance arrangements of Local Government Associations in other states of Australia and New Zealand.

Previous Reviews

Significant reviews have been undertaken in 2011 and 2015. In addition, a number of amendments to WALGA's constitution in were endorsed in 2018.

To varying degrees, these previous reviews have considered:

- The structure of State Council, including the equal representation of metropolitan and non-metropolitan members;
- The number of State Councillors and the representational nature of State Council;
- The role, number and structure of Zones;
- Changes to Committees of State Council including their role, function, membership, and delegated decision-making authority;
- Codification of existing conventions;
- Changes to the Constitution and Corporate Governance Charter to respond to changes in circumstances and legislation.

2018 Constitutional Amendments

WALGA's Constitution was amended in 2018. The amendments to the Constitution followed discussion at State Council Strategic Forums regarding:

1. Rotation of the office of the President between the metropolitan and country constituencies of State Council; and relatedly,
2. The convention that the Deputy President will be from the alternate constituency to the President.

Historically, the two issues above had been managed by 'convention', but State Council requested the secretariat to investigate codifying the above in the WALGA Constitution.

This also enabled other amendments and clarifications to be made in response to changed legislation and to reflect established practice.

Specifically, WALGA's Constitution was amended in 2018 to:

1. Codify an existing convention that the President and Deputy President of WALGA would be drawn from opposite constituencies. That is, when the President is from the metropolitan constituency, the Deputy President would be from the country constituency and when the President is from the country constituency, the Deputy President would be from the metropolitan constituency;
2. Codify an existing convention that the office of Presidency will be rotated between the metropolitan and country constituencies. That is, when a President leaves office, only State Councillors from the alternate constituency will be eligible to nominate for the office of President;
3. Clarify that eligibility criteria relating to the disqualification of State Councillors also apply to ex-officio members of State Council;
4. Ensure that members of State Council and/or Zone delegates suspended by the Minister for Local Government under Part 8 of the *Local Government Act 1995* are disqualified from State Council and/or from the Zone as appropriate. Previously, this provision referred to only one method of suspension by the Minister for Local Government; and,
5. Clarify that the President has a deliberative vote, and not a casting vote, in elections for President and Deputy President.

2015 Review of Key Governance Documents

A review of the following key governance documents was undertaken in 2015:

- Constitution
- Corporate Governance Charter
- Standing Orders

A discussion paper was produced for the 2015 Review which was structured around the following three themes:

1. Review of documentation – a review of identified issues in the three documents listed above;
2. Technical drafting – correction of technical wording and alignment across the three documents listed above; and,
3. Review of State Council and Zone processes and effectiveness.

The outcomes of this review are summarised below, with full details of review outcomes contained in the March 2016 State Council Minutes.

The Constitution was amended to:

- Add a clause requiring State Council to adopt standing orders that will apply to meetings of State Council;
- Add a clause specifying that a State Councillor would be disqualified from serving on State Council if they were suspended by the Minister for Local Government;
- Enforce a term limit on the President of two consecutive two-year terms, which existed at the time for the Deputy President; and,
- Explicitly state that the President does not have a casting vote if there is a tied vote in an office bearer election.

The Corporate Governance Charter was amended to:

- Express the role of the Deputy President;
- Clarify that the President of Local Government Professionals will have the opportunity to present a report at State Council meetings;
- Insert a provision stating that State Council must resolve to consider an 'emerging issue' prior to it being considered;
- Insert further information regarding the formation and operation of the Local Government House Trust;
- Add procedures for the management of committees with delegated powers including requirements for:
 - Terms of reference;
 - Membership and fixed two year terms;
 - Appointment process, which specifies that State Council will determine appointments of State Councillors and external representatives, and that State Council may use the Selection Committee for this purpose.

In addition, amendments were made to the Standing Orders, and a complaints handling procedure was added to the Code of Conduct.

2011 Review of Structure & Effectiveness of State Council & Zones

A Working Group was formed in late 2010 to undertake a review of the structure and effectiveness of WALGA's governance structures.

To guide the review, a discussion paper was prepared and distributed to the sector with submissions sought on the paper, as well as any other relevant matters.

The paper was structured around the following key subjects:

- Current Arrangements;
- Strengths of Current Arrangements;

- Weaknesses of Current Arrangements;
- Options for Change – Structure; and,
- Options for Change – Effectiveness.

Following feedback from the sector, and consideration by the Working Group of the sector's feedback, an item was presented to State Council that resulted in the following outcomes:

- Endorsement of current arrangements with a set of responsibilities for the Forum of Co-Chairs to be developed (note the Forum of Co-Chairs no longer exists);
- WALGA to provide additional support to Zones to enhance their advocacy role, including:
 - Provide suggestions for guest speakers and topics for consideration by Zones;
 - Provide a consistent liaison officer when requested by Zones;
 - All Zones be offered a presentation providing an overview of WALGA and its advocacy and service functions following the election of Zone delegates every two years;
 - Zone Chairs to receive an induction on the role of the Zone Chair;
 - An item to be presented to all relevant Zones seeking endorsement for their Executive Officer to attend the bi-annual WALGA Zone Executive Officer meetings.
- Development of a strategy to establish meetings between State Councillors and Members of Parliament;
- A change in State Council's calendar to move from six meetings per year to five; and,
- A review of State Council sitting fees.

Arrangements in Other States and New Zealand

The Working Group considered governance arrangements of Associations from other States of Australia as well as New Zealand.

It can be seen that State Associations of Local Government typically elect a board similar to WALGA's State Council. Some State Associations elect board members directly from the membership although most use regions or zones to elect board members to represent particular regions. In all other states, the President is elected by the membership.

A summary table below outlines the number of board members and their method of election. Note that Queensland operates with a dual structure comprising of a board and a policy executive.

Local Government Association Governance Structures Table

	WALGA	LGNSW	MAV (Victoria)	LGAT (Tas)	LGASA	LGAQ (QLD)		LGANT	LGNZ
						Board	Policy Executive		
Number of Board Members	25	19	13	8	18	4	16	9	15
President Elected by:	Board	Members (AGM)	Members (AGM)	Members (Postal vote)	Members (Postal vote)	Members (AGM)		Members (AGM)	Members (AGM)
Board Members elected by:	Zones	Members at AGM: Metro members elect metro reps / Rural members elect rural reps	Zone equivalent (12 regions)	Zone equivalent (3 regions) – one rep above population threshold, one below from each region	Zone equivalent (one metro region, six country regions, plus unincorporated areas)	Board members elected by and from policy executive	Zone equivalent (12 regions)	Members at AGM	Zones and Sector Groups

Comment on Summary Table

- **Size of Board** – while WALGA’s board contains the largest number of representatives, it can be seen that boards of local government associations tend to be relatively large. The average board size (using Queensland’s policy executive, not board) is 15.4.
- **Method of Election of President** – WALGA is an outlier: all other Presidents are elected directly by the membership. Perhaps this is a reflection of the prevalence of Council elected Mayors and Presidents in WA.
- **Method of Election of Board Members** – The majority of associations use regional groupings (equivalent to our Zones) to elect board members. The New Zealand hybrid model of electing representatives from geographic zones and sector groups (metro, provincial, rural, regional) is of interest.

Local Government New South Wales

The Board of Local Government New South Wales consists of:

- The President (which rotates between metropolitan / urban and regional / rural) elected by delegates at an annual meeting;
- The Immediate Past President (where applicable);
- Two Vice-Presidents (one from a Metropolitan/Urban council and the other from a Regional/Rural council) elected by delegates from the respective groupings at the annual general meeting;
- A Treasurer elected by delegates at the annual general meeting; and,
- 14 Committee members (7 from metropolitan / urban councils and 7 from regional / rural councils) elected by delegates at the annual general meeting. Metropolitan / urban delegates elect metropolitan / urban representatives and regional / rural delegates elect regional / rural representatives.

Municipal Association of Victoria

The Municipal Association of Victoria (MAV) is governed by a 13 member board.

The 12 members of the board (excluding the President) are elected by 12 regional groupings of Local Governments. There are six metropolitan regions and six non-metropolitan regions that each elect one board member.

The members of MAV directly elect the President at a meeting of State Council. Each member has one representative on State Council, which meets twice per year.

For clarity, MAV's State Council in this context is most similar to WALGA's Annual General Meeting and MAV's Board is similar to WALGA's State Council.

The Board elects two Deputy Presidents: one from the metropolitan regions and one from the non-metropolitan regions.

Local Government Association of Tasmania

The Local Government Association of Tasmania (LGAT) is governed by a General Management Committee of eight members.

The General Management Committee comprises:

- The President, elected by the members by postal ballot;
- The Lord Mayor of the City of Hobart, or his or her proxy;
- Six members elected from three electoral districts (North West and North Coast, Northern, and Southern) conducted via postal vote. Each electoral district is to elect one representative from Councils with a population of 20,000 or more, and one representative from a Council with a population of less than 20,000.

The General Management Committee elects a Vice President from its members.

Local Government Association of South Australia

The Local Government Association of South Australia is governed by an 18 member board consisting of the following representatives:

- The President, elected by postal vote by ordinary members (by Council resolution), noting that the President must have served at least one year on the board to be eligible to nominate for the office of President. Note the Presidency is rotated between metropolitan and non-metropolitan regions;
- The Immediate Past President, if willing and able to serve, and must still be a member of a Council of an ordinary member. The Immediate Past President undertakes the role of a board member as well as assisting the President to the extent requested by the President;
- Eight board members (and four deputy members) from the metropolitan region elected by postal vote by ordinary members from the metropolitan region;
- Representatives from the following Regions elected by the Regions:
 - Two board members (and one deputy) from Central Region;
 - Two board members (and one deputy) from River Murray Region;
 - One board member (and one deputy) from Eyre Peninsula Region;
 - One board member (and one deputy) from South East Region;
 - One board member (and one deputy) from Southern and Hills Region;
 - One board member (and one deputy) from Spencer Gulf Cities Region; and,
- One board member appointed by the board to represent unincorporated areas.

In addition, there are four Vice Presidents elected from amongst the board members: two metropolitan and two from non-metropolitan regions.

An Executive Committee is also formed comprising of the following members:

- President;
- Immediate Past President;
- The Four Vice Presidents.

The Executive Committee undertakes functions delegated by the board as well as the CEO's performance review and setting of the CEO's KPIs.

Local Government Association of Queensland

The Local Government Association of Queensland (LGAQ) employs a dual structure that comprises a Policy Executive and a Board.

The Board comprises the LGAQ President elected by the member councils at the Annual General Meeting plus three directors who are elected from and by the Policy Executive. The Board is responsible for the operation of the business of the company.

The Policy Executive is responsible for the determination of the Association's policy on behalf of member councils. The Policy Executive consists of 15 district representatives and the President. The Policy Executive appoints three Directors to join the LGAQ President in forming the LGAQ Board and meets 6 times per year to discuss and determine LGAQ policy.

The 15 representatives are elected to the Policy Executive from 'districts' by the members of those districts. The State is divided into 12 districts, with most districts represented by one member, as per the extract from the Constitution below:

The Districts are represented on the Policy Executive as follows:

- a) in the case of District No. 1 (Brisbane City Council), by one Member appointed by the Brisbane City Council;*
- b) in the case of District No. 2 (South East), by three Members elected by the Members included in that District;*
- c) in the case of District No 12 (Aboriginal and Island Councils), by two Members elected by the Members of that District;*
- d) in all other cases, by one Member for each District elected by the Members included in each respective District.*

Local Government Association of the Northern Territory

The Local Government Association of the Northern Territory (LGANT) is governed by an Executive that meets monthly and consists of nine members elected at a general meeting.

Two general meetings are held per year and Executive Members are elected for a two year term.

The President is elected at a general meeting by the members, as are the two vice presidents. One vice president is elected by municipal councils and one vice president is elected by regional and shire councils.

One member of the Executive is to be from the City of Darwin.

To nominate for a position of the Executive, an elected member must have the support of their council through a council resolution.

Local Government New Zealand

The President of Local Government New Zealand (LGNZ) is elected by a ballot of members at an annual general meeting.

The board is comprised of the President, representatives from regional groups of Local Governments called Zones and representatives from groups of similar Local Governments called Sector Groups.

Sector Groups are formed on the basis of population, as follows:

- Metropolitan Group – population above 90,000
- Provincial Group – population between 20,000 and 90,000
- Rural Group – population less than 20,000
- Regional Group – all regional councils and unitary authorities

The composition of the 15 member board, called the National Council, is as follows:

- President
- Two representatives from Zone one;
- One representative from each of Zone two, three, four, five, and six;
- Three representatives from the Metropolitan Sector Group;
- Two representatives from the Regional Sector Group; and,
- One representative from each of the Provincial and Rural Groups.

It is understood that LGNZ recently reviewed their governance arrangements and a proposal will be considered at LGNZ's upcoming AGM in July 2019 to add two members to their governing board. It is proposed that the Mayor of Auckland will become a member of the governing board as of right, and it is proposed that a Maori representative will be added to the board.

Working Group Deliberations

The Working Group discussed strengths and weaknesses of the current model, and then discussed options for consideration.

Strengths of the Current Model

The Working Group identified the following key strengths, with additional comments shown in italics. Headings, also in italics, were added to group some of the strengths together.

State-wide Representation

- State-wide representation
- All Zones have a voice
- Blanket coverage of the state
- Single Association was an absolute positive and our biggest strength is one voice
- United voice of the sector
- Input to policy development from the entire state
- The current model provides input to policy development from the entire sector
- Potential of advocacy strength – *Potential to realise greater advocacy strength dependant on empowering State Council*

Metropolitan / Country Balance

- 50/50 country/metropolitan balance
- Fair representation of the entire state
- As one organisation, country and metro issues are considered – *Sector positions should be aggregated around metro and regional issues rather than seeking to shoehorn all into one consolidated position.*
- Rotation of President from metro to country
- Rotation of Presidency – fair voice for country and metro

Zones

- Policy making – from the grassroots up through the Zones to State Council
- Zones provide a broader purpose than just deliberating the on WALGA agenda
- Presentations and deputations at Zone meetings

State Council

- State Council: broader representation leads to more balanced decision making
- Responsiveness of State Council – *Still room from improvement in terms of timing of decision making*
- Policy making through State Council – not the AGM
- No term limits for State Councillors

- Diversity of skillsets – *could be enhanced with greater attention paid to individual's skills and backgrounds*
- Diversity and understanding of opinions
- Executive Committee structure is a positive with the ability to look after the business of WALGA – *Conceptually we agree, in practice this needs further work.*
- Processes to elect president and deputy (i.e. elected from and by State Council)

Policy Teams and Policy Forums

- Ability to form policy forums
- Policy teams and policy forums successfully filter sector feedback
- Presidency limit of two two-year terms
- Content of agendas are informative and appropriate – *Content can be excessive; content needs to be streamlined*
- Use of interim submissions makes WALGA more agile
- Networking / connectivity with peers and colleagues
- Dissemination of information through a broad representative base is more effective
- Equal voice – equal opportunity to contribute to policy development
- Apolitical – not aligned to political parties. Works with current Government. – *Organisation needs to be apolitical noting individuals will have their own persuasions.*

Operations

- Sound financial and fiscal management
- Good range of services – *value proposition for members needs consistent review*
- Low fees
- Strong business, and revenue generation from business model – *Opportunity to enhance through better promotion of WALGA services; therefore we can employ good staff*
- Range of services that WALGA provides – *Services need to be reviewed to ensure value for members*
- Quality and professionalism of staff

Weaknesses of the Current Model

The Working Group identified the following key weaknesses, with additional comments shown in italics. Headings, also in italics, were added to group some of the weaknesses together.

Executive Committee

- The Executive Committee doesn't have or exercise its delegation
- State Council doesn't own the budget
- Disconnect between the Executive Committee and State Council

President: Term limits and rotation

- Losing experience due to term limits of Deputy President and President
- President should be statesperson / apolitical – best person for the job
- Rotating State Council Presidency may prevent best candidate from securing the position

State Councillor: Role of State Councillor, including Term Limits, and Desirability and Knowledge of Position

- Lack of induction for potential State Councillors
- Some zones don't appear to value representation on State Council
- Being a State Councillor isn't always seen as desirable
- Reinforcing role of State Council to individual Councils and Councillors – not generally aware of State Council role
- State Councillors need to be more accountable to their Zone
- Too slow to regenerate State Councillors – no term limit on State Councillors
- No term limit for State Councillors
- Lack of experience of newly elected State Councillors
- Time commitment required to commit effectively to State Council role

- Volume of material to be considered at Zone and State Council meetings

- Zone agenda items submitted by individual councillors without the support of the member local government
- Lack of consistency in how Zone processes are applied

- Level of engagement by zone members. Not prepared and limited contribution across zone

- Policy teams of State Council not always outcome focussed – *Maybe too short of a meeting*

- Inequity of support provided to Zones by WALGA

- Frequency of State Council meetings
- Timelines for progressing policy issues from zones to State Council – *State Council a lot quicker over the last few years with the use of emerging issues and interim submissions. Still can improve.*
- Timing of revised agenda distribution – too soon before the State Council meeting
- Explanation of 50/50 split – AGM is different to State Council

Options for Consideration

The Working Group developed some initial options for change before landing on the recommendations, which are detailed in the following section.

State Councillor Profile and Role

The Working Group discussed the role, profile, remuneration, expectations and possibility of term limits for State Councillors.

In particular, there was a focus on seeking to lift the profile of a State Councillor to make it a desirable and aspirational office. There was discussion around the remuneration for State Councillors and protocols and expectations.

Other discussion points were:

- Should there be more information in the annual report regarding State Councillor involvement and attendance at committees and zone meetings?
- Should there be a minimum experience requirement to become a State Councillor?
- Should there be a specific skill requirement to become a State Councillor?
- Should there be term limits for State Councillors?

Ultimately the Working Group determined not to recommend any term limits or skill or experience limits for State Councillors. Instead, the Working Group recommends the development of a prospectus to promote WALGA, the role of State Councillors, the importance of Zones and the role of being a Zone delegate.

Two Tier Structure

The Working Group also discussed options for implementing a two-tier governance structure. Such a model would involve State Council retaining responsibility for policy and strategic planning, with a board or executive committee with delegated responsibility for the *business* and finances of WALGA.

It was envisaged in Working Group deliberations that the Board or Executive Committee would be appointed by State Council and comprise the following membership:

- President (Chair)
- Deputy President
- Three Country State Councillors – elected by and from State Council
- Three Metropolitan State Councillors – elected by and from State Council
- An independent representative with high-level finance or business experience

Ultimately the Working Group resolved not to recommend a two-tier structure, however the Working Group believes that this is a model that may be worth pursuing in the future.

Zones

The Working Group discussed the Zone structure and how WALGA supports the Zones. The Working Group endorsed the principle that Zones are self-governing and autonomous.

The Working Group discussed development of a prospectus to be provided to Elected Members about the role of WALGA, the role of being a Zone delegate, the role of State Council and other important information. Further discussion regarding the prospectus is included in the recommendations section below.

The Working Group discussed that some Zone motions are submitted to the Zone by individual Zone delegates without a Council resolution. In response the Working Group support development of a guideline, to be included in the prospectus stating that “whilst it is best practice that a Zone motion is supported by a Council decision, Zone delegates can raise items at Zone meetings without a Council decision.”

Regional Capitals Alliance Submission

The Regional Capitals Alliance made a submission to the Working Group proposing that State Council be comprised of ten members appointed from groupings of Local Governments based on the Salaries and Allowances Tribunal bands. The Alliance’s submission is reproduced below:

Rather than 26 members of the WALGA state council, the Alliance is proposing that the state council membership be retained within 10 members. Ten members would be made up of four metropolitan and four regional council representatives based on the following criteria and two additional Independent members (with one as an Independent Chair).

Discussion around the number of Council representatives from within each Band, both metropolitan and country, considered the number of local governments they represented and the population/geographical distribution across the bands to achieve what is believed to be a more balanced representation across the sector.

The Alliance recommends WALGA consider a Local Government representation model with a total membership on the State Council of ten, based on the Local Government Band categories giving equal representation from Metropolitan and Country, notionally four members each drawn representatively from Local Governments as suggested below:

- *2 representatives from Band 1 Metropolitan*
- *1 representative from Band 2 Metropolitan*
- *1 representative from Band 3 and 4 Metropolitan*
- *1 representative from Band 1 Country*
- *1 representative from Band 2 Country*
- *2 representatives from Band 3 and 4 Country*

In addition to the above representatives it was agreed that two independent representatives also be on Council, one of which would be chair. The selection process would involve members being selected from within their bands and nominations being forwarded to a nominations committee for final determination of members where criteria such as skills base could be also used to achieve a balance of skills and experience for the Council membership. This was considered to be a more balanced representation model.

The mechanism for state council members to consult with councils within their bands would be left up to the nominated representative on the state council. In the case of a group-one, and potentially a group-two country councils, this may be done via the Regional Capital Alliance of Western Australia.

This model will in no way replace the need for governments and local governments to form voluntary regional groups such as the Kimberley Regional group or to interfere with local issues as they do now.

The Working Group thanked the Regional Capitals Alliance for their submission, but decided against progressing with the Alliance's suggestions.

There are 91 Local Governments in the group that combines Band 3 and 4 Country, and the Working Group considered that this would be too large a group of members to be represented by only two State Councillors.

Further, as discussed above, the Working Group identified broad state-wide representation and the Zone process as strengths of the current model. The Working Group considered that the Alliance's proposal would not facilitate a workable Zone model as Band 3 and 4 Country Local Governments span the state.

Other Issues

The Working Group explored a range of other issues including the process for the development of interim submissions, State Council's committee structure and the format of the State Council agenda. These issues are addressed in the Recommendations section below.

Recommendations

The Working Group has recommended a number of reforms, which are grouped around a range of themes, below:

1. State Council Composition;
2. Role of State Councillor;
3. Elected Member Prospectus;
4. Committee Structure;
5. Submission Process;
6. Zone Support and Guidance; and,
7. State Council Agenda.

State Council Composition

The Working Group endorsed the existing composition of State Council, including the method of election from Zones.

In particular, during discussions, two of the major strengths identified by the Working Group were:

- Equal representation from both the country and metropolitan constituencies; and,
- The State-wide representation and input facilitated by WALGA's Zone and State Council structure.

Recommendation 1

That the existing composition and representational arrangements of State Council be retained.

Deputy State Councillors

The Working Group also considered the continuing necessity for Deputy State Councillors.

State Council has never lacked a quorum without the attendance of Deputy State Councillors. Further, it is difficult for Deputy State Councillors to meaningfully contribute to deliberations, in many cases, due to the background knowledge developed by State Councillors over many meetings and communications. Finally, with a governing board of 25, and with the committee changes proposed below, it is contended that there may be sufficient governance oversight without the need for Deputy representatives.

Conversely, the role of Deputy State Councillor provides opportunities for more Local Government representatives to be involved in WALGA and its governance processes, and

this may provide opportunities for succession planning. Further, having Deputy State Councillors able to step in and attend State Council meetings ensures that all Zones are represented at meetings when State Councillors are unable to attend. On this basis, the Working Group recommends that the role of Deputy State Councillor be retained.

Recommendation 2

That the role of Deputy State Councillor be retained.

Term Limits for State Councillors

The Working Group considered the issue of term limits for State Councillors. Currently there is a four-year term limit for the President and Deputy President, but no term limit for State Councillors

Following deliberations, the Working Group resolved that no term limits should be introduced for State Councillors. State Councillors are elected by Zones to be on State Council, and the Working Group considered it important that Zones have the ability to elect the “best person for the job”.

Recommendation 3

That no term limits be introduced for the role of State Councillor.

Role of State Councillor

State Councillors, as directors of a Board, are required to act consistently in the “best interests of the organisation as a whole”. This effectively means that the duties of a State Councillor are owed to all Member Local Governments.

Whilst it is recognised that State Councillors must represent the interests of their respective Zones, the interests of the Association and its collective membership must always come first.

State Councillors are also expected to report back to Zones about the policy and advocacy direction of State Council. To facilitate this, the secretariat has been providing State Councillors with a State Councillor report guide in advance of Zone meetings.

There is also an expectation that State Councillors will represent WALGA to members and promote WALGA’s services, and policy and advocacy positions and activities to the broader membership.

In addition, following a review of the Member Advisor Program, it is proposed that some State Councillors could be invited to undertake the role of Member Advisor. The aim of the program is to provide Councils and Elected Members with information and resources from a trusted peer. Member Advisors will aim to attend an ordinary Council meeting of each member Council once in a two year period and also be contactable via email and phone to assist individual Elected Members regarding any questions they may have in undertaking their roles on Council.

Recommendation 4

That a Panel of Member Advisors be established comprising of State Councillors and other Elected Members appointed by the President.

Elected Member Prospectus

The Working Group identified the need to promote key information about WALGA, the role of State Councillors and the role of Zones to ensure that becoming a State Councillor, and a Zone delegate, is a respected and sought after position.

It is proposed that a Prospectus be developed and distributed to all Elected Members immediately following the October 2019 Local Government elections. The Prospectus will be used to educate Elected Members about the Association and the avenues for involvement as a Zone delegate and a State Councillor.

Recommendation 5

That a Prospectus be prepared and distributed to all Local Governments and all Elected Members following the Local Government elections every two years highlighting the following information, with the aim of promoting the key role of Zone delegates regionally and the key role of State Councillors in leading advocacy and policy development on behalf of the Local Government in Western Australia:

- **Role of WALGA as the principal Local Government peak body;**
- **Role of State Council as WALGA's governing body;**
- **Role of a State Councillor as a key decision-maker regarding policy, advocacy and provision of services for and on behalf of the Local Government sector;**
- **Commitment required to be a State Councillor, including attendance at meetings, advocate for WALGA and the Local Government sector, report back to Zones on WALGA and State Council activity, and potentially as a Member Advisor Program mentor;**
- **Opportunities for State Councillors to advocate to Government on behalf of their region and / or particular policy issues;**

- **Role of Zones as key participants into state-level advocacy and policy development, including the formal required role of Zones and the additional opportunities for Zones;**
- **Role of Zone delegates as Council representatives at the regional level, including the obligation to report back to Council on Zone activities; and,**
- **Explanation that, while it is best practice that a Zone motion is submitted by way of a Council decision, Zone delegates can submit motions to a meeting of a Zone, which is an autonomous, self-governing body, and it is recommended that the Zone is advised whether the motion has the backing of a Council resolution.**

Committee Structure

The Working Group discussed an amended process for dealing with interim submissions to Government, which would change the purpose of the Executive Committee to be solely focused on finance and WALGA's business services, which includes preferred supply arrangements, procurement, employee relations, training and recruitment. In making this change, the Executive Committee would revert back to being called the Finance and Services Committee, providing a sharper focus and more defined role for the committee.

In addition, it is proposed that the Policy Teams would have a stronger role in shaping the development of WALGA's policy positions and submissions to Government.

Committee Membership

The following membership structure of the Finance and Services Committee and the Policy Teams is proposed as follows:

Finance and Services Committee	Environment and Waste Policy Team	Governance and Organisational Services Policy Team	Infrastructure Policy Team	People and Place Policy Team
President (Chair) Four State Councillors	Five State Councillors	Five State Councillors	Five State Councillors	Five State Councillors
External member with finance experience				

Every State Councillor would be a member of only one of the five committees providing every State Councillor with a focus on either the finance and business services of WALGA, or a specific policy portfolio. It is anticipated that these changes would encourage State

Councillors to feel ownership of their portfolio, whether it be in relation to WALGA's business services, or a particular policy and advocacy portfolio.

It is proposed that the external member on the Finance and Services committee be drawn from a wider field than just the Local Government sector. That is, there may be considerable value in appointing an external member from the private or not-for-profit sector to the committee. This appointment would be made by State Council upon the recommendation of the WALGA Selection Committee, as is current practice.

While the current Executive Committee has responsibility for the CEO's performance review, it is proposed that a separate CEO Performance Review Committee would be established from State Council, and chaired by the President, that would meet at least once per year.

Finance and Services Committee

The terms of reference of the Finance and Services Committee is proposed as follows. This reflects the terms of reference of the current Executive Committee, with the removal of the three struck out points as per below:

On behalf of State Council, and in accordance with any policies, directions or limitations set by State Council, undertake the following functions:

- *Determining key directions in relation to the establishment and/or development of new and current business opportunities that result in the delivery of outputs which enhance the financial and operational capacity of members and the Association.*
- *Adoption of business plans for the Association's service delivery units that deliver the key objectives within the Association's Strategic Plan, with regular monitoring of outcomes against agreed performance indicators.*
- *Oversee the financial management of the Association, including the recommendation of a draft annual Governance Budget to State Council, long term financial planning, monitoring/assessment of financial reports, approving and/or recommending budgetary reallocations to State Council, committing or reallocating reserve funds for special purposes, and auditing and presentation of the Association's annual accounts.*
- *Internal audit including monitoring/assessing compliance against financial and asset management and internal control policies.*
- *Oversee the delivery of business development, business management, human resource management and information management and corporate services.*
- *Establish a risk governance structure which ensures that management has implemented sound risk management policies and procedures across the Association, and which is regularly reviewed.*
- *Establish risk management and internal control performance indicators that are regularly evaluated through internal and external audit processes.*
- *Regularly report to State Council on the key activities and major decisions of the Committee.*

- ~~• Review and provide feedback on interim submissions, either in or out of session, to be put forward to government or other agencies.~~
- ~~• Act as the primary policy and advocacy support to the President and the Association.~~
- ~~• Manage the Chief Executive Officer Performance Review process on behalf of State Council.~~

Policy Teams

The terms of reference of the Policy Teams is proposed as follows, with the addition of the underlined points relating to interim submissions, and the Chair of the Policy Team playing a key role in advocacy:

- To advise the State Council on the development, implementation and review of Association policy in the relevant areas.
- To ensure all policy proposals are considered in terms of their economic, social and environmental impacts.
- To monitor and report to State Council on the activities of State and Federal Governments in relevant policy areas.
- To monitor and report to State Council on the activities of the major political parties in Opposition in relevant policy areas.
- To investigate, research and advise the State Council on emerging strategic issues relative to the relevant policy area.
- To consult with Member Local Governments, key external agencies and other stakeholders on policy issues in the relevant area for the development of recommendations to the State Council.
- To shape the preparation of interim submissions prior to their presentation to State Council for consideration and endorsement.
- To assist the President, Deputy President, State Councillors and CEO in the advocacy of the Association's policy positions, with the Policy Team Chair playing a key role in advocacy to Government on policy positions related to the portfolio, including accompanying the President, Deputy President and CEO to ministerial meetings.
- To promote the Association's policy positions to Member Local Governments.
- To action directions from the State Council.
- To develop, monitor and report on Key Result Areas as endorsed by the State Council.

Committee Assignment Process

Committee assignments would be determined by State Council at the March meeting in every even year (i.e. 2020, 2022 etc) following the election of the President and Deputy President. This would provide an opportunity for State Councillors to consider which of the five

committees they would like to nominate for following the State Council induction to be held at the December meeting in odd years (i.e. 2019, 2021 etc).

It is not proposed to make changes to the Selection Committee or Honours Panel.

Role of State Council

A key benefit of the proposed changes to State Council's committees, as proposed above, is that a significant proportion of the detailed policy and finance work will be undertaken by committees, allowing State Council a more strategic focus. State Council's role would be to provide strategic direction, oversee the work of committees to ensure coordination and alignment to strategy, endorsement of policy positions, and endorsement of the budget.

Recommendation 6

That:

- 1. The Committee structure, as outlined above be adopted by State Council, to take effect from December 2019;**
- 2. The Corporate Governance Charter be amended to reflect the changes to the Committee Terms of Reference and membership, as outlined; and,**
- 3. A CEO Performance Review Committee be established, to be chaired by the President and to meet at least once per year.**

Process for Preparation and Consideration of Submissions

The changes to the committee structure above, would facilitate the proposed changes to the process for the development of submissions when there is insufficient time for a submission to be included in the State Council agenda.

Where time permits, the first preference would be for a submission to be prepared, in consultation with the respective Policy Team, and included in the State Council agenda for decision to facilitate consideration and input from Zones and State Council.

In developing submissions, when inclusion in the State Council agenda is impractical, the following process is proposed in the middle column, and is presented adjacent to the current process, in the right column, to highlight and explain the differences.

	Proposed Submission Process	Current Interim Submission Process
Preparation by Secretariat	WALGA staff prepare interim submission under the guidance of their Executive Manager, with reference to existing positions of State Council, <u>input from Policy Team</u> and / or contemporary feedback from the Local Government sector.	WALGA staff prepare interim submission under the guidance of their Executive Manager, with reference to existing positions of State Council and / or contemporary feedback from the Local Government sector.
Policy Team Input	Policy Team meet to amend or endorse the draft submission to proceed to State Council. Potential for meeting to be held by video-conference.	Draft interim submission is emailed to Policy Team for feedback.
Endorsement	Draft submission is considered by State Council by Flying Minute using the Board Effect Platform.	Draft interim submission is endorsed for submission to Government by Executive Committee out-of-session.
Basis on which submitted to Government	Submission is put forward to Government as an endorsed State Council position.	Submission is put forward to Government as an interim position, subject to subsequent State Council endorsement.
Inclusion in State Council agenda	Submission is included in the next State Council agenda as an item for noting.	Submission is considered by Zones and State Council as an item for decision as part of the next State Council agenda.

Recommendation 7

That the following process be endorsed for the development, consideration and endorsement of submissions Government and other stakeholders (when there is insufficient time for it to be included in the State Council agenda), and the Corporate Governance Charter be amended to reflect the changes:

1. WALGA staff prepare interim submission under the guidance of their Executive Manager, with reference to existing positions of State Council, input from Policy Team and / or contemporary feedback from the Local Government sector.
2. Policy Team meet to amend or endorse the draft submission to proceed to State Council, with the meetings of the Policy Team to be held via teleconference or videoconference where practicable.
3. Draft submission is considered by State Council by Flying Minute using the Board Effect platform.

4. **Submission is put forward to Government as an endorsed State Council position.**
5. **Submission is included in the next State Council agenda as an item for noting.**

Zone Support and Guidance

The Working Group has discussed the level of service, and the nature of the guidance provided to Zones to assist them to perform their role and undertake other functions.

During working group deliberations it was suggested that WALGA could prepare guidance notes for Zones about their role and opportunities to undertake additional functions. This information will be included in the prospectus discussed above.

In addition, it has been suggested that the secretariat should engage with Zones about the type of services and support sought from WALGA.

Currently, most Zones employ an independent executive officer, while WALGA provides secretariat support for the following Zones:

- Central Metropolitan Zone
- East Metropolitan Zone
- Gascoyne Country Zone
- Great Eastern Country Zone
- North Metropolitan Zone
- Peel Country Zone
- South East Metropolitan Zone, and
- South Metropolitan Zone

WALGA's secretariat service is offered as a baseline service at no cost to the Zone.

In the early stages of the development of WALGA's 2019-2020 budget preparation, a business case was developed outlining an option for WALGA to provide secretariat services to all Zones. Under the scenario explored in the business case, WALGA would prepare agendas and minutes for all Zones, and each Zone would be allocated a senior staff member to act as the liaison between the Zone and the broader WALGA secretariat.

Recommendation 8

That information regarding the role of Zones, and Zone delegates, and the process for submission of Zone motions, be prepared and circulated to Zones, and included in the WALGA Elected Member Prospectus and the Corporate Governance Charter.

Recommendation 9

That:

1. **The secretariat engage with Zones regarding the services and support that WALGA provides to Zones; and,**
2. **The secretariat continues to offer baseline Zone secretariat services to Zones as appropriate.**

State Council Agenda

The Working Group has discussed the content of the State Council agenda, particularly highlighting the volume of information that is provided to Zone delegates and State Councillors.

It is proposed that the secretariat commit to reducing the length of agenda items and prepare reports that are more focused. Specifically, there will be an aim to limit agenda items to two pages with a more in-depth 'in brief' section, which will be used as an executive summary of the agenda item. A sample item is attached as an appendix.

It is also proposed, in conjunction with the more focused presentation of agenda items, that hard copy production of the State Council agenda cease. Currently, the agenda is emailed to State Councillors, Local Government CEOs and Zone delegates three to four weeks prior to the State Council meeting, and hard copy 'blue books' are posted and arrive with delegates approximately two weeks prior to the State Council meeting, usually, but not always, in time for the Zone meeting.

WALGA has budgeted \$46,344 for printing State Council agendas in the 2019-2020 financial year. This figure does not include the cost of postage to distribute the agendas, nor the staff time used to pack envelopes and packages. In addition, the reliability and timeliness of the postal service is diminishing, particularly to country and remote areas.

It is argued that the money spent on printing, packing and posting State Council agendas would be better invested in providing more support to Zones or in other aspects of WALGA's operations.

For the reasons discussed above, it is proposed that the State Council agenda be provided to Local Governments and delegates in electronic format only, commencing in March 2020.

Finally, it is proposed that a process is implemented whereby State Council agenda items for decision are considered by Councils, either in formal Council meetings, or in briefing or concept forums. It would be beneficial for State Council agenda items for decision to be considered by Council in a formal or informal meeting to:

- Enhance awareness of contemporary strategic advocacy and policy issues; and,
- Enable the Councils to provide guidance and direction to their Zone representatives.

Recommendation 10

That:

- 1. The secretariat develop templates and processes to reduce the length of State Council agenda items;**
- 2. Following consultation with the sector, production of hard copy agendas cease beginning with the March 2020 meeting of State Council; and,**
- 3. A process be implemented, in consultation with the Local Government sector, to enable Councils to consider items for decision in the State Council agenda to raise awareness of contemporary strategic advocacy and policy issues and to enable Councils to provide guidance and direction to their Zone representatives.**

Consultation and Implementation

This report will be presented to State Council as an item under separate cover at the 6 September 2019 State Council meeting.

A number of the recommendations proposed by the Working Group are recommended for immediate implementation because they have a time critical component due to the Local Government elections and the election of State Councillors and are:

- Operational in nature representing core activities – recommendations 5 and 8; or,
- Focused on internal State Council processes – recommendations 6 and 7.

It is recommended that consultation be undertaken on the following recommendations relating to:

- The governance structure – recommendations 1, 2, 3 and 4;
- Zone support and guidance – recommendation 9; and,
- State Council agenda processes – recommendation 10.

It is recommended that the full report be provided to WALGA members immediately following the 6 September 2019 meeting of State Council, with feedback sought by late October. An item for Zone and State Council consideration will then be included in the December 2019 State Council agenda.

This broadly aligns with the methodology outlined on pages 6 and 7 of this report.

Schedule of Recommendations

1	That the existing composition and representational arrangements of State Council be retained.
2	That the role of Deputy State Councillor be retained.
3	That no term limits be introduced for the role of State Councillor.
4	That a Panel of Member Advisors be established comprising of State Councillors and other Elected Members appointed by the President.
5	<p>That a Prospectus be prepared and distributed to all Local Governments and all Elected Members following the Local Government elections every two years highlighting the following information, with the aim of promoting the key role of Zone delegates regionally and the key role of State Councillors in leading advocacy and policy development on behalf of the Local Government in Western Australia:</p> <ul style="list-style-type: none"> • Role of WALGA as the principal Local Government peak body; • Role of State Council as WALGA's governing body; • Role of a State Councillor as a key decision-maker regarding policy, advocacy and provision of services for and on behalf of the Local Government sector; • Commitment required to be a State Councillor, including attendance at meetings, advocate for WALGA and the Local Government sector, report back to Zones on WALGA and State Council activity, and potentially as a Member Advisor Program mentor; • Opportunities for State Councillors to advocate to Government on behalf of their region and / or particular policy issues; • Role of Zones as key participants into state-level advocacy and policy development, including the formal required role of Zones and the additional opportunities for Zones; • Role of Zone delegates as Council representatives at the regional level, including the obligation to report back to Council on Zone activities; and, • Explanation that, while it is best practice that a Zone motion is submitted by way of a Council decision, Zone delegates can submit motions to a meeting of a Zone, which is an autonomous, self-governing body, and it is recommended that the Zone is advised whether the motion has the backing of a Council resolution.
6	<p>That:</p> <ol style="list-style-type: none"> 1. The Committee structure, as outlined above be adopted by State Council, to take effect from December 2019; 2. The Corporate Governance Charter be amended to reflect the changes to the Committee Terms of Reference and membership, as outlined; and, 3. A CEO Performance Review Committee be established, to be chaired by the President and to meet at least once per year.

7	<p>That the following process be endorsed for the development, consideration and endorsement of submissions Government and other stakeholders (when there is insufficient time for it to be included in the State Council agenda), and the Corporate Governance Charter be amended to reflect the changes:</p> <ol style="list-style-type: none"> 1. WALGA staff prepare interim submission under the guidance of their Executive Manager, with reference to existing positions of State Council, input from Policy Team and / or contemporary feedback from the Local Government sector. 2. Policy Team meet to amend or endorse the draft submission to proceed to State Council, with the meetings of the Policy Team to be held via teleconference or videoconference where practicable. 3. Draft submission is considered by State Council by Flying Minute using the Board Effect platform. 4. Submission is put forward to Government as an endorsed State Council position. 5. Submission is included in the next State Council agenda as an item for noting.
8	<p>That information regarding the role of Zones, and Zone delegates, and the process for submission of Zone motions, be prepared and circulated to Zones, and included in the WALGA Elected Member Prospectus and the Corporate Governance Charter.</p>
9	<p>That:</p> <ol style="list-style-type: none"> 1. The secretariat engage with Zones regarding the services and support that WALGA provides to Zones; and, 2. The secretariat continues to offer baseline Zone secretariat services to Zones as appropriate.
10	<p>That:</p> <ol style="list-style-type: none"> 1. The secretariat develop templates and processes to reduce the length of State Council agenda items; 2. Following consultation with the sector, production of hard copy agendas cease beginning with the March 2020 meeting of State Council; and, 3. A process be implemented, in consultation with the Local Government sector, to enable Councils to consider items for decision in the State Council agenda to raise awareness of contemporary strategic advocacy and policy issues and to enable Councils to provide guidance and direction to their Zone representatives.

Appendix 1 – Sample State Council Agenda Item

Interim Submission to Salaries and Allowances Tribunal – Elected Member Fees and Allowances (05-034-01-0019 TL)

By Tim Lane, Manager Strategy and Association Governance

Recommendation

That the interim submission to the Salaries and Allowances Tribunal relating to Elected Member Fees and Allowances be endorsed.

In Brief

- WALGA has prepared a submission to the Salaries and Allowances Tribunal relating to Fees and Allowances payable to Elected Members to input into the Tribunal's 2019 determination;
- The Submission argues for an increase on the basis of the following four main arguments:
 - i. Vibrant democracy and good governance: fees and allowances payable to Elected Members should be sufficient to ensure that a diversity of candidates from a range of backgrounds. Further, corporate governance literature suggests that diverse leadership groups make better decisions;
 - ii. Demands of the role: as the complexity of Local Government increases, and the demands placed upon Elected Members grow in the social media age, the remuneration paid to Elected Members for their significant time commitment must compensate for the personal and opportunity costs of taking on a significant community leadership position;
 - iii. Skills and training: as Elected Members continue to undertake training – and with the implementation of the State Government's universal Elected Member training policy likely to occur in the near future – the time that Elected Members spend on professional development should be recognised by the fees and allowances framework; and,
 - iv. Economic erosion: in recent years there have been a number of 'no increase' determinations in relation to Elected Member fees and allowances, which means that the relative value of Elected Member fees and allowances have eroded over time. WALGA contends that this trend should be arrested and fees and allowances should be increased.
- WALGA's submission argues for an increase to the Elected Member fees and allowances payable to Elected Members in the order of three percent, with the Salaries and Allowances Tribunal to consider appropriate economic indicators and increasing training requirements in future years.

Attachment

Submission to the Salaries and Allowances Tribunal: Local Government Elected Member Fees and Allowances

Policy Implications *(Only if relevant)*

WALGA previously advocated for the Salaries and Allowances Tribunal to be given jurisdictional authority to determine Elected Member fees and allowances. The attached interim submission is consistent with existing WALGA policy.

Budgetary Implications *(Only if relevant)*

Background

WALGA advocated strongly for the Salaries and Allowances Tribunal to be given jurisdictional authority to determine Elected Member fees and allowances when fees and allowances were contained in regulations. Following WALGA's advocacy, the Salaries and Allowances Tribunal has been determining Elected Member fees and allowances since 2013.

WALGA, along with Local Governments and other stakeholders, was invited to make a submission in relation to the Salaries and Allowances Tribunal's current remuneration inquiry relating to Local Government Chief Executive Officers and Elected Members.

WALGA has developed a submission in relation to Elected Member remuneration on behalf of the Local Government sector due to increasing feedback that the current remuneration framework is inadequate for the increasing complexity of Local Government and the growing demands of the role of an Elected Member.

The attached submission was endorsed by State Council's Executive Committee at their 20 February meeting and submitted to the Salaries and Allowances Tribunal on 21 February 2019 on an interim basis pending Zone and State Council consideration.

Comment

The Submission argues for an increase to Elected Member fees and allowances in the order of three percent on the basis of four main arguments.

Firstly, Local Government plays a key role in Australian democracy and fees and allowances payable to Elected Members should be sufficient to ensure a diversity of candidates from a range of backgrounds are willing and able to nominate for important community representative positions. In addition, the corporate governance literature argues convincingly, with empirical evidence, that diverse boards and leadership teams make better decisions.

Secondly, the complexity of Local Government responsibilities are increasing and so are the demands placed upon Local Government Elected Members in the social media age. The fees and allowances framework must acknowledge the personal and opportunity costs faced by Elected Members in undertaking their role.

Thirdly, as Elected Members continue to engage in training and professional development – and with the implementation of the State Government's universal Elected Member training policy expected in the near future – the time that Elected Members spend on professional development should be recognised by the fees and allowances framework.


Finally, there have been a number of 'no increase' determinations in recent years, partly due to the broader economic context in Western Australia, but this has led to the economic erosion of the fees and allowances relative to the broader community. WALGA's submission contends that this economic erosion should be arrested and reversed.

WALGA's submission argues for an increase to the Elected Member fees and allowances payable to Elected Members in the order of three percent, with the Salaries and Allowances Tribunal to consider appropriate economic indicators and increasing training requirements in future years.

The interim submission is attached for State Council consideration.

10.1.9 DEPARTMENT OF LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES – CONSULTATION ON PROPOSED CODE OF CONDUCT AND CEO STANDARDS

Responsible Officer:	Jamie Criddle, CEO	
Author:	Jamie Criddle, CEO	
File Reference:	A2.4.1	
Disclosure of Interest:	Nil	
Attachments:	Nil	
Signature:	Officer	CEO



Purpose of the Report



Executive Decision



Legislative Requirement

To advise Council of the recently produced Consultation Papers prepared by the Department of Local Government, Sport and Cultural Industries in relation to proposed Standards and Guidelines associated with a new Code of Conduct and CEO Standards.

Background

The Department advises that on 27 June 2019, the Local Government Legislation Amendment Act 2019 was passed in Parliament.

The Act included a requirement for the introduction of the following:-

- A mandatory Code of Conduct for Council Members, Committee Members and Candidates (Code of Conduct); and
- Mandatory minimum standards covering the recruitment, selection, performance review and early termination of Local Government Chief Executive Officers.

The Department indicates that it is now seeking feedback on the draft Code of Conduct and draft CEO Standards.

Submissions to the above close with the Department on 22 November 2019.

Comment

The format for feedback on the above Consultation Papers is the same as that for Phase I and II of the Act. Councillors can individually access the Department's website and provide feedback online or alternatively, provide a written submission.

The CEO has reviewed the Consultation Papers and in respect to the proposed Code of Conduct, the principles of Personal Integrity, Relationships with Others, Accountability, Behaviour seem appropriate.

In respect to the Standards and Guidelines for Local Government CEO Recruitment and Selection, Performance Review and Termination, the following issues/concerns are raised:-

S 1.3 – The local government has established a selection panel to conduct the recruitment and selection process. The panel must include at least one independent person who is not a current elected member or staff member of the local government.

Comment The Consultation Paper provides examples of who the independent person could include, such as:-

- *Former elected members or staff members of the local government;*
- *Former or current elected members (such as a Mayor or Shire President) or staff member of another local government;*
- *A prominent or highly regarded member of the community; or*

- *A person with experience in the recruitment and election of CEO's and senior executives.*

It is of the opinion of the CEO that if the State Government/Department is concerned with the quality of CEO's, then it should be indicating that local governments utilise the services of an Independent Human Resource Consultant regarding selection of a suitable candidate. It is felt that the Public Sector Commission have 'LITTLE to NO' involvement in the process.

S 1.11 - The local government must re-advertise the CEO position after each instance where a person has occupied the CEO position for ten (10) consecutive years.

Comment The Consultation Paper indicates that the above requirement does not prevent the incumbent individual from being employed as CEO for another term, provided they are selected following a transparent selection and recruitment process.

This proposal is nonsensical. The current 1995 Act requires 3 to 5 year Contracts of Employment and prior to the expiration of these periods the local government has the right to re-negotiate or terminate the Contract. If the local government is satisfied with an individual's performance, why then would it be obligated to re-advertise after 10 years? If the local government was satisfied then it would be total waste of time and costs for the local government, the incumbent and potential applicants for the position.



Statutory Environment

Local Government Act review processes.



Policy Implications

Nil.



Strategic Implications

Nil



Financial Implications

There are no financial implications in relation to this matter.



Voting Requirements



Simple Majority



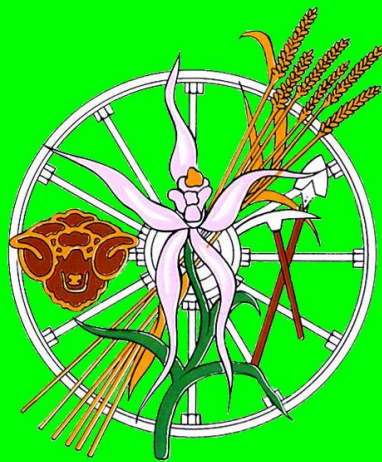
Absolute Majority

OFFICER RECOMMENDATIONS

That Council provides a written submission to the Department of Local Government advising that it supports WALGA's submission in relation to the Consultation Paper for the Mandatory Code of Conduct for Council Members, Committee Members and Candidates and in respect to the Standards and Guidelines for Local Government CEO Recruitment and Selection, Performance Review and Termination, Council indicates that it is not supportive of S1.3 and S1.11 as detailed in this report.

Attachments 10.1.9

Shire of Westonia



**DEPARTMENT OF LOCAL
GOVERNMENT, SPORT AND
CULTURAL INDUSTRIES –
CONSULTATION ON PROPOSED
CODE OF CONDUCT AND CEO
STANDARDS**



Department of
Local Government, Sport
and Cultural Industries



*Local Government
Act 1995 Review*
agile • smart • inclusive



LOCAL GOVERNMENT ACT REVIEW ►► DELIVERING FOR THE COMMUNITY

Mandatory Code of Conduct for Council Members, Committee Members and Candidates

Draft for Consultation

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Preface

As part of the McGowan Government's commitment to transforming local government in WA, the *Local Government Legislation Amendment Act 2019* introduces a mandatory code of conduct for council members, committee members and candidates. These reforms are intended to ensure that standards of behaviour are consistent between local governments and address community expectations.

This document outlines the proposed Code which will inform the drafting of regulations. This is contained in the grey boxes. The accompanying guidelines provide clarification and guidance in relation to compliance and enforcement of the Code and would be available on the Department's website.

The proposed Code and guidelines have been developed by the Department of Local Government, Sport and Cultural Industries in consultation with representatives from the Public Sector Commission, the Ombudsman, the Western Australian Local Government Association (WALGA) and Local Government Professionals WA (LG Pro). The Department gratefully acknowledges the participation of these representatives.

The Department notes that the content of the Code does not necessarily reflect the views or policies of the organisations or individuals that have been consulted.

Feedback is sought on the proposed Code and guidelines and associated matters.

A survey is available at www.dlgsc.wa.gov.au/lgareview or you can provide your feedback to actreview@dlgsc.wa.gov.au by **22 November 2019**.

Mandatory Code of Conduct

Preamble

The purpose of this Code of Conduct (Code) is to guide the decisions, actions and behaviours of council members, committee members and candidates running for election.

As an elected representative, council members govern the affairs and are responsible for the performance of their local government. To do this, council members must demonstrate professional and ethical behaviour to build and strengthen trust in their communities.

A person who has nominated to be a council member is also required to demonstrate professional and ethical behaviour during the election campaign.

In addition to carrying out the duties outlined in the *Local Government Act 1995*, council members and committee members must comply with the provisions in this Code of Conduct in carrying out their functions as public officials. It is the responsibility of council members, committee members and candidates to ensure that they are familiar with, and comply with, this Code at all times.

Guidelines

The Local Government Act requires that local governments adopt the Code within three months of the amendments taking effect. Until the Code is adopted, the model Code applies.

While local governments are not able to amend Part A or Part C, additional behaviours can be included in Part B that are not inconsistent with the Code.

In considering additional behaviours, the council may give consideration to behaviours that are not currently represented in the Code that it considers are important. This may include introducing a dress standard for members or use of technology, for example.

To adopt the Code, a resolution passed by an absolute majority is required. Once the Code is adopted, it must be published on the local government's official website.

Part A – Principles

Council members and candidates are expected to adhere to and promote and support the following principles by example. Adhering to these principles will ensure that council members and candidates can comply with the behaviours outlined in Part B or conduct as outlined in Part C. All behaviour should be considered against these principles, whether or not it is covered specifically in Part B or Part C.

Personal integrity

- 1.1** Act with care and diligence and participate in decision making in an honest, fair, impartial and timely manner, considering all relevant information.
- 1.2** Act with honesty, integrity and uphold the concept of natural justice.

- 1.3 Identify, declare and appropriately manage any conflicts of interest in the public interest and the interests of the Council including not accepting gifts that may give the appearance of a conflict of interest or an attempt to corruptly influence behaviour.
- 1.4 Uphold the law, and, on all occasions, act in accordance with the trust placed in council members.
- 1.5 Avoid damage to the reputation of the local government.
- 1.6 Not be impaired by mind affecting substances while performing official duties.

Relationships with others

- 1.7 Treat others with respect, courtesy and fairness.
- 1.8 Maintain and contribute to a harmonious, safe and productive work environment for all.
- 1.9 Respect and value diversity in the workplace and in the community.

Accountability

- 1.10 Base decisions on relevant and factually correct information and make decisions on merit and in accordance with statutory obligations and good governance.
- 1.11 Be open and accountable to the public, represent all constituents and make decisions in the public interest.

Guidelines

The principles outlined in Part A are overarching behaviours that council members, committee members and candidates must take into consideration in their role as public representatives, or potential public representatives.

All council members, committee members and candidates must familiarise themselves with the Code and Guidelines and any relevant policies the local governments have in place.

Council members are generally very active in their communities which may lead to conflicts of interests. To comply with this Code, those conflicts, or perceived conflicts, need to be managed appropriately. While a member may be confident of the integrity of their actions, how the relationship and actions may appear to others must be thought through.

There are many situations that council members, committee members and candidates might find themselves in that could lead to a breach of the Code. Members should seek further guidance and advice on specific situations whenever necessary.

Part B – Behaviour

Part B sets out the standards of behaviour which enable and empower council members to meet the principles outlined in Part A. Behaviour is expected to be managed at the local level by the local government, so Part B also deals with how complaints are to be managed.

Failure to comply with this Part may give rise to a complaint against a council member's conduct, followed by a subsequent investigation and possible corrective action by the local government. The emphasis should be on an educative role to establish sound working relationships and avoid repeated breaches, rather than punishment.

Personal integrity

- 2.1** Act in line with the principles outlined in this Code when performing official duties.
- 2.2** Attend and participate constructively in council meetings, briefings, relevant workshops and training opportunities.
- 2.3** Respect and comply with all council policies, procedures and resolutions.
- 2.4** Ensure professional behaviour is not compromised by the use of alcohol or drugs.
- 2.5** Use all forms of media, including social media, in a way that complies with this Code.

Relationships with others

- 2.6** Treat other council members, council employees and members of the public with courtesy, respect, honesty and fairness.
- 2.7** Do not bully or harass council staff, other council members or members of the public in any form, including social media.
- 2.8** Deal with the media in a positive, informative and appropriate manner in accordance with the Local Government Act 1995 and relevant local government policies.
- 2.9** While acting as a council member, do not:
 - i. use offensive or pejorative language in reference to another council member, council employee or member of the public; or
 - ii. disparage the character of any council member or employee, or impute dishonest or unethical motives to them in the performance of their duties.
- 2.10** When attending a council or committee meeting, do not:
 - i. behave in an abusive or threatening manner towards another council member or other person attending the meeting;
 - ii. make statements that the person knows, or could be reasonably expected to know, that are false or misleading; or
 - iii. repeatedly disrupt the meeting.
- 2.11** When attending a council or committee meeting:
 - i. comply with the local law that relates to conduct of people at council or committee meetings;

- ii. promptly comply with any direction given by the presiding member at that meeting; and
- iii. immediately cease any conduct that has been ruled out of order by the presiding member in accordance with the local government's local law.

2.12 Direct all requests for work or actions by council staff to the CEO or the CEO's nominated delegate.

Accountability

2.13 Make decisions honestly and impartially, considering all available information, legislation, policies and procedures.

2.14 Take responsibility for decisions and actions.

2.15 Abide by the decisions of council and publicly support the decisions even if of an alternative view.

2.16 Adhere to the principles in the:

- i. Occupational Safety and Health Act 1984 (WA);
- ii. Equal Opportunity Act 1984 (WA);
- iii. Racial Discrimination Act 1975 (Cth); and
- iv. Sex Discrimination Act 1984 (Cth).

Complaint management

2.17 Any person may make a complaint about a council member under this Part within three months of the alleged breach occurring.

2.18 A breach of this part does not include a matter:

- i. that is resolved by the Presiding Member during a meeting, or
- ii. where a council member complies with a request for remedial action in accordance with the relevant local law.

2.19 Complaints about an alleged breach should be made to the Mayor or President or the CEO of the local government or nominated delegate.

2.20 Complaints about an alleged breach by the Mayor or President should be made to the Deputy Mayor or President or a nominated delegate.

2.21 A complaint may be handled or managed in any manner that council deems appropriate for handling an alleged breach of this section. This includes investigation or dismissal of the complaint. This must be laid out in a council endorsed policy.

2.22 A complaint may be dismissed as trivial, vexatious or frivolous and accordingly not investigated.

Findings

2.23 Following an investigation in accordance with rule 2.21, the Council may, by resolution, make a finding of breach or no breach.

2.24 In accordance with rule 2.23, if a breach is found, the Council may, by resolution:

- i. take no action, or
- ii. prepare an action plan, developed in conjunction with the council member, to address future behaviour.

2.25	An action plan may include the requirement for the council member to undertake training, mediation or counselling or any other actions deemed appropriate by the Council.
2.26	The Council to which the member is elected, may decide, via resolution, to make an allegation of a rule of conduct breach under Part C: <ul style="list-style-type: none"> i. after the third finding of a breach of this Part by the same council member, or ii. where the council member fails to comply with the action plan in accordance with sub-rule 2.24(ii).
2.27	A matter under sub-rule 2.26(i) cannot be alleged as a Part C breach unless an action plan has been developed in accordance with sub-rule 2.24(ii) for the previous two breaches.
2.28	Written notification of the outcome of an alleged breach under this section must be given to the council member and complainant.
2.29	A written record must be kept of all complaints made under this Part and how they were dealt with.

Guidelines

Local governments are responsible for taking action against alleged breaches under Part B.

Local governments are to have a policy on how complaints are going to be handled or managed.

Australian/New Zealand Standards for complaints resolution AS/NZs 10002:2018 provides a tool and framework to assist local governments with developing a policy.

Whether or not local governments choose to adopt the Standard is optional, however, the policy must provide a clear outline of the steps that will be taken once a complaint is submitted. The complaint process must also uphold the principles of natural justice.

There are a number of resources for effective complaints handling available on the Ombudsman WA's website www.ombudsman.wa.gov.au

In developing a policy, the following key matters should be considered.

The complaints process

- The role of the council in the process.
- The extent to which independent persons are involved and their role in the process (complaint lodgement, investigation, findings). Local governments may decide to establish a regional or shared committee to deal with these complaints, for example.
- What types of remedial action are appropriate.
- The form of the action plan.

Process for making a complaint

- The process for a person to make a complaint needs to be clearly outlined in the policy, including whether complaints are required to be in a specific form.
- Complaints should be submitted in writing, with consideration given to a variety of methods, including email, letter or fax.
- The policy should also outline how the complaint is lodged, whether this is via a specific code of conduct complaint email address or a letter addressed to the Mayor or President (or alternative).
- The process should be simple and not act as a barrier to the raising of concerns about elected member behaviour.

Acknowledgement of the complaint

- The policy should include that complaints will be acknowledged and the timeframe for this.
- Complaints should be acknowledged in a timely manner. As part of the acknowledgement process, consideration may be given to providing information on how the complaint will be progressed. This may include providing the complainant with a copy of the complaint handling policy.

Responsiveness

- The policy should outline whether complaints are going to be addressed based on seriousness or impact of the allegation or on order of submission.
- Inclusion of an expected timeframe for the matter to be reviewed is also encouraged.

Action

- Complaints must be dealt with in an equitable, objective, timely and unbiased manner. The principle of natural justice should be applied.
- The policy needs to outline who will make the initial assessment of the complaint. This includes who will make the determination that the complaint is trivial, vexatious or frivolous or worthy of further investigation.
- The policy also needs to address the process for the investigation including:
 - giving adequate opportunity for a right of reply from both parties
 - if a breach is found, what are the actions that could be imposed by council.
- Attachment 1 provides further guidance on possible actions for breaches found against Part B.

Action plans

- Action plans are designed to provide council members with the opportunity to remedy their behaviour.
- The measures to stop the behaviour from continuing are not intended to be a punishment, rather a mechanism to prevent the behaviour from reoccurring.
- The Code requires that the action plan is prepared in conjunction with the relevant council member. This is designed to provide the council member with

the opportunity to be involved in matters such as the timing of meetings or training.

- While Council is required to give the council members the opportunity, not all council members will actively participate in the process.

What happens if agreement cannot be reached

- Circumstances may arise when a Council cannot agree on the outcome of an investigation, or whether an investigation is required to an alleged breach.
- In these situations, Council may decide to engage an independent person to:
 - review the complaint
 - investigate the complaint, or
 - make recommendations on appropriate actions
- The policy should address who will be engaged as an independent person. Local governments may consider sharing the services of an independent person.

Attachment 1 – possible actions for Part B breaches

Personal integrity		Possible actions
2.1	Act in line with the principles outlined in this Code when performing official duties.	Training
2.2	Attend and participate constructively in council meetings, briefings, relevant workshops and training opportunities.	Training Mediation
2.3	Respect and comply with all council policies, procedures and resolutions.	Training
2.4	Ensure professional behaviour is not compromised by the use of alcohol or drugs.	Counselling
2.5	Use all forms of media, including social media, in a way that complies with this Code.	Training
Relationships with others		
2.6	Treat other council members, council employees and members of the public with courtesy, respect, honesty and fairness.	Training Mediation Apology
2.7	Do not bully or harass council staff, other council members or members of the public in any form, including social media	Training Mediation Apology
2.8	Deal with the media in a positive, informative and appropriate manner in accordance with the <i>Local Government Act 1995</i> and relevant local government policies.	Training
2.9	While acting as a council member, do not: <ul style="list-style-type: none"> i. use offensive or pejorative language in reference to another council member, council employee or member of the public; or ii. disparage the character of any council member or impute dishonest or unethical motives to them in the performance of their duties. 	Training Mediation Counselling Apology
2.10	When attending a council or committee meeting, do not: <ul style="list-style-type: none"> i. behave in an abusive or threatening manner towards another council member or other person attending the meeting; ii. make statements that the person knows, or could be reasonably expected to know, that are false or misleading; or 	Training Mediation Counselling Apology

	iii. repeatedly disrupt the meeting.	
2.11	When attending a council or committee meeting: i. comply with the local law that relates to conduct of people at council or committee meetings; ii. promptly comply with any direction given by the presiding member at that meeting; and iii. immediately cease any conduct that has been ruled out of order by the presiding member in accordance with the local government's local law.	Training Mediation Counselling
2.12	Direct all requests for work or actions by council staff to the CEO or the CEO's nominated delegate.	Training
Accountability		
2.13	Make decisions honestly and impartially, considering all available information, legislation, policies and procedures.	Training
2.14	Take responsibility for decisions and actions.	Training Counselling
2.15	Abide by the decisions of council and publicly support the decisions even if of an alternative view.	Training
2.16	Adhere to the principles in the: i. <i>Occupational Safety and Health Act 1984 (WA)</i> ; ii. <i>Equal Opportunity Act 1984 (WA)</i> ; iii. <i>Racial Discrimination Act 1975 (Cth)</i> ; and iv. <i>Sex Discrimination Act 1984 (Cth)</i> .	Training Mediation

Part C – Rules of Conduct

Rules of conduct breaches are matters that:

- negatively affect the honest or impartial performance of a council member;
- involve a breach of trust placed in the council member; or
- involve the misuse of information or material.

Alleged breaches of this part can be referred to the Local Government Standards Panel (Standards Panel) in accordance with the *Local Government Act 1995* (the Act). A breach of this Part is a “minor breach”. In the event the Standards Panel makes a finding of breach against a council member, sanctions will be imposed in accordance with the Part 5 Division 9 of the Act.

Nothing in this part removes the obligations placed upon council members and employees (including the CEO) of the local government under the *Corruption, Crime and Misconduct Act 2003*.

Guidelines

A breach of Part C is considered by the Standards Panel in accordance with the Act. The Standards Panel, which was established in 2007, has the authority to make binding decisions to resolve allegations of minor misconduct. The Standards Panel is independent of the Minister for Local Government and the department.

The process for complaints under Part C is outlined in the Act. Complaints in the first instance are directed to the complaints officer at the local government. The Act provides that the complaints officer is the CEO or another officer with delegated responsibility.

As the Panel does not have investigative powers, findings and decisions are made on the basis of the information it receives. To assist with understanding each Part C rule of conduct, the elements are outlined alongside each. For a finding of breach, the Standards Panel needs to be satisfied that it is more likely than not, (on the balance of probabilities) that a breach of each element has occurred.

Personal Integrity

<i>Misuse of local government resources</i>	Elements of Rule of Conduct
<p>a. resource is defined to mean tangible and intangible assets, services or other means of supporting the functions of local government, which are owned or paid for by the local government from public money.</p> <p>b. A person who is a council member must not either directly or indirectly use the resources of a local government —</p> <p>i. for the purpose of persuading electors to vote in a particular way at an election, referendum or other poll held under the Act, the <i>Electoral Act 1907</i> or the <i>Commonwealth Electoral Act 1918</i>; or</p> <p>ii. for any purpose other than fulfilling the legal obligations and duties of the council member's office,</p> <p>unless authorised under the Act, by the council or the CEO to use the resources for that purpose.</p>	<p>(a) the person the subject of the complaint was a council member both at the time of the conduct and the time when the Panel makes its determination;</p> <p>(b) the council member directly or indirectly used;</p> <p>(c) resources that belonged to the local government;</p> <p>(d) for the identified electoral purpose or any other purpose other than in their legal role as a council member;</p> <p>(e) without such purpose being authorised under the Act, by the council or the local government's CEO.</p>

<i>Securing personal advantage or disadvantaging others</i>	Elements of Rule of Conduct
<p>c. A person who is a council member must not make improper use of the person's office as a council member —</p> <p>i. to gain directly or indirectly an advantage for the person or any other person; or</p>	<p>(a) the person the subject of the complaint was a council member both at the time of the conduct and the time when the Panel makes its determination;</p> <p>(b) by engaging in the conduct, the person the subject of the complaint made use of the office of a council member (in</p>

<p>ii. to cause detriment to the local government or any other person.</p> <p>d. Rule 3.3 does not apply to conduct that contravenes section 5.93 of the Act or <i>The Criminal Code</i> section 83.</p>	<p>the sense that he or she acted in their capacity as a council member, rather than in some other capacity);</p> <p>(c) when viewed objectively, such use was an improper use of the person's office as council member in that it:</p> <ul style="list-style-type: none"> i. involved a breach of the standards of conduct that would be expected of a person in the position of a council member by reasonable persons with knowledge of the duties, powers and authority of the councillor and the circumstances of the case (by for example, an abuse of power or the doing of an act which the councillor knows or ought to have known that he or she had no authority to do); and ii. was so wrongful and inappropriate in the circumstances that it calls for the imposition of a penalty; and <p>(d) the person engaged in the conduct in the belief that:</p> <ul style="list-style-type: none"> i. [<i>in the case of rule 3.3(i)</i>] an advantage (pecuniary or otherwise) would be gained directly or indirectly for the person or any other person; <u>or</u> ii. [<i>in the case of rule 3.3(ii)</i>] detriment (pecuniary or otherwise) would be suffered by the local government or another person; <p>(e) It is irrelevant whether advantage was actually gained or detriment suffered;</p> <p>(f) The conduct does not fall under section 5.93 of the Act: improper use of information (which would be a serious breach), or section 83 of the Criminal Code (which would be a crime).</p>
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<i>Repeated breaches of Part B</i>	Elements of Rule of Conduct
<p>e. A breach of Part B of the Code of Conduct is a minor breach if:</p> <ul style="list-style-type: none"> i. it occurs after the council member has been found to have committed 3 or more other breaches of Part B; or ii. the council member fails to comply with the action plan developed after a finding of inappropriate behaviour under Part B; <p>and</p> <ul style="list-style-type: none"> iii. the Council to which the member is elected, decides, via resolution, to make an allegation of a rule of conduct breach under this Part. 	<ul style="list-style-type: none"> (a) the person the subject of the complaint was a council member or candidate both at the time of the conduct and the time when the Standards Panel makes its determination; (b) the council has passed a resolution referring the matter to the Standards Panel; (c) in the case of (i) – <ul style="list-style-type: none"> i. the person has been found to have breached Part B of the code of conduct on at least three occasions; ii. the behaviour the subject of this complaint occurred after a finding of inappropriate behaviour; iii. the person has engaged in behaviour that is a breach of Part B of the code of conduct; iv. an action plan is in place; or (d) In the case of (ii) – <ul style="list-style-type: none"> i. there was an action plan in place; ii. the action plan resulted from a previous finding of a breach of Part B; iii. the person has not complied with the action plan.

Relationships with employees

<i>Prohibition against involvement in administration</i>	Elements of Rule of Conduct
<p>3.7 A person who is a council member must not undertake a task that contributes to the administration of the local government unless authorised by the CEO to undertake that task.</p>	<ul style="list-style-type: none"> (a) the person the subject of the complaint was a council member both at the time of the conduct and the time when the Panel makes its determination; (b) the council member took on or was involved or participated in the performance, attempted performance, or part-performance, of a function or responsibility which under the

<p>3.8 Rule 3.7 does not apply to anything that a council member does as part of the deliberations at a council or committee meeting.</p>	<p>Act or by delegation it is for the local government's CEO to perform or direct; and</p> <p>(c) such taking on, involvement or participation:</p> <ul style="list-style-type: none"> i. contributed (for example, played a part in achieving something); and ii. did not occur as anything the council member did as part of the deliberations at a council or committee meeting (which may include something the member did as part of their preparation for any such deliberation); and <p>(d) the local government's CEO did not authorise such taking on, involvement or participation.</p>
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Relations with local government employees	Elements of Rule of Conduct
<p>3.9 In this rule —</p> <p>employee means a person as defined in section 5.36 of the Act and any person contracted to provide a service to the local government.</p> <p>3.10 A person who is a council member or candidate must not —</p> <ul style="list-style-type: none"> i. direct or attempt to direct a person who is a local government employee to do or not to do anything in the person's capacity as a local government employee; or ii. attempt to influence, by means of a threat or the promise of a reward, the conduct of a person who is a local government employee in the person's capacity as a local government employee; or 	<p>Rule 3.10(i)</p> <ul style="list-style-type: none"> (a) the person the subject of the complaint was a council member or candidate both at the time of the conduct and the time when the Panel makes its determination; (b) the council member or candidate gave or tried or made an effort to give a direction or an order or command; (c) to another person, who is an employee of the relevant local government; (d) to do or not to do something in the other person's capacity as a local government employee; and (e) the direction or attempted direction was not part of anything that the person did as part of the deliberations at a council or committee meeting (which may include something he or she did as part of their preparation for any such deliberation).

<p>iii. behave in an abusive or threatening manner towards any local government employee.</p> <p>3.11 Rule 3.10(i) does not apply to anything that a council member does as part of the deliberations at a council or committee meeting.</p> <p>3.12 If a person, in their capacity as a council member, is attending a council meeting, committee meeting or other organised event, other than at a meeting or part of a meeting that is closed to the public, the person must not, either orally, in writing or by any other means —</p> <ul style="list-style-type: none"> i. make a statement that a local government employee is incompetent or dishonest; or ii. use offensive or objectionable expressions in reference to a local government employee. <p>3.13 Rule 3.12(i) does not apply to conduct that is unlawful under <i>The Criminal Code</i> Chapter XXXV.</p>	<p>Rule 3.10(ii)</p> <ul style="list-style-type: none"> (a) the person the subject of the complaint was a council member or candidate both at the time of the conduct and the time when the Panel makes its determination; (b) a council member or candidate tried or made an effort to affect, sway or produce an effect on; (c) the conduct of another person, who is an employee of the relevant local government, in that person's capacity as a local government employee; and (d) the council member or candidate's effort to affect, sway or produce an effect was carried out by means of — <ul style="list-style-type: none"> (i) a threat by the person (for example, the council member's declaration of an intention to inflict punishment, pain or loss on, or to take any action detrimental or unpleasant to, the employee — or on someone, or to something, that the employee cares about — in retaliation for, or conditionally upon, some action or course), or (ii) a promise or undertaking by the person to give the employee something having a value, or to do or not do something where the act or omission concerned has some value or advantage for or to the employee. <p>Rule 3.10(iii)</p> <ul style="list-style-type: none"> (a) the person the subject of the complaint was a council member or candidate both at the time of the conduct and the time when the Panel makes its determination; (b) the person behaved in a manner which was: <ul style="list-style-type: none"> (i) abusive (for example, the council member uses insulting, disparaging belittling or derogatory language about or to the employee); or
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	<ul style="list-style-type: none"> (ii) threatening (for example, the council member's declaration of an intention to inflict punishment, pain or loss on, or to take any action detrimental or unpleasant to, the employee — or on someone, or to something, that the employee cares about — in retaliation for, or conditionally upon, some action or course); (c) the behaviour is directed towards a local government employee. <p>Rule 3.12(i)</p> <ul style="list-style-type: none"> (a) the person the subject of the complaint was a council member both at the time of the conduct and the time when the Panel makes its determination; (b) the council member attended a council meeting, committee meeting or other organised event in their capacity as a council member; (c) the council member either verbally, in writing or by some other means, made a statement (for example, a communication or declaration in speech or writing setting forth facts, particulars; etc.); and (d) viewed objectively, the council member's statement (or a sufficiently clear inference from the words used) was that an employee of the council member's local government was incompetent or dishonest. (e) Chapter XXXV of <i>The Criminal Code</i> does not apply. <p>Rule 3.12(ii)</p> <ul style="list-style-type: none"> (a) the person the subject of the complaint was a council member both at the time of the conduct and the time when the Panel makes its determination;
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	<ul style="list-style-type: none"> (b) the council member attended a council meeting, committee meeting or other organised event in their capacity as a council member; (b) the council member either verbally, in writing or by some other means, used an expression (for example, any word, phrase or form of speech) which it is more likely than not that a member or members of the public present heard or otherwise became aware of; (c) the expression was an offensive or objectionable expression (for example, an expression that is likely to cause offence or displeasure and is insulting); and (d) the expression was an offensive or objectionable expression in reference to an identified employee of the council member's local government.
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Accountability

<i>Unauthorised disclosure of information</i>	Elements of Rule of Conduct
<p>3.14 In this rule —</p> <p>closed meeting means a council or committee meeting, or a part of a council or committee meeting, that is closed to members of the public under section 5.23(2) of the Act;</p> <p>confidential document means a document, or that part of a document, marked by the CEO or a nominated delegate to clearly show that the information is not to be disclosed;</p>	<p>Rule 3.15(i)</p> <ul style="list-style-type: none"> (a) the person the subject of the complaint was a council member both at the time of the conduct and the time when the Panel makes its determination; (b) the council member disclosed information to someone who at the time was not also a council member of the same local government; and (c) the disclosed information was information the disclosing council member derived from a document that was marked by the relevant local government's CEO, or at the CEO's direction, to clearly show that the information in the document was not to be disclosed; and

<p><i>non-confidential document</i> means a document that is not a confidential document or is not marked confidential.</p> <p>3.15 A person who is a council member must not disclose —</p> <ul style="list-style-type: none"> i. information that the council member derived from a confidential document; or ii. information that the council member acquired at a closed meeting other than information derived from a non-confidential document; or iii. personal information as defined in the <i>Freedom of Information Act 1992</i>. <p>3.16 Sub-rule (3.15) does not prevent a person who is a council member from disclosing information —</p> <ul style="list-style-type: none"> i. at a closed meeting; or ii. to the extent specified by the council and subject to such other conditions as the council determines; or iii. that is already in the public domain; or iv. to an officer of the Department; or v. to the Minister; or vi. to a legal practitioner for the purpose of obtaining legal advice; or vii. if the disclosure is required or permitted by law. 	<ul style="list-style-type: none"> (d) the disclosed information was not information already in the public domain (for example, it was not generally available to all persons) at the time of the disclosure by the disclosing council member, and the disclosure did not occur in any of the ways identified in rule 3.16. <p>Rule 3.15(ii)</p> <ul style="list-style-type: none"> (a) the person the subject of the complaint was a council member both at the time of the conduct and the time when the Panel makes its determination; (b) a council member disclosed information to someone who at the time was not also a council member of the same local government; and (c) the disclosed information was information the disclosing council member acquired at a council or committee meeting, or a part of a council or committee meeting, that was closed to members of the public under section 5.23(2) of the Act; and (d) the disclosing council member did not derive the disclosed information from a non-confidential document (that is, a document that was <i>not</i> marked by the local government's CEO, or at the CEO's direction, to clearly show that the information in it was not to be disclosed); and (e) the disclosed information was not information already in the public domain (for example, it was not generally available to all persons) at the time of the disclosure by the disclosing council member, and the disclosure did not occur in any of the ways identified in rule 3.16.
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	<p>Rule 3.15(iii)</p> <ul style="list-style-type: none">(a) the person the subject of the complaint was a council member both at the time of the conduct and the time when the Panel makes its determination;(b) the council member disclosed information to someone who at the time was not also a council member of the same local government; and(c) the disclosed information was personal information as defined in the <i>Freedom of Information Act 1992</i> (for example, name, date of birth, address, or a reference to an identification number or other identifying particular such as a fingerprint or body sample).(d) the disclosed information was not information already in the public domain (for example, it was not generally available to all persons) at the time of the disclosure by the disclosing council member, and the disclosure did not occur in any of the ways identified in rule 3.16. <p><i>Freedom of Information Act 1992</i> defines personal information as: information or an opinion, whether true or not, and whether recorded in a material form or not, about an individual, whether living or dead —</p> <ul style="list-style-type: none">(a) whose identity is apparent or can reasonably be ascertained from the information or opinion; or(b) who can be identified by reference to an identification number or other identifying particular such as a fingerprint, retina print or body sample.
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<i>Disclosure of interest</i>	Elements of Rule of Conduct
<p>3.17 In this rule —</p> <p>interest means a material interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest.</p> <p>3.18 A person who is a council member and who has an interest in any matter to be discussed at a council or committee meeting attended by the member must disclose the nature of the interest —</p> <ul style="list-style-type: none"> i. in a written notice given to the CEO before the meeting; or ii. at the meeting immediately before the matter is discussed. <p>3.19 Rule 3.18 does not apply to an interest referred to in section 5.60 of the Act.</p> <p>3.20 Rule 3.18 does not apply if —</p> <ul style="list-style-type: none"> i. a person who is a council member fails to disclose an interest because the person did not know he or she had an interest in the matter; or ii. a person who is a council member fails to disclose an interest because the person did not know the matter in which he or she had an interest would be discussed at the meeting and the person disclosed the interest as soon as possible after the discussion began. <p>3.21 If, under sub-rule (3.18)(i), a person who is a council member discloses an interest in a written notice given to the CEO before a meeting then —</p>	<ul style="list-style-type: none"> (a) the person the subject of the complaint was a council member both at the time of the conduct and the time when the Panel makes its determination; (b) subject to rule 3.19, the person had a private or personal interest in a matter that is more likely than not a conflict of interest or a bias (apparent or real) that does adversely affect, or might adversely affect the council member’s impartiality in considering the matter, and includes an interest arising from kinship, friendship, membership of an association, or another circumstance; (c) the member attended the council or committee meeting concerned and was present when the matter under consideration came before the meeting and was discussed; (d) the member did not disclose the nature of the relevant interest in the matter in either of the two ways required by Rule 3.18(i) or 3.18(ii); (e) Rule 3.20 does not apply.

<ul style="list-style-type: none">i. before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; andii. at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before a matter to which the disclosure relates is discussed. <p>3.22 If —</p> <ul style="list-style-type: none">i. under sub-rule (3.18)(ii) or (3.20)(ii) a person's interest in a matter is disclosed at a meeting; orii. under sub-rule (3.21)(ii) notice of a person's interest in a matter is brought to the attention of the persons present at a meeting, <p>the nature of the interest is to be recorded in the minutes of the meeting.</p>	
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Code of Conduct survey

As part of the McGowan Government's commitment to transforming local government in WA, the *Local Government Legislation Amendment Act 2019* introduces a mandatory code of conduct (Code) for all council members, committee members and candidates in local government elections.

These reforms are intended to ensure that standards of behaviour are consistent between local governments and address community expectations.

The proposed Code will inform the drafting of regulations. This will be accompanied by guidelines that provides clarification and guidance in relation to compliance and enforcement with the Code.

This survey is intended to provide the Government with feedback regarding the proposed the content of the Code.

Thank you for taking the time to complete this survey.

1. Who are you completing this survey on behalf of?
 - a. Yourself
 - b. An organisation, including a local government, peak body, community organisation or a business
2. What is the name of that organisation?
3. What is your name?
4. What best describes your relationship to local government?
 - a. Resident or ratepayer
 - b. Staff member
 - c. Council member (includes Mayor or President)
 - d. Survey responses are provided on behalf of a local government (council endorsed)
 - e. Peak body
 - f. State Government agency
 - g. Community body
 - h. Other (please specify)
5. What best describes your gender?
 - a. Male
 - b. Female
 - c. Other
 - d. Not applicable/the survey responses are provided on behalf of an organisation
6. What is your age?
 - a. Under 18
 - b. 18-24
 - c. 25-34
 - d. 35-44
 - e. 45-54
 - f. 55-64
 - g. 65+
 - h. Not applicable/the survey responses are provided on behalf of an organisation
7. Which local government do you interact with most?

8. Do you wish for your response to this survey to be confidential?
 - a. Yes
 - b. No
9. What is your email address?
10. Have you previously completed a survey or provided a submission regarding the review of the *Local Government Act 1995*?
 - a. Yes
 - b. No
 - c. Unsure
11. If no, what were your reasons for not previously providing your views to inform the Local Government Act review?
 - a. I was not aware of the Local Government Act review
 - b. I was not interested in providing my views
 - c. I did not have time to provide my views
 - d. Other (please specify)

Part A - Principles

Council members, committee members and candidates are expected to adhere to and promote and support the following principles by example.

Adhering to these principles will ensure that council members and candidates can comply with the behaviours outlined in Part B or conduct as outlined in Part C. all behaviour should be considered against these principles, whether or not it is covered specifically in Part B or Part C.

12. Please indicate your support of the following ***Personal Integrity Principles***

- 1.1 Act with care and diligence and participate in decision making in an honest, fair, impartial and timely manner, considering all relevant information.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

- 1.2 Act with honesty, integrity and uphold the concept of natural justice.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

1.3 Identify, declare and appropriately manage any conflicts of interest in the public interest and interests of the Council including not accepting gifts that may give the appearance of a conflict of interest or an attempt to corruptly influence behaviour.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

1.4 Uphold the law, and, on all occasions, act in accordance with the trust placed in council members.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

1.5 Avoid damage to the reputation of the local government.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

1.6 Not be impaired by mind effecting substances while performing official duties.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

Do you have any comments on these principles?

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13. Please indicate your support of the following **Relationships With Others Principles**

1.7 Treat others with respect, courtesy and fairness.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

1.8 Maintain and contribute to a harmonious, safe and productive work environment for all.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

1.9 Respect and value diversity in the workplace and in the community.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

Do you have any comments on these principles?

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14. Please indicate your support of the following **Accountability Principles**

1.10 Base decisions on relevant and factually correct information and make decisions on merit and in accordance with statutory obligations and good governance.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

1.11 Be open and accountable to the public, represent all constituents and make decisions in the public.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

Do you have any comments on these principles?

15. Should any additional principles be incorporated in Part A?

Part B – Behaviour

Part B sets out the standards of behaviour which enable and empower council members to meet the principles outlined in Part A. Behaviour is expected to be managed at the local level by the local government, so Part B also deals with how complaints are to be managed.

Failure to comply with this Part may give rise to a complaint against a council member’s conduct, followed by a subsequent investigation and possible corrective action by the local government. The emphasis should be on an educative role to establish sound working relationships and avoid repeated breaches, rather than punishment.

16. Please indicate your support for the following *Personal Integrity Behaviours*.

2.1 Act in line with the principles outlined in this Code when performing official duties.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.2 Attend and participate constructively in council meetings, briefings, relevant workshops and training opportunities.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.3 Respect and comply with all council policies, procedures and resolutions.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.4 Ensure professional behaviour is not compromised by the use of alcohol or drugs.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.5 Use all forms of media, including social media, in a way that complies with this Code.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

Do you have any comments on these behaviours?

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17. Please indicate your support for the following ***Relationships with Others Behaviours***.

2.6 Treat other council members, council employees and members of the public with courtesy, respect, honesty and fairness.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.7 Do not bully or harass council staff, other council members or members of the public in any form, including social media.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.8 Deal with the media in a positive, informative and appropriate manner in accordance with the Local Government Act 1995 and relevant local government policies.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.9 While acting as a council member, do not:

- (i) Use offensive or pejorative language in reference to another council member, council employee or member of the public;
or
- (ii) Disparage the character of any council member or council employee or impute dishonest or unethical motives to them in the performance of their duties.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.10 When attending a council or committee meeting, do not:

- (i) Behave in an abusive or threatening manner towards another council member or other person attending the meeting;

- (ii) Make statements that the person knows, or could be reasonably expected to know, that are false or misleading;
Or
- (iii) Repeatedly disrupt the meeting

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.11 When attending a council or committee meeting:

- (i) Comply with the local law that relates to conduct of people at council or committee meetings;
- (ii) Promptly comply with any direction given by the presiding member at that meeting; and
- (iii) Immediately cease any conduct that has been ruled out of order by the presiding member in accordance with the local government's local law.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.12 Direct all requests for work or actions by council staff to the CEO or the CEO's nominated delegate.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

Do you have any comments on these behaviours?

18. Please indicate your support for the following **Accountability Behaviours**.

2.13 Make decisions honestly and impartially, considering all available information, legislation, policies and procedures.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.14 Take responsibility for decisions and actions.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.15 Abide by the decisions of council and publicly support the decisions even if of an alternative view.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

2.16 Adhere to the principles in the:

- (i) *Occupational Safety and Health Act 1984(WA)*;
- (ii) *Equal Opportunity Act 1984(WA)*;
- (iii) *Racial Discrimination Act 1975(Cth)*; and
- (iv) *Sex Discrimination Act 1984 (Cth)*.

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

Do you have any comments on these behaviours?

19. Should any additional behaviours be incorporated in Part B?

20. Part B of the Code includes a complaint management process. Should this part include a time period in which complaints must be lodged after the alleged breach occurred?

- No time period
- 1 month
- 3 months
- 6 months
- Other (please specify)

21. Who is the best person for Part B complaints to be directed to?

- Mayor or President
- Deputy Mayor or President
- Presiding member
- Chief Executive Officer
- Nominated local government employee

- Other (please specify)

22. What actions are appropriate for councils to impose if a Part B breach is found?

- Apology
- Training
- Mediation
- Counselling
- Other (please specify)

23. Do you have any suggestions for specific actions that could be incorporated into the guidelines?

24. Should recurrent breaches of behaviour be referred to the Local Government Standards Panel?

- Yes
- No

Please provide a reason(s) for your answer

25. Should Council be required to develop an action plan and give the council member an opportunity to resolve their behaviour before a third complaint is referred to the Standards Panel under Part C?

- Yes
- No
- Other (please specify)

26. How beneficial would it be for local governments to engage an independent person to assist with the review of complaints?

- Extremely useful
- Very useful
- Somewhat useful
- Not so useful
- Not at all useful
- Other (please specify)

27. What should happen if a council cannot agree on an investigation or course of action following an alleged breach of Part B?

- An independent person should be engaged to conduct a review
- The complaint should be dismissed
- The Mayor or President makes the decision
- The CEO makes the decision
- Other (please specify)

Part C – Rules of Conduct

Rules of conduct breaches are matters that:

- **Negatively affect the honest or impartial performance of a council member;**
- **Involve a breach of trust placed in the council member; or**
- **Involve the misuse of information or material.**

Alleged breaches of this part can be referred to the Local Government Standards Panel (Standards Panel) in accordance with the *Local Government Act 1995* (the Act). A breach of this Part is a “minor breach”.

36. Do you have any comments or feedback on Part C?

Guidelines

Guidelines have been prepared to accompany the Code the Conduct. The guidelines are intended to provide clarification and guidance in relation to complain and enforcement.

37.Are the guidelines a useful tool to accompany the Code?

- Extremely useful
- Very useful
- Somewhat useful
- Not so useful
- Not at all useful

Please specify why

38.Do you have any suggestions for additional inclusions in the guidelines?



Draft Submission

Mandatory Code of Conduct for Council Members, Committee Members and Candidates

October 2019

About WALGA

The WA Local Government Association (WALGA) is working for Local Government in Western Australia. As the peak industry body, WALGA advocates on behalf of 138 Western Australian Local Governments. As the united voice of Local Government in Western Australia, WALGA is an independent, membership-based organisation representing and supporting the work and interests of Local Governments in Western Australia. WALGA provides an essential voice for 1,222 Elected Members, approximately 22,000 Local Government employees (16,500 Full Time Equivalent's) as well as over 2.5 million constituents of Local Governments in Western Australia.

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Background

The *Local Government Legislation Amendment Act 2019* will introduce new requirements in relation to Mandatory Codes of Conduct for Council Members, Committee Members and Candidates for Local Government Elections (Part 5, Division 9 as amended by the *Local Government Legislation Amendment Act 2019*).

The Department of Local Government, Sport and Cultural Industries have released a draft document – *Mandatory Code of Conduct for Council Members, Committee Members and Candidates* – for consultation.

While WALGA and other invited parties participated in a working group to develop the document, the draft was released without WALGA's endorsement and there are a number of concerns with the draft that will be expanded upon in this submission. WALGA appreciates the opportunity afforded to participate in the working group process and to make a submission on the draft document.

The Department of Local Government, Sport and Cultural Industries is seeking feedback on the draft document by 6 December 2019. It is important that Local Governments also make submissions to the Department on this draft document to ensure the sector's views are received.

WALGA is seeking feedback on this draft submission by 25 October 2019. WALGA's submission, which will be updated following sector feedback, will then be included in the December State Council Agenda for consideration at November Zone meetings, before being considered at the 4 December meeting of State Council.

General Comments - Councillor Conduct

WALGA has long led its Member Local Government's advocacy for high standards of behaviour by those who are democratically elected to represent the people within their district, and personal responsibility for the consequences when there is a lack of it.

WALGA commenced lobbying for official conduct legislation in 2002, to enable action to be taken against individuals rather than an entire Council. The Sector held the view that Council dismissals, such as occurred at the City of Cockburn (2000), City of South Perth (2002) and City of Joondalup (2005) could possibly have been averted if powers were available to deal with individual Elected Member's behaviour.

The Sector's advocacy for official conduct legislation correlated with a shared frustration that Codes of Conduct, a compulsory requirement of Section 5.103(3) of the *Local Government Act 1995* ('the Act') were unenforceable when behaviours departed from expressed standards. This was due to the absence at that time of a disciplinary framework in the Act to deal with misbehaviour and misconduct by individual council members.

WALGA conducted extensive consultation with the Sector over a number of years, leading to promulgation of the *Local Government (Official Conduct) Amendment Act 2007*, amending the Act to introduce minor, serious and recurrent breach allegation complaint processes, and the commencement in October 2007 of the *Local Government (Rules of Conduct) Regulations* ('the Regulations').

More recently, the Act was amended to introduce powers enabling the Minister for Local Government to suspend or dismiss individual council members failing in their duties or behaving in an egregious manner if '...seriousness or duration of that failure or conduct make it inappropriate for the council member to remain a member of the council.'¹ The amendments contained in the *Local Government (Suspension and Dismissal) Act 2018* commenced in November 2018.

The Rules of Conduct Regulations were reviewed in 2010 and 2016. WALGA acknowledges past amendments improving operational efficiency e.g. Standards Panel may refuse to deal with frivolous, trivial, vexatious etc. allegations,² and recent amendments that extend confidentiality provisions³ and providing the Standards Panel with discretion to refer parties to participate in mediation.⁴

¹ *Local Government Amendment (Suspension and Dismissal) Bill 2018* Explanatory Memorandum at Page 1.

² Section 5.110(3A) of 2016

³ Section 5.123 of 2019

⁴ Section 5.110(3B) of 2019

Bringing Codes and Rules Together; Uncoupling Codes of Conduct for Council Members and Employees

The Mandatory Code of Conduct will be a departure from the present legislative form that separates Codes of Conduct and the Rules of Conduct Regulations.

It will also depart from the present requirement to adopt one Code of Conduct that is to be observed by council members, committee members and employees.

The new section 5.51A, to commence at another time, will require the CEO to prepare and implement a Code of Conduct to be observed only by employees, aligning with the Sector's view that all matters relating to employees be separated from Council involvement and be contemplated within the CEO's functions under Section 5.41(g) of the Act.⁵

An additional significance is that the Mandatory Code of Conduct will apply to Local Government election candidates in the same way it applies to council members, and an alleged breach of the Code of Conduct by a candidate can only be referred to the Local Government Standards Panel if elected.⁶

This aligns with the Sector's advocacy that a Code of Conduct should apply to candidates⁷ and the proposal that any inappropriate behaviour during the election cycle should result in the successful candidate being held accountable under the Rules of Conduct Regulations.⁸

The Department's Draft for Consultation provides further guidance⁹ on the new Code:

- *The Act requires that local governments adopt the Code within three months of the amendments taking effect. Until the Code is adopted, the model Code applies.*
- *While local governments are not able to amend Part A or Part C, additional behaviours can be included in Part B that are not inconsistent with the Code.*
- *In considering additional behaviours, the council may give consideration to behaviours that are not currently represented in the Code that it considers are important. This may include introducing a dress standard for members or use of technology, for example.*
- *To adopt the Code, a resolution passed by an absolute majority is required. Once the Code is adopted, it must be published on the local government's official website.*

⁵ 'be responsible for the employment, management supervision, direction and dismissal of other employees'

⁶ Local Government Legislation Amendment Bill 2019 Explanatory Memorandum at Page 2.

⁷ WALGA State Council Minutes Review of 2011 Local Government Elections' Ref. Resolution 24.2/2012

⁸ WALGA State Council Minutes 'Review of 2013 Local Government Elections' Ref. Resolution 44.2/2014

⁹ See 'Guidelines' at Page 3

Specific Feedback

The following pages provide a commentary on the Draft for Consultation document ('the Draft') released by the Department of Local Government, Sport and Cultural Industries. The Draft refers to a 'Mandatory' Code of Conduct whereas amendments to the Local Government Act refer to a 'Model' Code of Conduct. This paper will use the term 'Model' throughout the following commentary.

Construction of the Model Code

Codes and Rules will be brought together under Section 5.103(2) as amended by the Local Government Legislation Amendment Act 2019:

- (2) *The model code of conduct must include -*
- (a) general principles to guide behaviour;*
 - (b) requirements relating to behaviour; and*
 - (c) the rules of conduct.*

The Draft informs that the Model Code of Conduct is to be constructed in three Parts:

- **Part A** – Principles [Section 5.103(2)(a)]
- **Part B** – Behaviours [Section 5.103(2)(b)]
- **Part C** – Rules of Conduct [Section 5.103(2)(c)]

Local Governments will not be able to amend Parts A and C, but additional behavioural content may be included in Part B that is not inconsistent with the Model Code.

Part A - Principles

The Preamble to the Model states that 'the purpose of this Code is to guide the decisions, actions and behaviours of council members, committee members and candidates.'

Part A sets out the Principles to be contained in the new Model Code under the headings 'Personal Integrity', 'Relationships with others' and 'Accountability'. This expands upon the 'General principles that guide the behaviour of council members' currently found under Regulation 3 of the *Local Government (Rules of Conduct) Regulations* and are intended to support Part B – Behaviours, and Part C – Rules of Conduct.

Part B - Behaviours

I. Application

It is noted that neither Part B nor Part C of the Model apply to the behaviours of committee members or candidates. No information is provided to clarify why only council members are subject to Parts B and C nor any rationale for the exclusion of committee members and candidates from behavioural standards and Rules of Conduct, particularly noting Section 5.103(3)(b), as amended, states:

- (3) *The model code of conduct may include provisions about how the following are to be dealt with –*
- (b) *alleged breaches of the rules of conduct by committee members*

The Minister for Local Government, Hon. David Templeman, when introducing the *Local Government Legislation Amendment Bill 2019* to Parliament in the Second Reading Speech, specified the application of the Code to candidates, in an effort to improve behaviour during an election period, stating:

“Alleged breaches of the rules of conduct during the election campaign will be progressed when the candidate is elected.”¹⁰

WALGA recommends seeking comment from the Department of Local Government, Sport and Cultural Industries on the intended application of Part B – behavioural standards, and Part C – Rules of Conduct to committee members and candidates.

II. New Complaints Provision

Section 5.103(3)(a) will introduce the discretion for the Model Code of Conduct to deal with alleged breaches of requirements relating to behaviour. This is a significant amendment as the *Local Government Act 1995* has not previously mandated a complaints process relating to behavioural content of a Code of Conduct, but nor has it imposed any restriction.

Under the Model Code, an alleged breach of a Rule of Conduct will continue to be referred to the Local Government Standards Panel. Part B, Rule 2.17 of the Model sets out that Local Governments will be required to deal with allegations made by ‘any person’ of a behavioural breach.

¹⁰ Extract from Hansard, Legislative Assembly, March 2019 at p1310d to 1312a

Some Local Governments have incorporated in their current Code of Conduct a process for dealing with a behavioural breach that permits ‘any person’ to make a complaint; the majority of Local Governments have not.

The City of Joondalup¹¹ and City of South Perth¹² are examples of Local Governments that exercised discretion under general competence powers to incorporate a complaints process in their adopted Code of Conduct. No information is currently available on the frequency or management of complaints of a behavioural breach under current Codes of Conduct.

WALGA seeks comment from Members experienced in dealing with breach allegations relating to their current Code of Conduct to assist with building perspective on processes and consequences associated with managing behavioural breach allegations.

III. Complaint Management

Rules 2.17 to 2.22 set out the Complaint Management standards, with Rule 2.21 requiring development of a Council-endorsed policy to guide the process. The associated Guidelines provide additional information on tools and resources to assist with policy development, complaints management and resolution. Attachment 1 provides a matrix of possible actions where there is finding of a behavioural breach.

WALGA seeks comment on the proposed Complaint Management process.

IV. ‘Rules’

Throughout Part B, the numbered provisions are referred to as ‘Rules’. This has the potential to create confusion with the already-established terminology familiar to the Sector of ‘Rules of Conduct’, which form Part C.

WALGA recommends a separate nomenclature for numbered provisions in Part B (i.e. ‘Item’ or ‘Clause’) to avoid any potential for confusion between Part B and Part C, particularly when breach allegations arise.

¹¹ ‘City of Joondalup Code of Conduct for Employees, Elected Members and Committee Members’ at Page 21

¹² ‘City of South Perth Code of Conduct’ at Page 9

Part C – Rules of Conduct

As previously discussed, Part C of the Model Code only references council members.

It is noted there are numerous, self-evident typographical errors throughout Part C (i.e. inconsistent referencing and numbering) and it is presumed the Department is aware and will remedy where necessary.

The Rules of Conduct replicate for the most part, the existing provisions from the current Rules of Conduct Regulations. The Model Code adds commentary by including 'Elements of Rule of Conduct'. It is not known whether these Elements will have any influence on the deliberations of the Local Government Standards Panel in the event of a breach allegation under Part C.

WALGA seeks comment on whether the 'Elements of Rule of Conduct' content adds value or assists council members to understand their responsibility to observe Rules of Conduct.

Misuse of Local Government Resources - Regulation 8 of the current Local Government (Rules of Conduct) Regulations

The Model Code creates a definition of the term 'resource' which does not appear in the current Rules of Conduct:

'resource is defined to mean tangible and intangible assets, services or other means of supporting the functions of local government, which are owned or paid for by the local government from public money'

It is not stated why there is a need to define 'resource' specifically, the potential impact this definition may have upon determining a breach allegation¹³ or whether the common dictionary definition is known to be ineffective - *'a stock or supply of money, materials, staff, and other assets that can be drawn on by a person or organization in order to function effectively.'*¹⁴

Securing Personal Advantage of Disadvantaging Others – Regulation 7 of the current Local Government (Rules of Conduct) Regulations

The Model Code is consistent with the current Regulations.

¹³ Section 6 of the *Interpretation Act 1984* (WA) applies – 'Definitions in a written law, application of'

¹⁴ Oxford English Dictionary

Repeated Breaches of Part B – Not currently Regulated

This new provision will provide an accountability measure where a council member continually breaches the behavioural requirements of Part B of the Model Code and appears to face value to have merit.

Item (iii) of this Rule will require thoughtful consideration, as it requires the Council to make a determination by resolution before a council member, who is found to have committed three or more breaches under Part B, can be referred to the Local Government Standards Panel:

‘(and) iii. the Council to which the member is elected, decides, via resolution, to make an allegation of a rule of conduct breach under this Part.’

WALGA notes that this new provision did not appear in early drafts of the Model Code and therefore was not considered at the Working Group convened by the Department of Local Government, Sport and Cultural Industries.

Prohibition against Involvement in Administration – Regulation 9 of the current Local Government (Rules of Conduct) Regulations

The Model Code is consistent with the current Regulations.

Relations with Local Government Employees - Regulation 10 of the current Local Government (Rules of Conduct) Regulations

The Model Code creates a definition of the term ‘employee’ which does not appear in the current Rules of Conduct. This definition references Section 5.36 of the Act, whereas the Act defines ‘employee’ under Section 1.4.

The Model Code proposes to add a further prohibition under Item (iii) that does not currently appear in the Rules of Conduct:

‘behave in an abusive or threatening manner towards any local government employee’

Unauthorised Disclosure of Information - Regulation 6 of the current Local Government (Rules of Conduct) Regulations

The Model Code proposes to add a further prohibition under Item (iii) that does not currently appear in the Rules of Conduct:

‘personal information as defined in the Freedom of Information Act 1992’

The remainder of the Model Code is consistent with the current Regulations.

Disclosure of Interest - Regulation 11 of the current Local Government (Rules of Conduct) Regulations

The Model Code amends the definition of the term 'interest'. It currently reads:

'interest means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association'

It is amended to read:

'interest means a material interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest'

It is unclear why it is proposed to amend this definition, given that the terms '*kinship, friendship or membership of an association*' provide useful reference points that presently help council members to understand their responsibility to declare this type of interest.

Contravention of certain Local Laws - Regulation 4 of the current Local Government (Rules of Conduct) Regulations

This provision is now included in Part B of the Model Code at 2.10 and 2.11.

WALGA seeks comment on the proposed Part C Model Code provisions.



Draft Submission

Standards and Guidelines for CEO Recruitment and Selection, Performance Review and Termination

October 2019

About WALGA

The WA Local Government Association (WALGA) is working for Local Government in Western Australia. As the peak industry body, WALGA advocates on behalf of 138 Western Australian Local Governments. As the united voice of Local Government in Western Australia, WALGA is an independent, membership-based organisation representing and supporting the work and interests of Local Governments in Western Australia. WALGA provides an essential voice for 1,222 Elected Members, approximately 22,000 Local Government employees (16,500 Full Time Equivalent's) as well as over 2.5 million constituents of Local Governments in Western Australia.

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Background

The *Local Government Legislation Amendment Act 2019* will introduce new requirements in relation to CEO recruitment, performance and termination (Sections 5.39A and 5.39B).

The Department of Local Government, Sport and Cultural Industries have released a draft document – *Standards and Guidelines for Local Government CEO Recruitment and Selection, Performance Review and Termination* – for consultation.

While WALGA and other invited parties participated in a working group to develop the document, the draft was released without WALGA's endorsement and there are a number of concerns with the draft that will be expanded upon in this submission. WALGA appreciates the opportunity afforded to participate in the working group process and to make a submission on the draft document.

The Department of Local Government, Sport and Cultural Industries is seeking feedback on the draft document by 6 December 2019. It is important that Local Governments also make submissions to the Department on this draft document to ensure the sector's views are received.

WALGA is seeking feedback on this draft submission by 25 October 2019. WALGA's submission, which will be updated following sector feedback, will then be included in the December State Council Agenda for consideration at November Zone meetings, before being considered at the 4 December meeting of State Council.

General Comments – Philosophical Approach

WALGA's fundamental guiding principle is that democratically elected Councils are competent, and should be empowered to undertake their role of governing the Local Government's affairs. This is articulated in WALGA's Strategic Plan, which outlines the vision for Local Government as follows:

Local Governments will be built on good governance, autonomy, local leadership, democracy, community engagement and diversity.

WALGA's perspective is that Councils should be empowered to do the job they've been entrusted by the community in democratic elections to do. This includes responsibility for employment of a Chief Executive Officer. Further, WALGA believes that the correct approach is to build the capacity of Councils to undertake this function through the provision of professional services, advice and support, and training.

This is not to downplay the challenges associated with employing and managing a Chief Executive Officer. It is fully acknowledged that this one of Council's most challenging tasks.

Given Council has only one employee – the Chief Executive Officer – it is crucial that the Council makes an informed decision when employing a CEO, and has the processes in place to effectively manage the performance of the CEO. As Councillors are often community representatives, who may not be experienced or qualified in contemporary human resource management practices, employment, management and performance appraisal of the CEO may be one of the Council's most significant challenges.

The *Local Government Act 1995* requires that performance criteria for the purpose of reviewing the CEO's performance are established. Similarly, development of these performance criteria are crucial for the Council to get right.

For these reasons, WALGA offers an Elected Member training course on CEO Performance Appraisals, and provides Elected Members with significant advice and assistance through the CEO recruitment and performance appraisal cycle.

WALGA also recommends that Councils engage a specialised recruitment consultant to assist Councils manage the recruitment process.

The development of guidelines to assist Councils through the Chief Executive Officer employment cycle is supported in principle. However, WALGA believes the approach should be based on capacity building, guidance and support, and help where necessary; not based on the development of rules that create a compliance regime which may create uncertainty, unnecessary administration and risk for Local Governments and Chief Executive Officers.

Specific Feedback

WALGA has concerns relating to some specific aspects of the draft document. These concerns are outlined below.

Re-advertising the Position after 10 Years

It is unclear why there is a need for the position of Chief Executive Officer to be advertised after 10 years as a matter of course.

If the Council and the Chief Executive Officer are satisfied with the employment relationship, then forcing the position to be advertised will be disruptive, time-consuming, expensive, and counter-productive for the Local Government. Further, it will create uncertainty for the CEO who may be forced to look for alternative employment 'just in case'.

In addition, if the performance management process is undertaken correctly and thoroughly, there should not be any need for the position to be advertised after a timeframe specified in regulations.

Lastly, as Chief Executive Officers are on fixed term contracts, Councils already have the opportunity to consider whether to renew the incumbent's contract.

WALGA's view is that this requirement should be removed from the guidelines, and not included in regulations.

Selection Panel – Independent Person

It is unclear why an independent person should be included on the selection panel that makes recommendations to Council about the employment of a Chief Executive Officer.

Employment of the Chief Executive Officer is a fundamental role of Council. Including others on the selection panel risks creating uncertainty and ambiguity about the employment relationship.

The requirement to have an independent person on the selection panel is also impractical and may cause processes and decisions to become protracted. There is no guarantee that the independent person will have knowledge or experience in recruitment, Local Government processes, or Local Government Act requirements. This requirement could also add an unnecessary and unreasonable cost to the recruitment process, particularly for Councils in remote locations.

WALGA fully supports and encourages Councils to utilise a qualified recruitment consultant to guide Councils through the process of recruiting a CEO, but this person would not be a decision-making member of the selection panel.

Creating Diversity Section

WALGA contends that this section should be renamed “Sound Decision Making”, as this is what this section is primarily about.

It is acknowledged that unconscious biases can be a factor in decision making and building awareness of these biases in the guidelines is supported.

Independent Review of Termination Report

WALGA acknowledges that decisions and rationale relating to termination need to be documented. The principle that Councils should seek advice from an employee relations or legal advisor when terminating the CEO is acknowledged and supported.

It is not clear that requiring independent review of a termination report adds value. Rather, it will add unnecessary administrative time and risk into the decision making process.

Feedback on Consultation Questions

WALGA provides the following feedback in response to the consultation survey questions.

Recruitment and Selection

Question 12 – How frequently should a council be required to re-advertise the CEO position?

Council, as the employer, should determine when the position of CEO is advertised.

Question 13 – To what extent do you support that Local Governments should be required to undertake ‘blind CV recruitment’?

It is acknowledged that ‘blind CV recruitment’ could be a useful tool in some circumstances, but it should not be a requirement. In addition, in the Western Australian Local Government sector, blind CV recruitment would be almost practically impossible because the applicant’s previous employment experience would mean that they would be identifiable. That is, if an applicant listed “CEO at the Shire of _____”, their identity could be determined with a very quick internet search.

Questions 14-17 – Independent Selection Panel Members

The requirement to have an independent member on the selection panel is not supported.

Performance Review

Question 18 – How frequently should a Council review the performance of the CEO?

There is no rationale for why the current annual requirement is unsatisfactory. Clearly, a Council may have reasons to formally review the CEO's performance more frequently than the minimum annual requirement, and as such, the Council should have the discretion to do so.

Questions 19-21 – Independent Person on Performance Review Panel

It is unclear how an independent person on a performance review panel would add any value to the process, given an independent person may have limited knowledge about the CEO's recent performance.

In fact, having a person not involved in the employment relationship involved in the performance review process seems to be contrary to a fair and proper performance review process.

WALGA fully supports Councils utilising an experienced and qualified consultant to facilitate the performance review process, but not to contribute to the substance of the performance review.

Termination

Questions 22 and 23 – Termination Notice Periods

It is noted that notice periods must comply with the National Employment Standards. There needs to be compliance with employment law at a minimum and, as the role of CEO is a senior position, a greater notice period (in the order of three months) is appropriate.

Monitoring and Enforcement

Questions 24-30 – Monitoring and Enforcement

As outlined in the general comments section above, WALGA's preferred approach is one based on capacity building, advice and support, and training.

A compliance based approach undermines the intent of having guidelines to assist Local Governments in their decision making processes, and may lead to risks and unintended consequences.

The consultation questions seem to imply that costs that result from consequences stemming from breaching the standards would be borne by the Local Government: for example, if the

process needed to be redone or there was a dispute. Establishment of a compliance and enforcement framework of this nature seems to be unnecessarily putting public money at risk.

WALGA acknowledges that the CEO recruitment process needs to be undertaken properly, and legally, and it is for these reasons that WALGA is advocating for a capacity building approach, with Councils encouraged to engage professional services and advice to ensure the process is undertaken properly.

Question 25 – To what extent do you support the statement: If a Local Government Commissioner were to be established, local governments should be required to pay a levy to fund its establishment and operation?

This appears to be a new idea without any supporting information as to the powers, duties and role of a Local Government Commissioner, and is therefore not something that WALGA can support at this stage.

The idea that Local Governments should be levied to fund an apparatus of the State Government is not supported. This would represent a significant cost shift from the State Government to the Local Government sector, for what appears to be a core regulatory role of the Department of Local Government, Sport and Cultural Industries.

Guidelines

Questions 31-33 – Utility of the guidelines

In general, there is useful information in the guidelines that will be of assistance to Councils embarking on a CEO recruitment process. As argued in this submission, WALGA's perspective is that the approach should be based on capacity building, support, advice, and training, and not based on a compliance driven approach.



Department of
Local Government, Sport
and Cultural Industries



*Local Government
Act 1995 Review*
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LOCAL GOVERNMENT ACT REVIEW ►► DELIVERING FOR THE COMMUNITY

Standards and Guidelines For Local Government CEO Recruitment and Selection, Performance Review and Termination

Draft for Consultation

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Preface

As part of the McGowan Government's commitment to transforming local government in WA, the *Local Government Legislation Amendment Act 2019* includes a requirement for model standards covering the recruitment and selection, performance review and early termination of local government Chief Executive Officers (CEOs). These reforms are intended to ensure best practice and greater consistency in these processes among local governments.

This document outlines proposed mandatory minimum standards, shown in boxes. These standards will inform the drafting of regulations.

The accompanying guidelines outline the recommended practice for local governments in undertaking these processes. The guidelines will assist local governments in meeting the proposed standards and will not form part of the legislative framework.

The standards and guidelines have been developed by the Department of Local Government, Sport and Cultural Industries (Department) in consultation with representatives from the Public Sector Commission, the Ombudsman, the Western Australian Local Government Association (WALGA) and Local Government Professionals WA (LGPro). The Department gratefully acknowledges the participation and contribution of these representatives.

The Department notes that the content of these does not necessarily reflect the views or policies of the organisations or individuals that have been consulted.

Feedback is sought on the proposed standards and guidelines. A survey is available at www.dlgsc.wa.gov.au/lgareview or you can provide your feedback to actreview@dlgsc.wa.gov.au by 8 November 2019.

Part 1 – Recruitment and Selection

One of the fundamental roles of the council is the employment of the local government's CEO. The CEO is responsible for implementing the council's strategic vision and leading the local government administration.

Principles

A local government must select a CEO in accordance with the principles of merit, equity and transparency. A local government must not exercise nepotism, bias or patronage in exercising its powers. Additionally, a local government must not unlawfully discriminate against applicants. Section 5.40 of the *Local Government Act 1995* (Act) lists a number of general principles of employment that apply to local governments.

Recruitment and Selection Standard

The minimum standard for recruitment and selection will be met if:

- S1.1** The council has identified and agreed to the qualifications and selection criteria necessary to effectively undertake the role and duties of the CEO within that particular local government context.
- S1.2** The council has approved, by absolute majority, the Job Description Form which clearly outlines the qualifications, selection criteria and responsibilities of the position, and which is made available to all applicants.
- S1.3** The local government has established a selection panel to conduct the recruitment and selection process. The panel must include at least one independent person who is not a current elected member or staff member of the local government.
- S1.4** The local government attracts applicants through a transparent, open and competitive process (this is not necessary for vacancies of less than one year).
- S1.5** The local government has assessed the knowledge, experience, qualifications and skills of all applicants against the selection criteria.
- S1.6** The local government has thoroughly verified the recommended applicant's work history, qualifications, referees and claims made in his or her job application.
- S1.7** The appointment is merit-based, with the successful applicant assessed as clearly demonstrating how his or her knowledge, skills and experience meet the selection criteria.

Recruitment and Selection Standard cont.

- S1.8** The appointment is made impartially and free from nepotism, bias or unlawful discrimination.
- S1.9** The council has endorsed by absolute majority the final appointment.
- S1.10** The council has approved the employment contract by absolute majority.
- S1.11** The local government must re-advertise the CEO position after each instance where a person has occupied the CEO position for ten (10) consecutive years.

Guidelines

Recruitment and selection process

Regulation 18C of the *Local Government (Administration) Regulations 1996* (Administration Regulations) requires a local government to approve a process to be used for the selection and appointment of a CEO for the local government before the position of CEO of the local government is advertised.

The council of the local government should act collectively throughout the recruitment and selection process. To uphold the integrity of the process, the council must resist any attempt to influence the outcome through canvassing or lobbying.

The local government should carefully consider the role of the CEO. This includes the CEO's legislated powers and functions and their role as the head of the administrative arm of the local government. In determining the selection criteria for the position of CEO, it will be important for a local government to consider the needs of the district and the specific skills and experience that will be required of the CEO in that particular local government. The competencies the council looks for in its CEO should reflect the council's strategic community plan.

Once the essential skills and experience which form the selection criteria for the position have been identified, the local government must set out the selection criteria (essential and desirable) and the responsibilities of the position in a Job Description Form (JDF). If emphasis is placed on certain selection criteria, this should be highlighted in the JDF so that applicants are aware of this. For example, some level of project management experience will usually be an important criterion, but if the local government is undertaking a major development such as a new recreation centre, added emphasis may need to be given to this criterion.

The JDF must be approved by an absolute majority of the council.

Advertising

The local government should ensure that applicants are clearly informed about the application process, such as the application requirements, the closing date for applications and how applications are to be submitted. It is essential that this process is transparent and that each step in the process is documented and the records kept in a manner consistent with the *State Records Act 2000 (WA)*.

In order to attract the best possible pool of applicants for the CEO position, it is recommended that local governments use a diverse range of advertising methods, mediums and platforms (in addition to the advertising requirement under section 5.36(4) of the Act). For example:

- advertising on the local government's website;
- posting on online jobs boards (e.g. SEEK);
- sharing the advertisement via professional networks; and
- undertaking an executive search (also known as headhunting).

A local government must publicly advertise the CEO position if one person has remained in the job for 10 consecutive years. This does not prevent the incumbent individual from being employed as CEO for another term, provided they are selected following a transparent selection and recruitment process.

Selection panel and independent person

Local governments are to appoint a selection panel to conduct and facilitate the recruitment and selection process. The selection panel should be made up of elected members (the number to be determined by the council) and must include at least one independent person. The independent person cannot be a current elected member or staff member of the local government. Examples of who the independent person could be include:

- former elected members or staff members of the local government;
- former or current elected members (such as a Mayor or Shire President) or staff members of *another* local government;
- a prominent or highly regarded member of the community; or
- a person with experience in the recruitment and selection of CEOs and senior executives.

The independent person would be on the committee on an unpaid basis (except for reasonable travel and accommodation costs which should be covered by the local government) to provide objectivity to the selection and recruitment process.

The independent person and elected members on the panel are responsible for assessing applicants and making a recommendation to council regarding the most suitable applicant.

Independent human resources consultant

A local government should seek independent advice from a human resources consultant where the council lacks the capacity or expertise to facilitate the recruitment

and selection process (or any aspect of it). A member of the human resources team within a local government should not be involved in the recruitment of a new CEO because if the CEO is employed, he or she would be their employer.

The consultant should not be associated with the local government or any of its council members and can be an independent human resources professional, recruitment consultant, or recruitment agency.

An independent human resources consultant can provide advice to the selection panel on how to conduct the recruitment process or a local government may engage a consultant to support it in undertaking certain aspects of the recruitment process, such as one or more of the following:

- development or review of the JDF;
- development of selection criteria;
- sourcing and development of assessment methods in relation to the selection criteria;
- drafting of the advertisement;
- executive search;
- preliminary assessment of the applications;
- final shortlisting;
- drafting of the questions for interview;
- coordinating interviews;
- writing the selection report;
- arranging for an integrity check and/or police clearance; and
- assisting the council in preparing the employment contract.

The consultant is not to be directly involved in determining which applicant should be recommended for the position.

It is recommended that rigorous checks be conducted on any independent consultants before they are engaged to ensure they have the necessary skills and experience to effectively assist the council. Local government recruitment experience may be beneficial but is not necessary.

The independent human resources consultant must be able to validate their experience in senior executive recruitment and appointments. It is important to note that if the local government uses a consultant or agency to assist in finding applicants, that consultant or agency will require an employment agent licence under the *Employment Agents Act 1976* (WA).

A good independent human resources consultant will bring expertise, an objective perspective and additional human resources to what is a complex and time-consuming process. Given the time and effort involved in finding a competent CEO, and the cost of recruiting an unsuitable CEO, there can be a good business case for spending money on an independent consultant.

There is no requirement for local governments to engage an independent human resources consultant to assist with the recruitment of a CEO. If a decision is made to outsource the recruitment process, it is imperative that the council maintains a high

level of involvement in the process and enters into a formal agreement (contract) with the consultant. In order to manage the contract efficiently, and ensure an effective outcome, regular contact with the consultant is required during the recruitment process. As with any contractor engagement, the local government must ensure their procurement and tender processes comply with the Act and the procurement policy of the local government.

Council's responsibilities

A human resources consultant cannot undertake the tasks for which the council is solely responsible. An independent consultant cannot and should not be asked to:

- Conduct interviews with short-listed applicants: This should be done by the council (this may involve the establishment of a committee consisting of only council members under section 5.8 of the Act). A council may decide that a human resources consultant undertakes the initial shortlisting of candidates, for example, conducting initial interviews and compiling a short-list of applicants for the council to review. Following shortlisting, a consultant can participate by sitting in on the interviews, providing advice on the recruitment and selection process and writing up the recommendations. The consultant may also arrange the written referee reports of applicants.
- Make the decision about who to recruit: Only the council can make this decision, drawing upon advice from the selection panel.
- Negotiate the terms and conditions of employment: The council should conduct the final negotiations (noting that the consultant should be able to provide advice on remuneration constraints and other terms and conditions).

Creating Diversity

In order to ensure all applicants are given an equal opportunity for success, selection methods need to be consistent and objective. In a structured interview, each applicant should have the opportunity to answer the same primary questions with follow-up questions used to illicit further detail or clarification. Behavioural-based interview questions are objective and gauge the applicants' hard and soft skills, reducing biases in assessment (see examples below).

Basing a selection decision on the results of a number of selection methods can help to reduce procedural shortcomings and ensure the best applicant is chosen. Psychometric, ability and aptitude testing are considered to be valid, reliable and objective. While applicants with extensive experience and reputable education may appear to be more qualified, an objective assessment of each person's ability and personal traits can provide a clearer picture of the applicant.

Where possible, it is recommended that local governments ensure diversity on the selection panel. This may be achieved by ensuring gender, ethnic, age and experiential diversity on the panel. Diversity is also a consideration when selecting an independent person for the selection panel, particularly where there is a lack of diversity on the council. A diverse selection panel will aid in making quality decisions regarding suitable applicants.

Individuals are often unaware of biases they may have. For this reason, it is helpful for the selection panel to undertake training about unconscious biases. Awareness of unconscious biases assists individuals in preventing those biases from interfering in their decision making. For example, if there are considerable discrepancies in the assessment scores between two panel members, discussion will be required to ensure bias has not influenced these scores. Allowing team members to acknowledge and recognise prejudices is essential to managing those biases. The following biases should be addressed:

- “Similar-to-me” effect - if interviewers share the same characteristics with the applicants or view those characteristics positively, they are more likely to score them highly;
- “Halo” effect – interviewers may let one quality (such as race, gender, looks, accent, experience, etc.) positively or negatively affect the assessment of the applicant’s other characteristics.

Due Diligence

It is essential that the local government ensures that the necessary due diligence is undertaken to verify an applicant’s qualifications, experience and demonstrated performance. This includes:

- verifying an applicant’s qualifications such as university degrees and training courses;
- verifying the applicant’s claims (in relation to the applicant’s character, details of work experience, skills and performance) by contacting the applicant’s referees. Referee reports should be in writing in the form of a written report or recorded and verified by the referee;
- requesting that an applicant obtains a national police clearance as part of the application process; and
- ensuring no conflicts of interests arise by looking to outside interests such as board membership and secondary employment.

A council may wish to contact a person who is not listed as an applicant’s referee, such as a previous employer. This may be useful in obtaining further information regarding an applicant’s character and work experience, and verifying related claims. The applicant should be advised of this and be able to provide written comments to the council.

A search of a media material and whether an applicant has an online presence may also assist in identifying potential issues. For example, an applicant may have expressed views which are in conflict with the local government’s values. This should be made clear in the application information.

To ensure the integrity of the recruitment process, a council must act collectively when performing due diligence.

Selection

Once the application period closes, the council, selection panel or consultant assesses each application and identifies a shortlist of applicants to be interviewed.

In shortlisting applicants for the interview phase, the selection panel should consider the transferable skills of applicants and how these would be of value in the role of CEO. The selection panel should not overlook applicants who do not have experience working in the local government sector.

It is important that the assessment process is consistent for all applicants. For example, each applicant being asked the same interview questions which are related to the selection criteria and being provided with the same information and completing the same assessments.

Elected members should declare any previous association with an applicant or any potential conflict of interest at the time of shortlisting if they are part of the selection panel. Similarly, if the interviews involve the full council, the elected member should make an appropriate declaration before the interviews commence. If the potential conflict of interest is significant or a member's relationship with an applicant may result in claims of nepotism, patronage or bias, the council may need to consider whether to exclude the elected member from the process. The decision should be documented and recorded for future reference.

Selecting an applicant should be based on merit; that is, choosing an applicant that is best suited to the requirements of the position and the needs of the local government. This involves the consideration and assessment of applicants' skills, knowledge, qualifications and experience against the selection criteria required for the role. As part of the selection process, a council may consider it appropriate for each of the preferred candidates to do a presentation to council.

The appointment decision by the council should be based on the assessment of all measures used, including:

- assessment technique(s) used (e.g. interview performance);
- quality of application;
- referee reports;
- verification and sighting of formal qualifications and other claims provided by the applicant; and
- other vetting assessments used (e.g. police checks, integrity checks, etc.).

Employment contract

In preparing the CEO's employment contract, the council must ensure the contract includes the necessary provisions required under section 5.39 of the Act and associated regulations, that it meets the requirements set out in relevant employment law and that it is legally binding and valid.

Section 5.39 of the Act provides that a CEO's employment contract must not be for a term exceeding five years. The term of a contract for an acting or temporary position cannot exceed one year.

Further, the employment contract is of no effect unless it contains:

- the expiry date of the contract;
- the performance review criteria; and
- as prescribed under regulation 18B of the Administration Regulations, the maximum amount of money (or a method of calculating such an amount) to which the CEO is to be entitled if the contract is terminated before the expiry date, which amount is not to exceed whichever is the lesser of:
 - the value of one year's remuneration under the contract; or
 - the value of the remuneration that the CEO would have been entitled to had the contract not been terminated.

It is recommended that the council seeks independent legal advice to ensure that the contract is lawful and able to be enforced. In particular, advice should be sought if there is any (even slight) doubt as to the meaning of the provisions of the contract.

Councils should be aware that CEO remuneration is determined by the Salaries and Allowances Tribunal and the remuneration package may not fall outside the band applicable to the particular local government.

The CEO's employment contract should clearly outline grounds for termination and the termination process (refer to the termination guidelines in this document for information on the process of termination). The notice periods outlined in the employment contract should be consistent with Australian employment law.

The council of the local government must approve, by absolute majority, the employment contract and the person they appoint as CEO.

Appointment

Following the decision of council to approve an offer to appoint, with the contract negotiations finalised and the preferred applicant accepting the offer of appointment, council is required to make the formal and final appointment of the CEO. The council is required to endorse the appointment and approve the CEO's employment contract by absolute majority. The employment contract must be signed by both parties.

The council should notify both the successful individual and the remaining unsuccessful applicants as soon as possible before publicly announcing the CEO appointment.

The successful applicant should not commence duties with the local government as CEO until the employment contract has been signed.

The unsuccessful applicants (including those not interviewed) should be notified of the outcome of their application. It is recommended that the local government creates a template letter for unsuccessful applicants that can be easily personalised with the applicants' details and sent out quickly.

The council should keep a record of their assessment of the unsuccessful applicant(s) and provide the unsuccessful applicant(s) with the opportunity to receive feedback on their application, or interview performance if they were granted an interview. Should

an unsuccessful applicant request feedback, it is recommended that a member of the selection panel provides this. If a recruitment consultant is used, they may undertake this task.

Confidentiality

The local government should ensure that all information produced or obtained during the recruitment and selection process is kept confidential. This includes applicants and their personal details, assessment, the selection report and outcome of the process. This ensures privacy requirements are met and maintains the integrity of the process.

CEO induction

Local governments should ensure that they provide the CEO with all of the necessary information on the local government's processes, policies, procedures and systems at the commencement of the CEO's employment.

New CEOs are eligible to participate in the Local Government CEO Support Program which is a joint initiative of the Department and LGPro to provide mentoring and general support to those appointed to the position of CEO in a local government for the first time. The program runs for six to nine months from the time a CEO is appointed and involves the CEO being matched with a mentor that best meets the needs of the CEO.

The program provides the CEO with an opportunity (through meetings and on-going regular communications) to discuss a wide range of issues with their appointed mentor in the strictest confidence. The program is aimed at addressing the individual needs of the CEO. Examples of issues that may be covered include the following:

- Role of the CEO
- Governance
- Strategic and long-term planning
- Legislative framework
- Relationships and dealing with council members
- Risk management
- Resource management
- Managing the business of Council
- Family considerations

Part 2 – Performance Review

Principles

The standards regarding CEO performance review are based on the principles of fairness, integrity and impartiality.

Performance Review Standard

The minimum standard for performance review will be met if:

- S2.1** Key result areas are specific, relevant, measurable, achievable and time-based.
- S2.2** The key result areas and the performance process are recorded in a written document, negotiated with and agreed upon by the CEO and council.
- S2.3** The CEO is informed about how their performance will be managed and the results of their performance assessment.
- S2.4** The collection of evidence regarding key result areas is thorough and comprehensive.
- S2.5** Assessment is made free from bias and based on the CEO's achievement against key result areas and decisions and actions are impartial, transparent and capable of review.
- S2.6** The council has endorsed the performance review assessment by absolute majority.

Guidelines

Section 5.38 of the Act provides that, for a CEO who is employed for a term of more than one year, the performance of a CEO is to be reviewed formally at least once in every year of their employment.

In addition to this minimum requirement, it is recommended that the council engages in regular discussions with the CEO regarding their performance about key result areas, progress and ways that the CEO can be supported. Any changes to the CEO's performance agreement such as changes to key result areas should also be discussed, and agreed to, between the council and the CEO, as the matter arises.

Employment contract and performance agreement

Section 5.39, of the Act requires the employment contract to specify the performance criteria for the purpose of reviewing the CEO's performance. This will include ongoing permanent performance criteria. A local government may wish to have a separate additional document called a "performance agreement" which includes the

performance review criteria in the employment contract, additional criteria (e.g. the performance indicators in relation to specific projects) and how the criteria will be assessed. The performance agreement should be negotiated and agreed upon by the CEO and the council. The performance agreement may also set out the CEO's professional development goals and outline a plan to achieve these goals.

Key result areas, performance indicators and goals

Setting the performance criteria is an important step. As one of the CEO's key responsibilities is to oversee the implementation of council's strategic direction, it is important to align the CEO's performance criteria to the goals contained in the council's Strategic Community Plan and Corporate Business Plan. Accordingly, as these plans are updated, the CEO's performance criteria should be updated to reflect the changes.

In leading the administrative arm of a local government, the CEO is responsible for undertaking core tasks, the achievement of which will contribute to the effectiveness of the council. These tasks are called key result areas. Key result areas should be set for each critical aspect of the CEO's role. It is important that each key result area is measurable and clearly defined. These could be in relation to:

- service delivery targets from the council's Strategic Community Plan;
- budget compliance;
- organisational capability;
- operational and project management;
- financial performance and asset management;
- timeliness and accuracy of information and advice to councillors;
- implementation of council resolutions;
- management of organisational risks;
- leadership (including conduct and behaviour) and human resource management; and
- stakeholder management and satisfaction.

Key result areas should focus on the priorities of the council and, if appropriate, could be assigned priority weighting in percentages. The council and CEO should set goals as to the target outcome for future achievement in the key result areas. Goals should be specific, measurable, achievable, relevant and time-based.

Following the determination of the key result areas and goals, the council will need to determine how to measure the outcomes in each key result area. Key performance indicators measure the achievement of the key result areas. It is important to relate performance indicators to the selection criteria used in selecting the CEO. For example, if the CEO has been selected due to their financial experience and ability to improve the local government's finances, indicators regarding improved revenue and reduced expenses are obvious starting points.

Considering the context within which the local government is operating is important. For example, if a significant financial event occurs, such a downturn in the economy, financial performance indicators will likely need to be adjusted. It is important that

such contextual factors are given weight and that goals are flexible to allow regular adjustment. Adjustments may be initiated by either the CEO or the council.

Councils need to be realistic in terms of their expectations of a CEO's performance and provide appropriate resources and support to facilitate the achievement of performance criteria.

Performance review panel

It is recommended that the council delegates the CEO performance review to a panel (e.g. comprising certain council members and an independent observer). The panel has a duty to gather as much evidence as possible upon which to base their assessments. The role of the review panel includes developing the performance agreement in the first instance, conducting the performance review and reporting on the findings and recommendations of the review to council.

Independent consultant

If a council lacks the resources and expertise to meet the expected standard of performance review, the council should engage an external facilitator to assist with the process of performance appraisal and the development of the performance agreement. The local government should ensure that the consultant has experience in performance management and, if possible, experience in local government or dealing with the performance management of senior executives. The consultant should not have any interest in, or relationship with, the council or the CEO.

With guidance from the performance review panel, a consultant can facilitate the following tasks:

- setting performance goals;
- setting key result areas;
- preparing the performance agreement;
- collecting performance evidence;
- writing the performance appraisal report;
- facilitating meetings between the performance review panel;
- assisting with the provision of feedback to the CEO;
- formulating plans to support improvement (if necessary); and
- providing an objective view regarding any performance management-related matters between the concerned parties.

Assessing performance

The process of assessing performance should be agreed to by both parties and documented in the employment contract or performance agreement.

It is essential that CEO performance is measured in an objective manner against the performance criteria alone. It is important that reviews are impartial and not skewed by personal relationships between the review panel and the CEO. Close personal relationships between the panel members and the CEO can be just as problematic as extremely poor relationships.

The council should consider any evidence of CEO performance from two perspectives, namely, current CEO performance and future performance if the CEO's current behaviours continue. Evidence of CEO performance may come from an array of sources, many of which the CEO themselves can and should provide to the council as part of regular reporting. These sources include:

- achievement of key business outcomes;
- interactions with the council and progress that has been made towards implementing the council's strategic vision;
- audit and risk committee reports;
- workforce metrics (e.g. the average time to fill vacancies, retention rate, information about why people leave the organisation and staff absence rate);
- incident reports (e.g. results of occupational health and safety assessments, the number and nature of occupational health and safety incident reports, and the number and nature of staff grievances);
- organisational survey results;
- relationships (e.g. with relevant organisations, stakeholder groups, professional networks and the relevant unions); and
- insights from key stakeholders (this could be done by way of a survey to obtain stakeholder input).

It is important that, in addition to looking at the achievement of KPIs, the council considers the following:

- How the CEO has achieved the outcomes. In particular, whether or not their methods are acceptable and sustainable.
- The extent to which current performance is contingent upon current circumstances. Has the CEO demonstrated skills and behaviours to address and manage changes in circumstances which have affected his or her performance?
- What the CEO has done to ensure the wellbeing of staff and to maintain trust in the local government.

The council should consider the attention the CEO has given to ensuring equal employment opportunity, occupational health and safety, privacy, managing potential conflicts of interest, and complying with procurement process requirements.

Addressing performance issues

Once the CEO's performance has been assessed, it is essential that any areas requiring attention or improvement are identified, discussed with the CEO and a plan is agreed and put in place to address these. The plan should outline the actions to be taken, who is responsible for the actions and an agreed timeframe.

The performance review panel must decide on an appropriate course of action that will address the performance issue. This may include professional development courses, training, counselling, mediation, mentoring or developing new work routines to ensure specific areas are not neglected. The performance review panel should then arrange for regular discussion and ongoing feedback on the identified performance issues, ensuring improvements are being made.

It is important to keep in mind that a local government falling short of its goals is not always attributable to the CEO. External factors may have resulted in initial performance expectations becoming unrealistic. Failure to meet key result areas does not necessarily mean the CEO has performed poorly and, for this reason, performance and outcome should be considered separately. Where ongoing issues have been identified, the council will need to take a constructive approach and seek to develop the CEO's competency in that area (for example, through an agreed improvement plan).

Confidentiality

The council should ensure that accurate and comprehensive records of the performance management process are created. Any information produced should be kept confidential.

Part 3 – Termination

Principles

The standards for the termination of a local government CEO (other than for reasons such as voluntary resignation or retirement) are based on the principles of fairness and clarity. Procedural fairness is a principle of common law regarding the proper and fair procedure that should apply when a decision is made that may adversely impact upon a person's rights or interests.

Termination Standard

The minimum standard for the early termination of a CEO's contract will be met if:

- S3.1** Decisions are based on the assessment of the local government's requirements (such as the documented key result areas) and the CEO's performance is measured against these.
- S3.2** Performance issues have been identified and the CEO informed. The council has given the CEO a reasonable opportunity to improve and implement a plan to remedy the performance issues, but the CEO has not subsequently remedied these issues.
- S3.3** Procedural fairness and the principles of natural justice are applied. The CEO is informed of their rights, entitlements and responsibilities in the termination process. This includes the CEO being provided with notice of any allegations against them, given a reasonable opportunity to respond to those allegations or decision affecting them, and their response is genuinely considered.
- S3.4** Decisions are impartial, transparent and capable of review.
- S3.5** The council of the local government has endorsed the termination by absolute majority.
- S3.6** The required notice of termination (which outlines the reason for termination) is provided in writing.

Guidelines

Reason for termination

The early termination of a CEO's employment may end due to:

- poor performance;
- misconduct; or
- non-performance or repudiation of contract terms.

There is a difference between poor performance and serious misconduct. Poor performance is defined as an employee not meeting the required performance criteria or demonstrating unacceptable conduct and behaviour at work. It includes:

- not carrying out their work to the required standard or not doing their job at all;
- not following workplace policies, rules or procedures;
- unacceptable conduct and behaviour at work, e.g. speaking to people in a disrespectful manner, not attending required work meetings and telling inappropriate jokes;
- disruptive or negative behaviour at work, e.g. constantly speaking negatively about the organisation;
- not meeting the performance criteria set in the employment contract and/or performance agreement unless these are outside the CEO's control;
- not complying with an agreed plan to address performance issues (a plan for improvement);
- failing to comply with the provisions of the *Local Government Act 1995* and other relevant legislation;
- failing to follow council endorsed policies.

Serious misconduct can include when an employee:

- causes serious and imminent risk to the health and safety of another person or to the reputation or revenue of the local government; or
- behaving unlawfully or corruptly; or
- deliberately behaves in a way that's inconsistent with continuing their employment.

Examples of serious misconduct can include:

- matters arising under section 4(a), (b) and (c) of the *Corruption, Crime and Misconduct Act 2003*;
- theft;
- fraud;
- assault;
- falsification of records;
- being under the influence of drugs or alcohol at work; or
- refusing to carry out appropriate and lawful resolutions of council.

Misconduct is also defined in section 4 of the *Corruption, Crime and Misconduct Act 2003* (WA). Under this Act, misconduct can be either serious or minor and the obligation to notify the Public Sector Commission or the Corruption and Crime Commission is paramount.

Termination on the basis of misconduct is covered by employment law. A local government should take all reasonable steps to consider misconduct allegations including ensuring procedural fairness is applied. It should also seek independent legal, employment or industrial relations advice prior to a termination. A council should seek independent advice generally during the termination process including the relevant employment legislation affecting CEO employment and the application of that legislation in the circumstances. This will ensure that a council complies with employment law during the entire termination process.

To meet the termination standard, the local government is required to endorse the decision to terminate the CEO's employment by way of an absolute majority resolution.

Opportunity to improve and mediation

If a CEO is deemed to have been performing poorly, the council must be transparent and inform the CEO of this. It is important that the CEO is given an opportunity to remedy the issues within a reasonable timeframe as agreed between the CEO and the council. The council should clearly outline the areas in need of improvement, and with the CEO's input, determine a plan to help the CEO improve. If a plan for improvement is put in place and the CEO's performance remains poor, then termination may be necessary.

Where the concerns or issues relate to problematic working relationships or dysfunctional behaviour, it is recommended that a council engages an independent accredited mediator to conduct a mediation between the parties. A mediation session may be useful in assisting parties to understand and address issues before the situation escalates to a breakdown in the working relationship (which affects the ability of the CEO to effectively perform his or her duties) and the subsequent termination of the CEO's employment.

Independent review of termination report

The council should prepare a termination report which outlines the reasons for termination, the opportunities and assistance provided to the CEO to remedy the issues, and an explanation of the CEO's failure to remedy the issues. It is recommended that the council arranges for the termination report to be reviewed by an independent person (e.g. a person with legal expertise, local government experience or a human resources consultant) to ensure the council has complied with procedural fairness, and provided adequate opportunities and support to the CEO to assist him or her in remedying the issues which form the basis of the termination. In the interests of fairness, the review should take place promptly and before the termination of the CEO's employment.

Confidentiality

Local governments should ensure that the termination process is kept confidential. The CEO is to be informed of the grounds for termination and avenues for review of the decision. Notice of termination of employment is required to be given in writing. In addition, where possible, the news of termination of employment should be delivered in person. The CEO should be provided with a letter outlining the reasons for, and date of, the termination of the employment.

Before making any public announcements on the termination of the CEO, a council should ensure that the entire termination process is complete, including that the CEO has been informed in person of the termination.

Disclaimer

It is outside the scope of these guidelines to provide legal advice, and local governments should seek their own legal advice where necessary. Guidance as to legal requirements and compliance in relation to the termination of employment is provided by the Fair Work Commission at www.fwc.gov.au, the Fair Work

Ombudsman at www.fairwork.gov.au and the Western Australian Industrial Relations Commission at www.wairc.wa.gov.au.

Part 4 – Monitoring and enforcement

To ensure that councils are complying with the standards and to address any alleged non-compliance, a process will need to be established to monitor and enforce the standards.

Feedback is sought on potential models and processes for monitoring and enforcement.

One potential model is for the establishment of an independent Local Government Commissioner. This position would provide a quality assurance role over CEO recruitment and selection, performance review and terminations by ensuring that the minimum standards were met.

In relation to performance review, either the CEO or council could approach the Local Government Commissioner who would have the power to order that a third party be involved in the performance management process if the Commissioner deemed it necessary.

CEO standards consultation survey

As part of the McGowan Government's commitment to transforming local government in WA, the *Local Government Legislation Amendment Act 2019* introduces model standards covering the recruitment and selection, performance review and early termination of local government Chief Executive Officers (CEOs). These reforms are intended to ensure best practice and greater consistency in these processes among local governments.

It is intended that the standards will be mandatory and inform the drafting of regulations. These will be accompanied by guidelines outlining the recommended practice for local governments undertaking these processes.

This survey is intended to provide the Government with feedback regarding the proposed content of the standards and the guidelines.

Thank you for taking the time to complete this survey.

1. Who are you completing this survey on behalf of?
 - a. Yourself
 - b. An organisation, including a local government, peak body, community organisation or a business
2. What is the name of that organisation?
3. What is your name?
4. What best describes your relationship to local government?
 - a. Resident or ratepayer
 - b. Staff member
 - c. Council member (includes Mayor or President)
 - d. Survey responses are provided on behalf of a local government (council endorsed)
 - e. Peak body
 - f. State Government agency
 - g. Community body
 - h. Other (please specify)
5. What best describes your gender?
 - a. Male
 - b. Female
 - c. Other
 - d. Not applicable/the survey responses are provided on behalf of an organisation
6. What is your age?
 - a. Under 18
 - b. 18-24
 - c. 25-34
 - d. 35-44
 - e. 45-54

- f. 55-64
 - g. 65+
 - h. Not applicable/the survey responses are provided on behalf of an organisation
7. Which local government do you interact with most?
 8. Do you wish for your response to this survey to be confidential?
 - a. Yes
 - b. No
 9. What is your email address?
 10. Have you previously completed a survey or provided a submission regarding the review of the *Local Government Act 1995*?
 - a. Yes
 - b. No
 - c. Unsure
 11. If no, what were your reasons for not previously providing your views to inform the Local Government Act review?
 - a. I was not aware of the Local Government Act review
 - b. I was not interested in providing my views
 - c. I did not have time to provide my views
 - d. Other (please specify)

Recruitment and selection

12. How frequently should a council be required to re-advertise the CEO position?
 - a. At the conclusion of the term of the CEO's contract
 - b. Where a person has occupied the CEO position for two (2) consecutive terms
 - c. Where a person has occupied the CEO position for ten (10) consecutive years
 - d. When council determines
 - e. Unsure
 - f. Other (please specify)

13. To what extent do you support the following statement?

“A local government should be required to undertake ‘blind CV recruitment’ (i.e. redacting personal details and any diversity specific information from curriculum vitae) to avoid bias in the early stages of the recruitment process.”

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

It is proposed that a council will be required to appoint a selection panel made up of council members to conduct and facilitate the CEO recruitment and selection process.

The selection panel would be responsible for assessing applicants and making a recommendation to council regarding the most suitable applicant.

14. To what extent do you support the following statement?

“The selection panel must include at least one person who is independent of the council to assist the council in selecting the CEO”

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

15. If a council is required to have an independent person on the selection panel to assist them in selecting a CEO, who should the independent person be? (please choose one or more of the following options)

<input type="checkbox"/>	A recruitment/human resources consultant
<input type="checkbox"/>	A community member
<input type="checkbox"/>	A person with experience in local government
<input type="checkbox"/>	A person with experience in appointing senior executives
<input type="checkbox"/>	Unsure
<input type="checkbox"/>	Other (please specify)

16. To what extent do you support the following statement?

“If a council is required to have an independent person on the selection panel to assist them in selecting a CEO, the independent person must not be a current council member or staff member of any local government”

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

17. Should there be any other restrictions on who the independent person on a selection panel should be?

- a. Yes
- b. No
- c. If yes, please specify

Performance review

The *Local Government Act 1995* currently requires a council to review the performance of the CEO annually.

18. How frequently should a council review the performance of the CEO?

- a. Annually
- b. Twice annually

- c. Quarterly
- d. Every two years
- e. When council determines a performance review is required

19. To what extent do you support the following statement?

“A local government should be required to establish a performance review panel, which must include at least one person who is independent of the council, to assist the council in assessing the performance of a CEO”

Very unresponsive	Unresponsive	Neutral	Responsive	Very responsive

20. If a council is required to have an independent person assist them in assessing the performance of a CEO as part of a performance review panel, who should the independent person be? (please choose one or more of the following options)

<input type="checkbox"/>	A recruitment/human resources consultant
<input type="checkbox"/>	A community member
<input type="checkbox"/>	A person with experience in local government
<input type="checkbox"/>	A person with experience in appointing senior executives
<input type="checkbox"/>	Unsure
<input type="checkbox"/>	Other (please specify)

21. Should there be any restrictions on who the independent person should be?

- a. Yes
- b. No
- c. If yes, please specify

Termination

22. To what extent do you support the following statement:

“The legislation should provide a minimum notice period that the council provides to the CEO if the council terminates the CEO’s employment before the expiry date of the employment contract”

Very unresponsive	Unresponsive	Neutral	Responsive	Very responsive

23. If the legislation required council to provide the CEO with a minimum notice period of the early termination of the CEO’s employment, what should the minimum notice period be?

- a. Two (2) weeks
- b. Four (4) weeks
- c. Other (please specify)

Monitoring and enforcement

To ensure that councils are complying with the standards and to address any alleged non-compliance, a process will need to be established to monitor and enforce the standards.

Feedback is sought on potential models and processes for monitoring and enforcement.

24. Who should be responsible for monitoring and enforcing the CEO standards?

- a. Public Sector Commission or other integrity agency
- b. Department of Local Government, Sport and Cultural Industries
- c. Independent office of Local Government Commissioner
- d. Joint Panel consisting of nominees from the WA Local Government Association (WALGA) and the Local Government Professionals WA (LGPro WA)
- e. Local Government Standards Panel (expanded role)
- f. Other (please specify)

25. To what extent do you support the following statement?

“If a Local Government Commissioner were to be established, local governments should be required to pay a levy to fund its establishment and operation”

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

26. What powers should the body responsible for monitoring and enforcing the standards have? (please choose one or more of the following options)

<input type="checkbox"/>	To order a local government to restart a process (recruitment, selection, performance review or termination) or remedy a defect
<input type="checkbox"/>	To order that a third party be involved in the performance review process
<input type="checkbox"/>	To order that a local government engages in mediation or arbitration to resolve a dispute (this could be disputes between council members or between council members and the CEO)
<input type="checkbox"/>	To arbitrate or make a ruling on a matter
<input type="checkbox"/>	To prepare a report on contract termination (for potential referral for industrial relations action)
<input type="checkbox"/>	To provide a report to the Minister for Local Government or the Director General of the Department of Local Government, Sport and Cultural Industries for consideration in relation to powers to suspend, dismiss or order remedial action whether in regards to the entire council or individual council members

<input type="checkbox"/>	To order that a local government seeks professional advice or assistance from an independent person
<input type="checkbox"/>	Unsure
<input type="checkbox"/>	Other (please specify)

27. To what extent do you support the following statement?

“If the body responsible for monitoring and enforcing the CEO standards directed a local government to undertake mediation or arbitration to resolve a dispute, the costs of the dispute resolution should be borne by the local government.”

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

28. To what extent do you support the following statement?

“If a council has not complied with the standard for a particular process, they should be required to recommence the process”

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

29. To what extent do you support the following statement?

“Local governments should be subject to penalties if they do not comply with the CEO standards”

Very unsupportive	Unsupportive	Neutral	Supportive	Very supportive

30. Do you have any additional comments in relation to the CEO standards?

Guidelines accompanying the CEO standards

The mandatory CEO standards will be accompanied by guidelines outlining the recommended practice for local governments undertaking the processes of recruitment and selection, performance review and early termination of CEOs.

31. How useful are the proposed guidelines?


Extremely useful	Very useful	Moderately useful	Slightly useful	Not at all useful

Please specify why:

32. Do you have any suggestions regarding any changes that need to be made to the proposed guidelines or is there anything else you think should be included in the guidelines? (please specify)
33. Do you have any additional comments in relation to the guidelines?

10.1.10 WEROC ASSET MANAGEMENT PROJECT - ACCINGO

Responsible Officer:	Jamie Criddle, CEO	
Author:	Jamie Criddle, CEO	
File Reference:	A2.4.1	
Disclosure of Interest:	Nil	
Attachments:	Nil	
Signature:	Officer	CEO



Purpose of the Report



Executive Decision



Legislative Requirement

To inform and submit to Council the outcomes of the Asset Management Project undertaken by WEROC.

Financial Implications

Background

In March 2018 WEROC began discussions with representatives from Accingo, an Asset Management Consultancy, to consider the potential value to WEROC members in developing an asset utilisation process to improve both use of the asset and associated financial performance. The assets identified in the process were Council's major road plant and equipment.

Following the above discussions WEROC engaged Accingo to prepare a report based on asset utilisation as the first stage of a potential three stage process.

Comment

Accingo representatives undertook an asset audit of each member Council's major road plant and equipment. The audit identified the condition of the plant and its hourly usage to determine whether each item of plant was being utilised to its maximum capacity. The ultimate determination was to ascertain whether there was the capacity for Member Council's to share plant and equipment if maximum usage was not being achieved and how this could be realised.

Accingo has now delivered its final Report and Recommendations to WEROC for consideration, which is provided as an attachment for Council consideration. At the WEROC Executive meeting held on Wednesday, 25 September 2019 the following was resolved:-

Moved Greg Powell Seconded Jamie Criddle

That the:

- 1. WEROC Executive be requested to table Accingo's report and recommendations on the review of mobile assets and plant across each Member Council for discussions at either their October or November round of Council meetings; and***
- 2. Executive Officer be provided with comments from these discussions to enable a report to be prepared for the WEROC Executive meeting to be held Wednesday, 27 November 2019.***

The Report clearly shows that that the Shire of Westonia is utilising the bulk of its major heavy plant at the benchmark utilisation rate of 40% as the target range set by Accingo. The 40% target referred to all of the "available" hours a machine can operate which would provide a significant enough financial benefit to justify implementation of amended practices, with available hours set at 200 hours per month which is standard practice

as the minimum level of availability. **It is noted that some plant items did not meet the 40% target however, their retention is justified for their specific work load.**

In reviewing the Report and associated Recommendations, staff see value in supporting recommendations 1 through to 4 but recommendations 5 and 6 would have significant financial implications to WEROC member Councils if they were implemented.

The Shires of Westonia and Yilgarn have worked cooperatively in the past and have loaned plant and equipment when available. Unfortunately the Shires utilise their major equipment at the same time e.g., winter grading, and therefore it is not an option to share equipment. To operate a sharing model over the 5 Member Councils, and in consideration of the distances involved, centralising assets is not achievable.



Statutory Environment

Nil



Policy Implications

Nil



Strategic Implications

Nil



Financial Implications

Potential for significant costs if Recommendations 5 and 6 of the Accingo Report were implemented.



Voting Requirements



Simple Majority



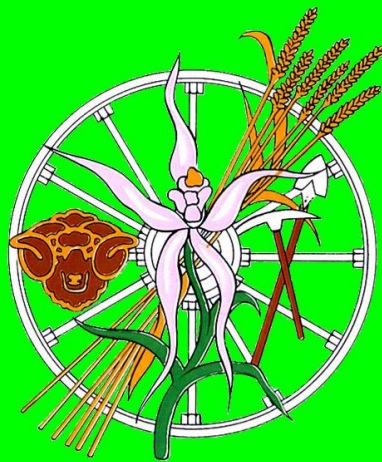
Absolute Majority

OFFICER RECOMMENDATIONS

That Council advises WEROC's Executive Officer that in respect to the Accingo Asset Management Report and associated recommendations, Council supports the implementation of recommendations 1 to 4 but does not see value in recommendations 5 and 6 due to the significant cost implications for all WEROC Member Councils if they were implemented.

Attachments 10.1.10

Shire of Westonia



**WEROC ASSET MANAGEMENT
PROJECT - ACCINGO**



Accingo Consulting

Date: 01 Sept 2019

We-Roc Executives

We thank you for the opportunity to work with We-Roc.

Accingo have undertaken a review of mobile assets and plant within scope across the 5 shires with the view to better understand the life cycle of asset management and associated processes within these Local Government Associations. Our combined expectation is to provide We-Roc executives and councilors with an independent view into what is essentially one of the largest spend and maintenance areas for each council. An independent review of mobile assets will provide a basis in which CEO's, Finance teams and works managers can make more informed decisions based on data and recommendations.

Our process for the asset review is built from industry standards however we have undertaken the work with the understanding of requirements within a regional local government environment. With consideration of this variance, and an increased understanding of council requirements through this process, we look to demonstrate areas in which We-Roc can improve financial disciplines through improved asset management practices and approaches to increased return from assets employed.

Sincerely,

Blake Read and Neil Marsh

243 Hay St, West Perth. WA 6008

0439 591 631

blake@blakjewel.com.au



Accingo Consulting

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3. Utilisation
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1. OVERVIEW

Accingo, through discussions with regional WA local governments over the course of the last decade have identified there is potential value in undertaking an in depth, independent view of assets, from purchase to sale and how learnings and efficiencies adopted in industry can be applied to We-Roc for their financial benefit.

Through valued discussions over the course of this time we do have a genuine understanding of the differences between private industry and local governments taking into account the individual nature of operations, rate payers and the towns requirements. We do however believe this work will provide positive action items for We-Roc executives to review and implement to improve current practices, ultimately for the financial benefit of the region.

Under scope and in this report we provide the following;

- Physical asset review
- Utilisation data / Purchasing / Selling
- Reporting and analysis of assets
- Additional revenue / cost reduction potential

Further to this report we look to continue to explore areas in which we can extract maximum value for We-Roc as we navigate what can be a complex area in managing assets to perform the most efficient method of completing required works within the region.

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2. ASSET AUDIT

Prior to evaluating asset performance and actions for review, it is vital that we undertake a full audit of assets under scope. The basis in which we undertook the audit were based on asset register reports or where not available, the operational asset list as provided by the works managers. The assets identified were those under scope which included all mobile assets with a value >\$2,000. As part of the audit we undertook the following;

- a) Physical inspection reconciling to most current asset register
- b) Hours of each machine
- c) Photos of all equipment which were logged into our asset portal

Outcome:

The ability for cost savings to be achieved through improved asset management is reliant firstly on the verification of the asset register to physical assets. This was performed to ensure accuracy of asset registers used for asset control and financial reconciliation to balance sheet. Secondly, review of each asset register was performed to form the basis of the cost efficiency calculations as well as accuracy and timing of data capture. Reporting accuracy and timeliness of information gathering and input is vital in ensuring assets are controlled and financials are accurately recorded. Furthermore, asset management and its large capital nature lends itself to inherent risks financially and therefore tight processes and policies should be maintained and followed with training in these processes to be undertaken.

Accingo have photographed and entered details of all assets under scope into a secure selected asset management portal for future reference.

FINDINGS

Overall, there was an intimate working knowledge of assets across the 5 shires. Works managers and administration staff were extremely knowledgeable about location, details and requirements of mobile assets in the field. For assets that were perhaps aged or no longer in high usage, the yards were well laid out with assets being adequately stored and recorded.

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Asset lists were found to be mostly accurate however some issues were identified and should be reviewed and/or rectified, those being;

- Timing of data entry for sales and purchase – Sales and purchases of assets is critical for a number of reasons being recognition of a financial transaction, reconciliation of accounts to registers, reconciliation of owned/working assets to registers. Issues can arise whether by fraudulent activity or otherwise where control is difficult to administer. Examples of note;

- Asset purchase where asset register had not been updated for first 6 months of ownership. This may have been due to a few factors of oversight or lack of resources however should be covered off in asset maintenance policies and procedures

Result:

- Item not officially included to Balance Sheet therefore understating asset values
- Depreciation of asset not taking place so book value will not be in line with potential sale value. Profit and loss impact in the month adjustment is made

- Asset sale not recorded in a timely manner. Asset remained on register even though sold.

Result:

- Item not officially removed from Balance Sheet therefore overstating asset value.
- Not recognising Profit or loss on sale of asset

- Process of recording financial information such as up to date values and depreciable amounts were either not in place or not followed or audited.

Result:

Total assets were revalued but not recorded any depreciation from the date of revaluation some 18 months down the track. Of further concern was that the financials had been audited and signed off as being true and correct. Total depreciation amount to the Profit and Loss was somewhere in the vicinity of \$200k+. This means asset value was overstated by this amount and profit and loss accounts were under expensed so profit overstated also by the \$200k+.

Adjustment would be required which would realise the full impact in the month of correction.

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Other notes:

Reporting quality, format and detail was quite varied across all 5 shires with little consistency around detail of ;

- Asset description / Model type
- Identification code / Plant No
- Depreciation rates
- Revaluation vs original cost information
- Hours report

This isn't necessarily a problem in each individual shire as long as it is understood by those entering, using or reporting on the information however standardization of reporting practices would assist cross migration of employees or functions. The standout that should be reviewed however is depreciation rates which should have gazetted rates that are consistent across the 5 shires.

3. UTILIZATION

As part of the review, we set out to measure the degree to which each item of equipment was being utilized. Utilisation is reflected as a % and is measured as;

$$\text{UTILISATION \%} = \frac{\text{No of actual hours used}}{\text{Total No of hours available to be used}}$$





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Whilst we understand holding assets in a shire does not just come down to dollars and cents, it is also about meeting ongoing & critical works and those works being satisfactorily performed. There should be an element of understanding of utilisation and what can be done to improve the financials of holding assets within a shire over their life cycle.

Equipment utilization is a universal measurement for efficiency which drives overall unit costings. It should also assist in making up part of the buy, sell, hire decision making process. This measure, when reported and used in management decisions will assist in driving the most efficient outcome financially, balancing ideal requirements of the shires ratepayers. As an additional by-product of such a measure it can also play a part in managing staff whom operate the equipment and perform the works programs.

Equipment used to perform works such as in regional government have 4 main costs;

- Depreciation
- Financing cost / opportunity costs of where funds could better be spent
- Maintenance
- Operators (when looking at mobile equipment)

An underutilised asset represents an opportunity to attract savings in these costs noted above. In isolation, an increase in utilisation may not seem worth the effort of amending current process or standards of management however when viewed across a fleet of assets, even small increments of utilisation can have material effects on costs and opportunity costs of these amendments to practices.

‘Appendix A’ graphically reflect the utilization across shires and asset types. We have looked here at the equipment that would have material enough effect to make consideration of any changes in process worthwhile.

In this review we have provided a benchmark utilization of 40% to be the target range. This means that of all ‘available’ hours a machine can operate, we believe a nominated achievable target of 40% would provide a significant enough financial benefit to justify implementation of amended practices. Available hours has been set at 200 hours per month which is standard practice as the minimum level of availability.

To provide some background to this target utilization rate, in a private company with similar equipment, a target of circa 65-70% is the target of effective equipment management. As noted, we understand that Local Government are not a private company and equipment is used to perform public services for ratepayers and members of the community. We also note that critical works that are seasonal or sometimes an urgent matter that requires readily available equipment and resources and these nuances must be considered when balancing up efficiencies versus minimum requirements

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When looking at potential cost reductions through utilization increases we generally look at 2 ways in which this can occur. Either an increase in productivity through increased output of works programs with the same equipment, or a reduction in equipment resulting from sharing assets where it remains too inefficient to carry the same level of plant and equipment.

As part of our financial review we have attempted to highlight potential cost savings in dollar terms for incremental increases of utilisation. The calculation performed here is to look at total cost of ownership being depreciation, funding (or opportunity cost of alternative purchases) divided by the total hours in use. We then look at the costings at the nominated 40% rate. In normal situations we would also take into account maintenance however we feel this may complicate the initial review and calculations so should be looked at separately. Furthermore, at the 40% costing rate, the hourly / daily holding rate in most cases is very close to an external hire rate. This hire rate should also be used as an alternative costing method when weighing up hire vs buy decisions or to make a blend of both as part of the overall asset mix to perform works.

Findings:

As per graphical representation in Appendix A, the results reflect a significant disparity between councils in terms of utilization rates and between different plant types. To understand where initial focus can be applied, we have dissected the results both by product across We-Roc as a whole and by each Shire. We know that different classifications of equipment are used for different purposes and some are in more demand than others, i.e. road grading. We also know that the size of the shire and the expected capital and maintenance works differs due to road and infrastructure network, critical works and maintenance works as requested by the ratepayers of the regions.

Therefore these numbers are only part of the story and are not meant to portray any shire or type of equipment as being a poorer performer than another, but a set of data to reflect how things could be looked at differently to be of financial benefit.

Important Note: Some hours have been materially affected due to process / timing issues in registering or deregistering assets onto the register. For example, where an asset is bought and perhaps used for some time before it makes its way onto the asset register, its key measurement of hours performed over available hours can be materially impacted. As noted in a further section, the process of asset management requires considerable focus in some regions for improved reporting and basis for decision making.

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To summarise the results in Appendix A we observe the following

Understandably, Graders are the highest utilized assets across the shires at an average of **34.1%**. This is impacted by some older assets that are essentially used for backups or winter grading only. When normalized, the grader fleet averages **43%** which is above the target range suggested.

We do believe there is still room for review as this is the largest capital expense with 17 assets at \$3.8M across the 5 shires within the shown graphs. 4 assets were below 17% although the WDV of these assets was not high so a call would be made based on maintenance and holding costs.

The lowest utilization is across the 5 Graders in Bruce Rock at an average of 18%. In looking at the cost savings of increased utilization, a deeper understanding of maintenance costs would be required. Bruce Rock have an aged fleet in this area which means the holding costs are reduced however as noted we have not included maintenance costs which generally increase as fleet ages. Our discussions locally had identified that utilization of Graders may at times be reduced due to operator availability however this hasn't been confirmed.

The report received from Bruce Rock differed to the type of report provided by the other 4 therefore there may be a data reporting issue which may have impacted our calculations so further investigation is warranted. (Refer back to standardization of reporting requirement)

Wheel Loaders when amalgamated came in at **20.0%** utilization from a much lower asset book value on average with the 15 Wheel Loaders in total worth \$1.84m.

Consistently each shire had 1 Wheel Loader that was heavily impacting this number and strategically may have been available as a back up. Each of these recorded around **200 hours** for the year which is approximately 1 months work in a normal environment.

Rollers totaled 17 units at an asset value of \$1.39m at a utilization rate of **16.0%**. Yilgarn recorded much higher utilization than the other shires at **42%** on their 3 assets.

Rollers were highlighted as being materially underutilized and we believe a review of the hours should be performed to ensure accurate recordings were received by us for the review. Should these hours be correct then a justification review of these assets should be performed. (Refer recommendation notes)

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Additional revenue / cost reduction

Having underutilized assets represent an opportunity to improve the shires financial position in 3 ways;

- Reduce holding costs by reducing the amount of assets on the Balance Sheet
- Improve revenues by increasing contracted works to external parties.
- Improve revenues by sale of assets

Some shires had performed well in terms of maximizing equipment potential by increasing contracting opportunities and therefore attracting revenue for otherwise idle machines. From a reporting point of view, allocating revenue through the particular machine(s) was a clear and identifiable way to measure this return. Additionally there was evidence of cross hiring of equipment between regions to reduce overall costs of holding the assets. Where these shires adopted such principles, the P&L impact was evident.

There was no uniform level of focus between the shires on such opportunities however the general principal of seeking contract works for underutilized equipment and/or cross hiring equipment between We-Roc shires was accepted and in parts sought after.

When looking at potential cost savings, we worked on a benchmark of 40% utilization. The holding costs at this level were then balanced against market hire rates. The formula used to work out potential cost savings was;

{Asset cost – depreciation and funding costs (nominal 5%) – less – hire rate or rate at 40% utilization = additional expense or saving }

Shire	Average utilization	* Potential saving at 40%
Kellerberrin	15.1%	\$79,014
Bruce Rock	12.0%	\$166,391
Westonia	22.0%	\$69,173
Yilgarn	33.0%	\$9,968
Merredin	32.3%	\$7,869
Total	20.9%	\$332,415

- Saving is based on taking various actions to increase asset utilization to 40% or substitute under utilized assets with hire equipment.



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4. REPORTING and ANALYSIS

To effectively manage assets there must be sufficient and accurate data in which to make decisions. Reporting starts with a system that provides the ability to adequately capture the information required and procedures to be followed to ensure information is timely and accurate.

The reports requested as part of this exercise were;

- Financials / Maintenance costs;
- Hours report; and
- Asset register

These reports were used to extract key data from and determine key criteria in which to focus the audit upon.

Findings

Upon receipt and analysis of these reports it was evident there is no uniform method in system management, and use of such information is also varied depending on the shire.

The timing of inputs and the accuracy of information requires attention as the ability to obtain consistent data in which to conduct the audit was difficult and often assumptions had to be made due to inability of the system to provide accurate information. Some common issues located were;

- Assets purchased yet not entered onto the asset register for some time. In some cases this may have spanned over 2 financial years, where the asset revaluation may have been the common date of some of these adjustments. The impact of this was a material impact to utilization rates over the life of the asset due to incorrect dates in the system.
- Depreciation of assets in the system in some cases was not evident and in some cases the calculations did not seem to reconcile accurately. One system had not reported any depreciation for over 18 months. The result of this is under depreciation expense to the P&L. A one off large expense must be recorded once rectified however an additional issue may be a loss on sale should the asset be sold. This issue was not picked up in the last financial audit as independently signed off on the audited statements. This should be reviewed for completeness.
- Depreciation rates differ materially between shires. Treatment of assets should follow a standardized and agreed set of rates which allows for a consistently applied unit of measurement and ultimately a uniform holding cost

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- Maintenance of equipment was not consistently applied to individual machines. On the most part the asset codes were used and reports reflected such costs however an ability to transparently record ongoing utilization be requested or desired as a unit of measurement
- Hours reports were not uniformly measured or able to be supplied. This is required to be rectified for future performance to be monitored and measured.

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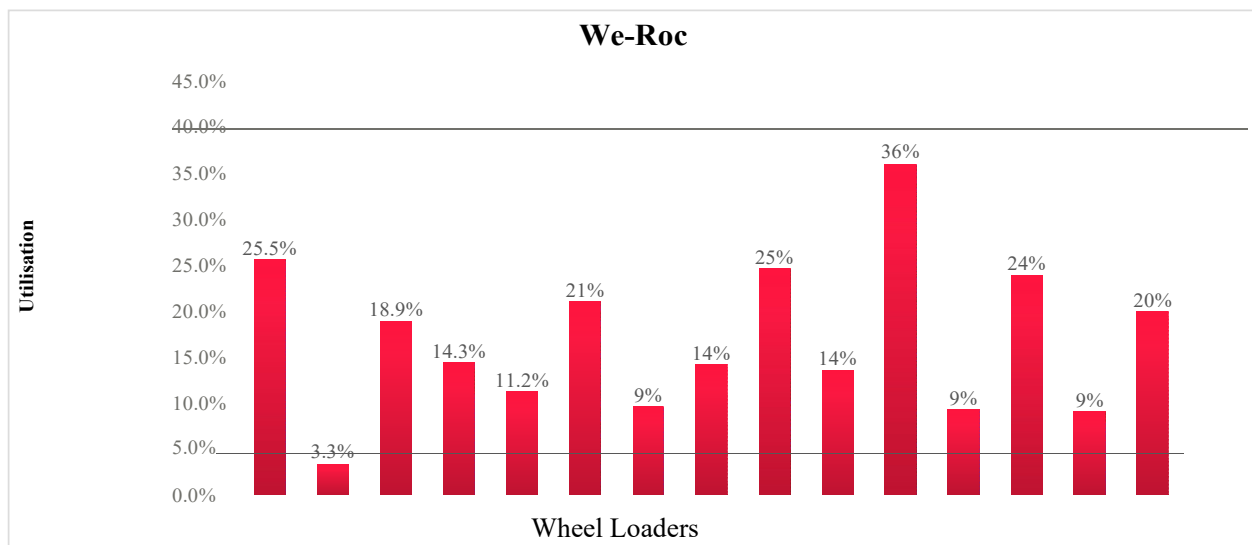
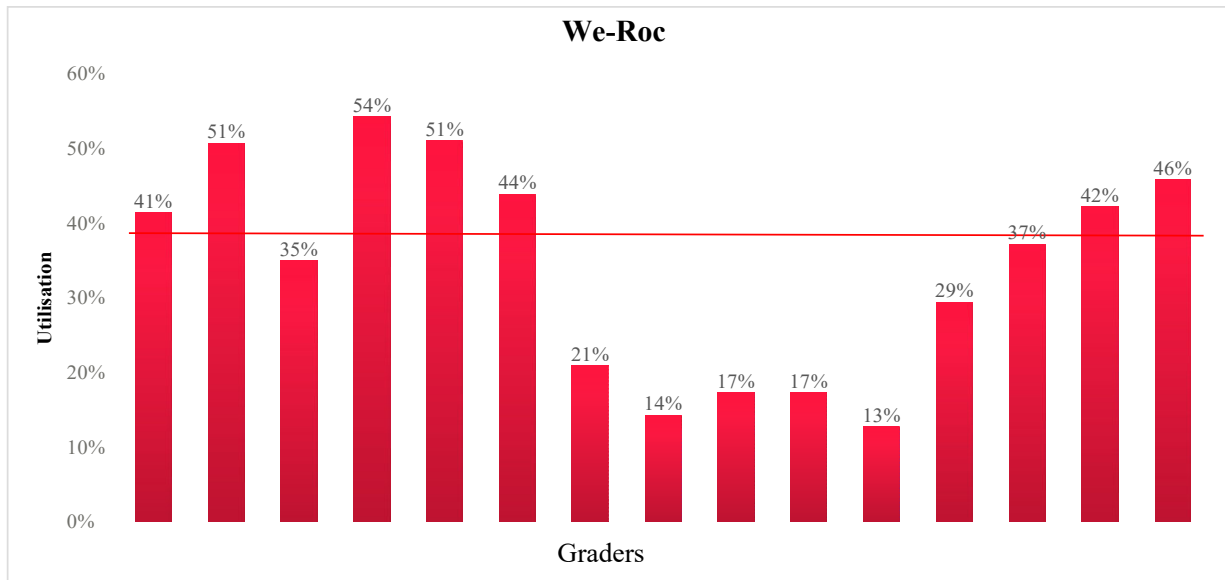
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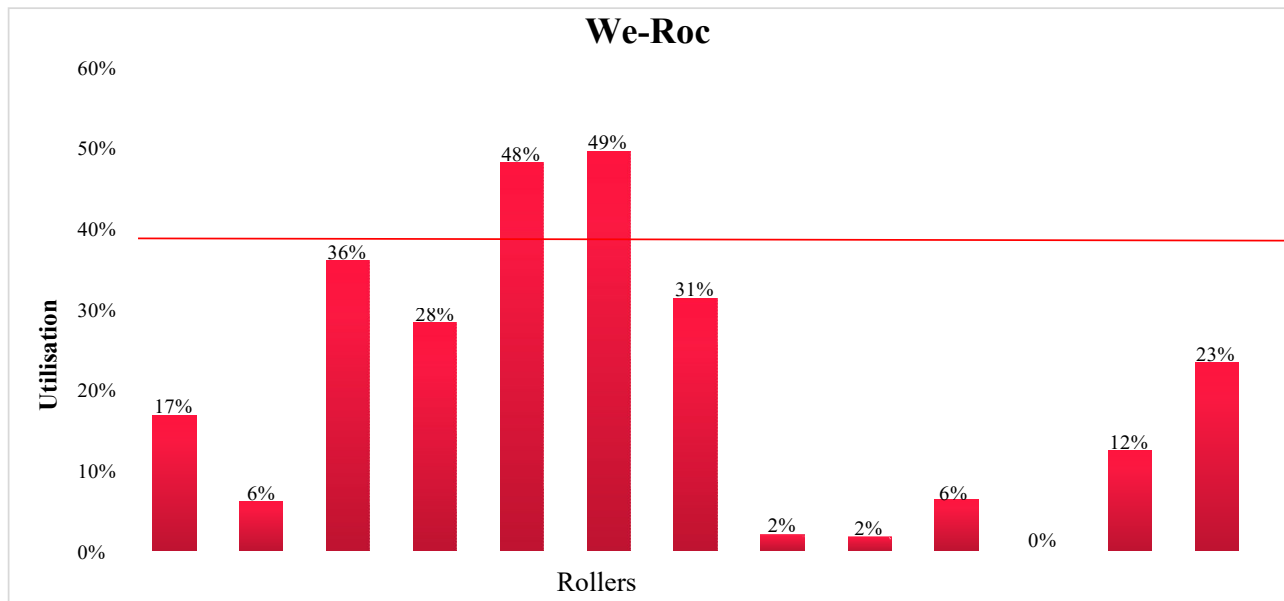
APPENDIX A



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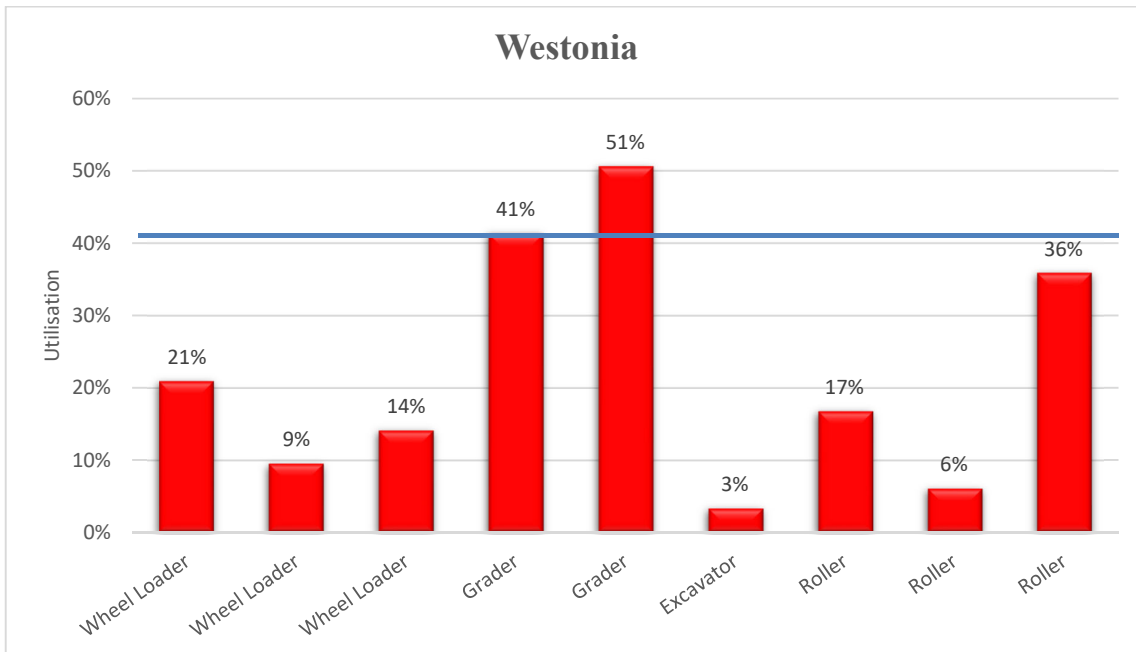
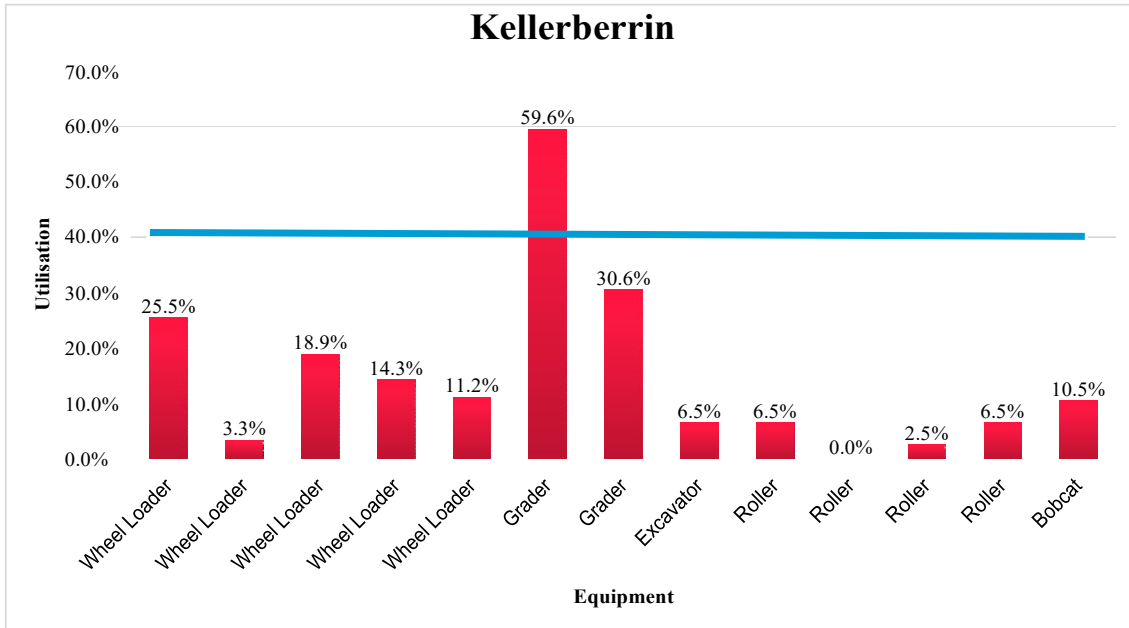
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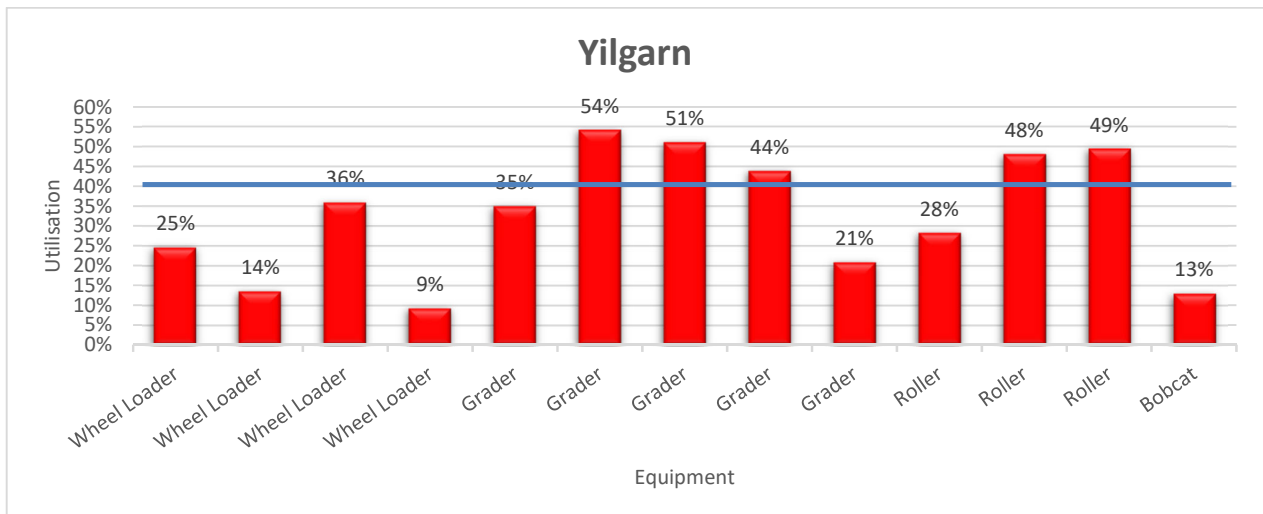
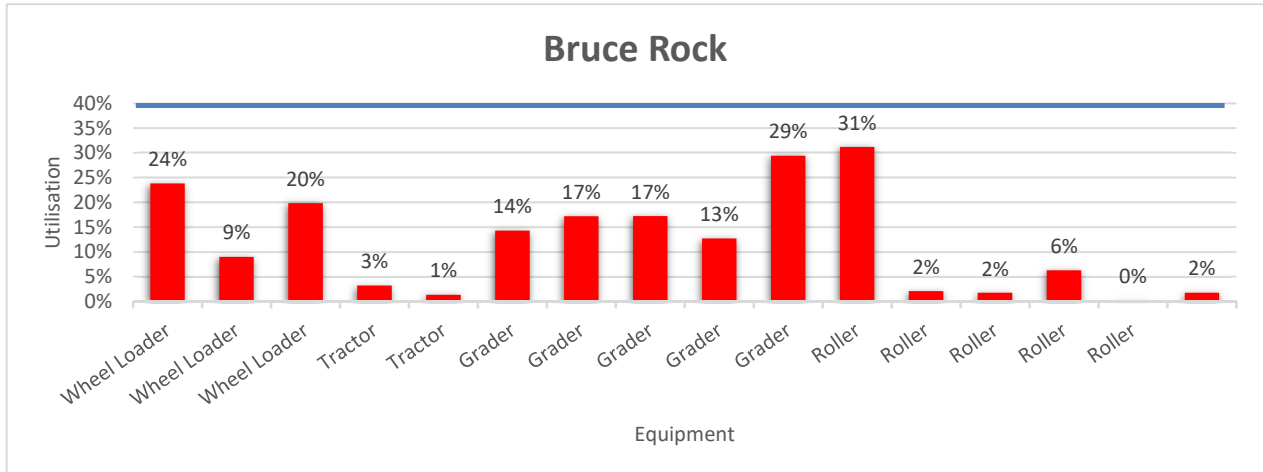


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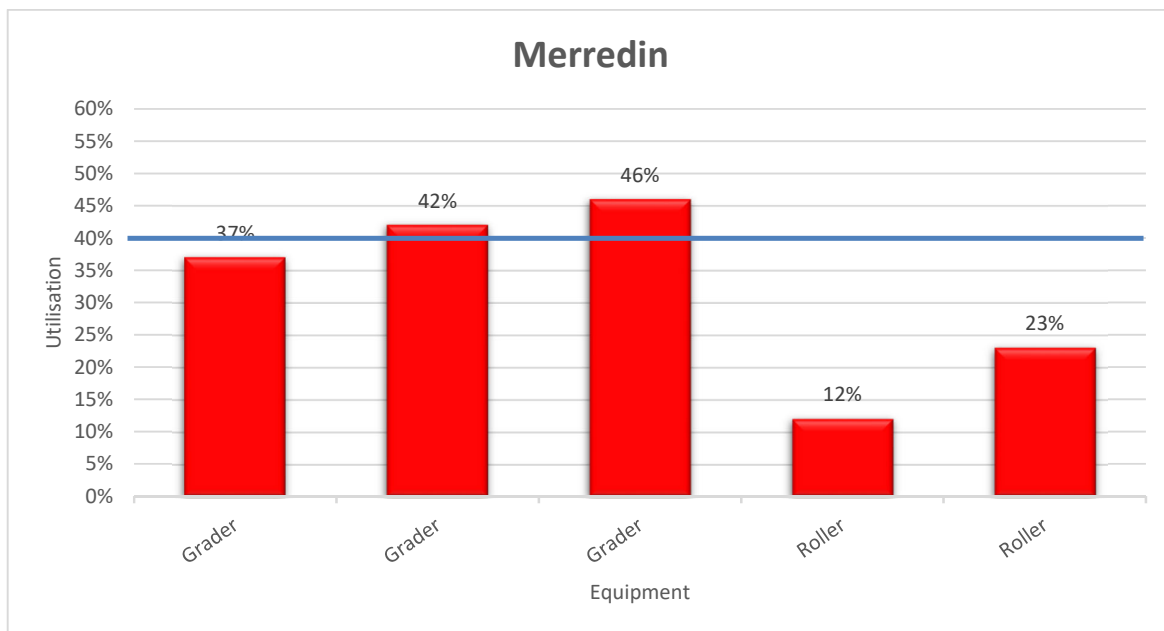
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ACCINGO RECOMMENDATIONS FOR CONSIDERATION BY WE-ROC EXECUTIVES

The findings in this report should be used as a basis to commence the actions that will increase opportunity and justify further review and potential actions as a group. Assumptions made in the lead up discussions with WeRoc executives led to our engagement around asset utilization improvements with a view to improve financial performance, however this required justification through data and analysis prior to any broad assumptions being made.

Upon Completion of our review we are able to provide recommendations for the consideration of the We-Roc executive members. These recommendations are categorized in terms of ease of implementation and / or materiality of potential cost saving. Additionally, these suggestions are to be used for the purpose of acceptance or elimination, and prioritisation by the executives and therefore we include all potential options for such review.

These recommendations are based on prior learnings and experience of asset management 'best practice' principals revised for our understanding of the Local Government activities and requirements and focus on providing a foundation in which to generate cost savings and improved financial position of the We-Roc shires. The following recommendations are based on our analysis of the data received however justifications based on any calculations performed should be verified to ensure no anomalies exist in the data provided.

Accingo have experience in operational roll out of such recommendations and can assist We-Roc in the execution of each chosen course of action.

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RECOMMENDATIONS

1) ASSET IDENTIFICATION STANDARDISATION

DIFFICULTY: LOW. ADMINISTRATION ONLY

TIME TAKEN: MEDIUM. DUE TO VOLUME OF HISTORICAL DATA

Having standardised asset codes and descriptions provides benefits in asset identification, transfer and traceability. Often, assets are known to individual staff due to familiarity however when new staff come on board or assets are transferred, cross hired or sold, non-standardised asset descriptions and lack of any consistency in asset identifiers creates potential risk and administration difficulty.

Currently there is a blend of Alpha numeric and numeric which do not follow any format that is easily recognizable between shires. For example, the Group code in one shire could be PE whilst in another shire it is recorded as the No 3. Asset codes similarly have examples such as 1868 versus in another shire showing P10.

Ideally, anyone internally or externally whether in a finance & administration role, operation or maintenance role should be able to easily recognize & trace an asset by a standardized reference system. As noted, this also assists the transfer of equipment either permanently or temporarily between shires.

Suggestion:

Agree on a standardize format which is backed up by an asset register policy and amend current system fields to provide such standardization.

Ideally an Asset Code would be the first 3 letters of the LGA then equipment type & a numerical number based on chronological order in terms of acquisition. i.e. Kellerberrin Wheel Loader is KWL005.

Furthermore, a standard approach to Asset descriptions should be adopted universally across all 5 registers, such as;

Model, Type, Manufacturer. i.e. 770G Grader Caterpillar

At some point in the future the asset may become the property of the Group rather than the LGA (refer sections further below in this document)



2) PURCHASE AND SALE PROCESS REVIEW

DIFFICULTY: MEDIUM. POLICY FORMULATION, ADMINISTRATION, AUDITABILITY

TIME TAKEN: MEDIUM. CONCEPTION, AGREEMENT & IMPLEMENTATION TIME

This requirement was highlighted by several issues discovered when reconciling asset registers to system reports. Although these discrepancies may have been understood by the administration staff or works managers, there were instances where reporting did not back up the stated position.

Examples to note:

Administrative

Sale of assets. An asset was sold however remained on the asset register at the time of the review. It was noted this had been sold however difficult to find record of sale or provision of an updated report noting asset was removed. Further to this, upon discussion there seemed to be a lack of process or knowledge of a working procedure on selling assets.

This can create many issues and should be rectified as soon as possible where no policy or procedure exists for purchase & sale of assets. Administratively this can skew the financial position of the Shire by over/understating asset value and asset audit discrepancies. Financially this opens a potential risk of unintended or intended financial loss.

Asset purchases. An asset was purchased however was not recorded on to the asset register for nearly 6 months. Although understanding where this asset may have been working and from a maintenance & operational point of view may not be an issue, this raises several issues administratively & financially. Financially the asset register is incorrect and does not reflect the full asset list, asset values nor will it incur depreciation or holding costs during that period. Administratively, certain key metrics like hours reports, Balance sheet reconciliation etc. cannot be updated. When utilization and financial performance is measured, this is performed by date of acquisition, not date of registering on the asset register. This error results in overstating utilization performance and under expensing of depreciation.

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Suggestion

Review of any current “Sale & Purchase of Asset” policy or similar and check for completeness and whether policies are being followed.

If these are not in place then formulation & implementation of such a policy should be agreed upon.

Further to this, with reference to any LGA risk registers, required sign offs should be adhered too.

Finance, admin or asset management staff need to be noted within this policy with sign off occurring for asset register accuracy and completeness to avoid such discrepancies.

Operationally

WEROC should standardize the equipment used within the group. This would allow transfer between LGA’s and maintain productivity of the machine reduce stock holding across the group of spare parts and service needs and improve OEM services to the group. Once a set of criteria for the equipment is settled on it will allow the group to implement training schedules for the operation and maintenance of the equipment. It would also allow the training of casuals to take place maximizing the use of the assets.

3) STANDARDISATION OF DEPRECIATION RATES & USEFUL LIFE

DIFFICULTY: LOW TO MEDIUM ADMINISTRATION & FINANCE

TIME TAKEN: LOW. ACCOUNTING ADJUSTMENT & CAPEX FORECAST

AMENDMENT

Assets commonly have a uniform set of depreciation rates and useful life expectations which govern a couple of important asset management fundamentals. Depreciation rates are simply a book entry that denotes how quickly an asset is depreciated. At what rate, over how long and whether there is a balloon residual. Although there are guiding principals to benchmark against it is ultimately up to the business unit (in this case, the Shire) to determine however it must be understood there are accounting principals that govern management of assets so this should be understood.



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Depreciation rates set an amount in which the asset is written down which should be close to the market value write down of the asset. This rate will impact the profit & loss of the Shire as the depreciation each year is an expense. Should the depreciation not be accurate, 2 things can occur. When the asset is ready to be sold it may be worth much more on the books than the true market value is, and secondly, when a revaluation is performed every 3 years there can be a material hit to the Profit & Loss for write-down of assets.

When looking to see how long an asset is held onto (replaced) is generally guided by the expectation that maintenance costs or downtime will not outweigh the costs of having a new machine. When a machine is constantly in need of repair and cannot be used to its full effectiveness, its useful life is determined. Additionally, thoughts about obtaining optimum value on resale is also a consideration. Much like how councils treat personal motor vehicles, there are parallels to how mobile working assets can be managed. Machines can often be cheaper to own when new and resale funds can be made prior to any major maintenance costs such as engine rebuild or major component servicing costs.

Currently there is little uniformity across shires and in some instances within a shire in terms of depreciation rate guidance and application. Furthermore, monitoring of depreciation is not taking place in some shires as there is often issues arising post revaluation or purchase. Depreciation, and importantly book value is critical in terms of managing Balance Sheet health as Sale or revaluation events can materially impact results.

Suggestion

We suggest a uniform set of depreciation rates be agreed too and implemented via the asset management policy as already discussed. This rate can be set internally or provided by an external source which provides the best basis in which to have good financial management of assets.

Another piece of work can be done around determining useful lives of assets. As already discussed, sweating an asset by maintaining it until it falls over is not always cost effective either. A review of how maintenance costs are captured and reported on and should be done down to machine level. It can be noted that some already do this effectively. At this point not all reports provided accurately reflect maintenance costs down to machine level therefore it is difficult to ascertain the total cost of owning a machine. Referencing point 1 in this report, asset identification and reporting may assist this.

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Review & update of the asset management policy should reflect how maintenance is tracked and standardized depreciation rates to be applied.

4) REVIEW OF UNDERPERFORMING ASSETS

DIFFICULTY: MEDIUM. SALE, TRANSFER OF EQUIPMENT, INCREASE SERVICES
TIME TAKEN: HIGH. STEPPED PROCESS WITH MEASUREMENT OF KEY DELIVERABLES

Firstly, an agreed benchmark, or 'Target' utilisation rate needs to be agreed between the 5 shires. This can be done by product type given there is much disparity between the products but also recognizing the criticality of some assets over others. In saying this, there should be some consistency or method in how this target rate is agreed.

The Target rate should be one which drives the financial benefits expected however also can be managed operationally, which is why we suggest this is performed in a staged approach over a period. Throughout our discussions we have nominated a rate of 40%. This is at the lower base of commercial expectations and is essentially a universal rate that often is close to hire rates. Essentially, below 40% utilization of fleet, it is often a more cost-effective exercise to hire the equipment.

As referenced in the below table, these figures are reflective of a hypothetical rate which is a result of idle capacity at levels under 40%. The costs are derived from holding costs only which are depreciation and funding (or opportunity cost to do other things with the inefficient use of funds in idle equipment). The real benefits to be identified come in the form of 2 major forms, being;

- 1) Reduction of asset numbers, therefore delivering the same services with less equipment
- 2) Increase hours in which equipment is being productively used. This can be further split into 3 areas;
 - a. Increase services within the shire
 - b. Seek external uses for equipment with local contractors, companies &/or main roads therefore receiving a commercial return on surplus availability of gear.

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- c. Increase equipment productivity time by sharing across the We-Roc group of shires (in conjunction with point 1.)

As noted previously, we have not taken into account local requirements and therefore any suggestions must be weighed up alongside these requirements, restrictions in seasonal availability etc. however we do attempt to explore alternative options to combat seasonality.

1) REDUCTION OF ASSET NUMBERS

This scenario looks at an overall reduction of the fixed number of plant each shire owns based on historical usage patterns and an assumption that each shire is open to explore an alternative method of fleet ownership and management to achieve savings in asset ownership costs.

Furthermore, this can be looked at in a 2-step approach. Firstly, what asset reductions are clearly evident and able to be done now with little or no impact to services and secondly, should We-Roc move to a 'sharing' model (shown in Item 4 ' We-Roc Consolidation approach'), a more extensive review of asset reduction can take place.

The overall purpose of reducing asset numbers is to maintain the same output of services with fewer assets, which essentially increases the utilization rate of the assets being held. There are 3 benefits of this approach;

- 1) **Instant cash return on receipt of sales revenue of plant sold**
- 2) **Amended requirement for future asset purchases, and reduced holding costs such as maintenance expenses**
- 3) **Potential to review personnel operating machinery to increase productivity**

Conceptually the process to be undertaken is to identify the underperforming assets, i.e. this under 40% Target rate (1st round target) and analyse why this is so. It could be due to the physical amount of work available for this machine or its condition to conduct the works reliably & without hefty maintenance costs. Potentially, in some cases there could also be a lack of available operators to keep the machines at full potential availability.



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To highlight areas of review, the below reflects a high-level summary as reflected in the tabled graphs in the report previously provided. Here we show Category, Number of machines per category, Asset Register Cost & WDV, Average utilization and No of machines that are under 15% which is a number which denotes a material under capacity to justify ownership.

Summary of position;

CATEGORY	No	Cost	WDV	AVG UTILISATION	No BELOW 15%
Wheel Loaders	15	\$1.8M	\$1.6M	23.0%	8
Grader	17	\$3.8M	\$3.3M	35.0%	2
Roller	17	\$1.4M	\$1.2M	16.3%	10
Excavator	2	\$98K	\$90K	4.9%	2
Tractor	2	\$69K	\$56K	2%	2
Bobcat	3	\$126K	\$102K	8.4%	3
TOTAL	56	\$7.3M	\$6.3M	21%	27
TOTAL	27	\$1.79M	\$1.56M	8.1%	27

(under 15% Utilisation)

The table above is a starting point in understanding the right balance of equipment required and is the catalyst for further review of underperforming assets. A total of 27 assets are well underperforming and should be reviewed and a sale of such equipment should be explored which would allow for a return of funds back into the balance sheet of each council and would be what we call an opportunity cost of ownership, or, what else can be done with those funds to add more value to rate payers.

Although the number above is reflected on the Balance sheet, as noted in point 3, the depreciation rates, revaluations and timeliness of updating the asset register could have a material impact on actual market value of these assets.



Suggestion

A review of underperforming assets should be done to firstly understand why this is taking place. It could be the equipment is unreliable or perhaps the need for its services are seldom and remote. Looking forward as to whether a piece of equipment is required needs to demand justification. Without this, ability to recognize savings will be limited. A revaluation of equipment is performed every 3 years and the timing of this review could co-exist with this process of potential sale proceeds. Alternatively, a relationship with an equipment broking house could work on behalf of We-Roc to source buyers which would provide access to buyer's markets and a more timely cash injection through equipment sales. When discussing potential asset sales, it is important to note that items 5 & 6 further in this report play a part in the shire having confidence in this process not impacting services to roads and ratepayers.

When buying new equipment, it should be done on the view that services can be performed effectively & efficiently. There is no doubt new equipment is often required throughout the shires and in fact it can be argued that more needs to be spent that currently is (should maintenance costs be higher than cost of new ownership). The identified process of this in some shires is based on a set time rather than based on key metrics around utilization, maintenance or holding costs, hire v buy, or from any review of more effective equipment management practices. Again, this should be revisited in conjunction with potential synergies coming from Items 5 & 6 further in this document.

2) INCREASE HOURS IN WHICH THE EQUIPMENT IS BEING PRODUCTIVELY USED

The 3 points raised in this section effectively go to the core of what we are trying to achieve. Improving the effectiveness of asset ownership by improving utilization and reducing ownership costs. The 3 points above were;

- a. Increase services within the shire
- b. Seek external uses for equipment with local contractors, companies &/or main roads therefore receiving a commercial return on surplus availability of gear.
- c. Increase equipment productivity time by sharing across the We-Roc group of shires (in conjunction with point 1.)

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Point a) may be a relatively moot point as I'm sure each council is doing all they can with the resources they have however it is obviously one way to increase utilization. Point b) is a financially effective way of increasing profitability within shires by using surplus downtime of gear. We observed some shires have taken on a more proactive view of this opportunity than others. It is agreed that some shires have more opportunity to provide equipment to commercial businesses or main roads however it is also evident that opportunities exist above what is being done.

Once reporting and ease of asset tracking is complete, it becomes a matter of focus in sourcing opportunities for equipment to be on hired. Targets of utilization can therefore not only be a lag indicator of a resources effectiveness but can also drive behaviors in achieving an improved financial position by sourcing such opportunities. Local councils understand what opportunities are around for this to occur more than we do, we are simply providing an independent view of what can be focused on to provide efficiencies.

Suggestions

Once we understand surplus capacity, we then need to review logistics of having underutilised equipment moving to areas of need, tracking & reporting efficiently & effectively and looking for Sales opportunities (cross hiring / transfer). A target should be set between the shires to drive these behaviors and actions agreed to & monitored.

There are localised opportunities e.g. local contractor or business currently contracts a dry or wet hire piece of machinery and an operator from Perth where this could be facilitated locally. Now whether this opportunity exists (having a surplus water cart or loader) for that shire is debatable however when we look at opportunities, we need to look at this as a We-Roc opportunity as there is access to a wider pool of potential solutions. When thinking about contracted opportunities we need to also look at implementation of points 5 & 6 to follow as part of the solution.

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5) IMPLEMENTATION OF TECHNOLOGY SOLUTIONS

DIFFICULTY: MEDIUM TO HIGH. ASSET TRACKING, REPORTING & FACILITATION OF UTILISATION IMPROVEMENTS

TIME TAKEN: MEDIUM TO HIGH. IMPEMETATION, TRAINING AND INFORMATION UPLOAD

Administration of assets can be time consuming, difficult to maintain accuracy and completeness and we understand this review may be perceived as adding additional burden to the current workload of each shire, at least initially. Implementation of asset management systems can also feel like an expensive and unnecessary step so its important to understand the why, how & what of such a move.

In order to successfully implement some of the recommendations noted in points 4 & 6 we recognise this may take considerable administrative effort to manage and resources may not be available. There are a few off the shelf solutions or a more bespoke solution could be built to suit the requirements of We-Roc to allow this to occur. Accingo have sought such products and have relationships in this area. We also have experience in implementing & training staff to use such products should this be agreed that value would be created for the group.

In essence, this product would allow all assets to be housed on a web and App based solution whereby works managers, finance managers and CEO's can;

- view available assets in the total fleet
- have real time reporting on usage, location and availability, &
- track job costings, maintenance schedules and all financial data at We-Roc level, Shire level, plant type or individual machine level

The benefits of this approach are;

- Reduced reliance on administration
- A true picture of asset availability through the entire We-Roc group
- Provide a platform in which true efficiencies can be worked towards
- Improve buy / sell decisions at a group level

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- Improve sharing opportunities to complete works in a cost-effective manner by increasing overall utilization

Although at this stage, the technology adoption is stand alone and does not work on the assumption of physically ‘pooled’ assets in 1 location, the approach has provided an ability for works managers to plan for scheduled & unscheduled works by selecting equipment for a task or job. They would select from 2 areas;

- Owned fleet
- Fleet owned within the group that has been ‘flagged’ for sharing purposes

A task would then have selected equipment allocated to the task. Equipment would then be allocated to that task and requests for external equipment would be accepted or rejected by the owner(s). Costs associated with ownership or an ‘agreed’ rental rate internally would remain with that equipment & simply be charged to that cost centre.

It may be difficult to identify with such an approach however with the ease of application and due to the logistical & administrative ease of cross hiring equipment, the following can occur;

- Improved utilization of equipment over its life cycle
- Reduced need for surplus gear across the We-Roc fleet (see points 3 & 4 above)
- Potential to also wet hire machines and improve recoverables should there be downtime of an employee operator
- Recovery of maintenance & ownership costs by asset owner for an otherwise underutilised asset
- Permanent or temporary transfer of equipment to other We-Roc shire balance sheets
- Improved buy / sell decisions to ensure the group as a whole has the optimum amount of equipment

A further benefit of adopting such technology is the ability to then progress towards a more ‘group orientated’ approach of combining assets into a physical pool (refer point 6 below)

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6) CENTRALISATION OF ASSET / ASSET MANAGEMENT

DIFFICULTY: MEDIUM TO HIGH. PHYSICAL ASSET CONTROL, MAINTENANCE & LOGISTICS

TIME TAKEN: MEDIUM TO HIGH. STEPPED PROCESS WITH MEASUREMENT OF KEY DELIVERABLES

Asset ownership is in the top 2 expenses of a shire, along with its people.

Inefficiencies are created when focus is not put on the cost base or operational expense of maintaining or operating such assets. The level of reporting and analysis on these costs is evident that this has not been a priority however the fact that a review has been requested provides the underpinning belief that there can be some improvements in effective fiscal management of such a large cost base.

Each shire has its own equipment deemed necessary to perform the works and this approach has resulted in materially underutilized assets as shown in the utilization graphs provided.

In this report we have touched on areas that highlight the need for focus and potentially what actions can be undertaken to lift the profile of its importance to the financial viability of the We-Roc group of shires. In this section we provide a bold but what we see, necessary solution to have the material impact required for the financial benefit of the group.

In point 5 we discuss the technological step to provide a group view of assets in the fleet which are used to perform critical & noncritical works within your shire. This is a step that not only improves focus through reporting, analysis and potential allocation of 'pooled' equipment resources, but also allows a completely different view of asset ownership and what it means to have assets 'available' to perform works. In that stage we are not suggesting gear is physically moved however what we are promoting is that you don't need to own it or have it sitting physically in your yard, or even your region, for it to be available for use.



Stepping forward once this is understood & adopted, is the potential to physically pool gear in a strategically centered location. This doesn't mean to say ownership has changed, it simply resides somewhere else until such time as a participant in the WeRoc asset sharing needs it. We attempt to point out in this section that although this is a difficult concept to comprehend, the material benefits mean this should be explored.

We have listened to each shire about the requirement for the assets and the need of the ratepayers and we are not doubting there are scenarios to work through when taking on such a bold concept such as;

- Seasonal work all at one time
- Lack of physical ownership means that scheduled & unscheduled works may not be performed
- Trust
- Who pays for what
- Future budgets & funds will be negatively impacted.

All are valid reasons to explore & work through however our independent assessment is that none of these issues should prevent adopting this model

THE MODEL

For this concept to be explored, it needs common agreement and mindset that an alternative model can work, through communication and a desire to improve the financial outcome for each region.

We suggest that (post technological adoption) One (1) physical location be chosen as the asset hub within the We-Roc region. From here it needs to be approached in stages.

Stage 1 - all non-critical gear is moved to the chosen location in an asset holding yard. The holding yard is will be the We-Roc asset resource centre (RC). The RC is responsible for ;

- Fulfillment of works manager's needs – (measured on strict KPI's & deliverables)
- All maintenance activity
- Parts holding & distribution



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- Transport & logistics of gear
- Hire of equipment (back up)
- Buy / Sell recommendations to We-Roc executives / works managers

There will be a need to form an asset committee or the like, made up from a representative of each council. This will have combined accountability for the smooth operation of the business unit.

Stage 2 – A review of the combined asset holding will be undertaken. This review will take place to identify the optimum level of asset holding for each plant type based on works requirements. Given this is a new concept this may take place over a period once the model settles and confidence in the ability of the RC is gained. Upon assessment of required equipment, a formal sale process of underutilized equipment is undertaken with acquired funds returning to individual councils who own the equipment. Alternatively, these funds can be held by the RC for the purchase of future assets for the region.

Stage 3 – Procuring a hire agreement with a reputable equipment hiring company to backfill short term requirements will provide confidence of continued works in times of shortfall. The asset fleet size should not be managed to a level that covers for the ‘just in case’, this should be managed by rigid asset management practices to create a truly efficient model.

Stage 4 - Upon successful operations of the RC and with confidence in the model, the option of bringing all gear to the RC should be explored. This will maximise savings of such an approach and further justify the expense of the technology platform and set up costs.

At this time a further review of utilization should be analysed with the view to sell equipment which is now surplus to the overall needs of the works managers.

The overall model is based on removing much of the duplication in the management of assets across the 5 councils. It allows for the reduction in overall capital tied up in mobile plant whilst also releasing initial funds from the sale of plant.

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As noted previously in this report, maintenance is not measured in many councils down to machine level so it is difficult to understand the total ownership costs however a broad assumption must be made that the older the equipment, the more that will be spent on maintenance. With the model just highlighted, We-Roc can look to decrease the average age of its working fleet. With newer equipment comes lower maintenance costs, fewer breakdowns therefore reducing downtime for its operators, and more OEM support for warranty claims etc. Funds released should be employed to acquire this new equipment (note item on Sale & Purchase policy).

SUMMARY

Through this review it has become evident that the level of understanding of full asset spend and inefficiencies in asset utilization is low. This is in part due to lack of visibility of reporting but also to the fact that there are limited controls, drivers or requirements to monitor such spend or activity. The level of local understanding of owned equipment is undoubtedly there but we look to provide detailed solutions to maximizing the capability of a combined We-Roc network approach to asset management. Now we have thoroughly reviewed the current position of the 5 individual councils, we envisage the most effective & efficient outcome is a position with a reduced fleet size, owning newer model equipment, resulting in lower maintenance costs & higher utilization outcomes, backed up by a cross hiring network, plus an external hiring capability to maintain or even improve service to the community. Providing more value to the ratepayers and more surplus funds to create the opportunity for alternative investment within the region.

The We-Roc group of shires has an ability to create a unique marketplace, with improved purchasing power, better OEM support of parts and repair, an efficient maintenance hub and a best of class technology solution to asset management & logistics that will lead the way above other LGA's. Roles & responsibilities can also be recreated into alternative functions that add more value to the administration of the councils.

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Some of our takeaways from discussions or observations were;

- Individual shires only have enough resources to look after themselves
- Physical ownership of gear is seen as a necessity to conduct works (this is not the case in all instances)
- Ability to share equipment across the shire network is administratively difficult
- Lack of detail in the reporting is evident but rarely challenged
- Capex budgets are being squeezed
- Cost reductions are met with lower level of external funding and can cost jobs

Whilst there will be challenges both ways in the above points, it is evident there is a clear need for an improved financial position for some shires and we believe managing one of the highest expenses for the region more effectively will deliver savings and a well intended approach will conclude that reduction of jobs and budgets is not necessarily the outcome, in fact, better management of assets should create jobs and more funding.

We also believe that different levels of thinking can open up opportunities. Some additional conversation starters are that the funds saved by such a bold move in asset management could be matched by additional regional program funding for economic activity or skills training. Or perhaps if one shire is turned into the asset & maintenance hub, that other shires can invest the surplus funds into other activities to provide alternative jobs for their staff. From our external and independent review, we see a material benefit for the region by implementing improvements to the asset management practices and we would welcome further involvement to assist in making this happen.

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We appreciate the opportunity to work with each individual council & the We-Roc executives and we look forward to working with you in implementing any or all of the above strategies going forward.

Regards

Blake Read & Neil Marsh

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ACCINGO RECOMMENDATIONS FOR CONSIDERATION
BY WE-ROC EXECUTIVES

Our findings in this report are to be used as a basis to justify further review and potential actions to be undertaken as a group collective within WeRoc. Assumptions made in the lead up discussions with WeRoc executives led to our engagement around asset utilization improvements with a view to improve financial performance, however this required justification through data and analysis prior to any broad assumptions being made.

Upon Completion of our review we are able to provide recommendations for the consideration of the We-Roc executive members. These recommendations are categorized in terms of ease of implementation and / or materiality of potential cost saving. Additionally, these suggestions are to be used for the purpose of acceptance or elimination, and prioritisation by the executives and therefore we include all potential options for such review.

These recommendations are based on prior learnings and experience of asset management 'best practice' principals revised for our understanding of the Local Government activities and requirements and focus on providing a foundation in which to generate cost savings and improved financial position of the We-Roc shires.

The following recommendations are based on our analysis of the data received however justifications based on any calculations performed should be verified to ensure no anomalies exist in the data provided.

Accingo have experience in operational roll out of such recommendations and can assist We-Roc in the execution of each chosen course of action.

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RECOMMENDATIONS

1) ASSET IDENTIFICATION STANDARDISATION

DIFFICULTY: LOW. ADMINISTRATION ONLY

TIME TAKEN: MEDIUM. DUE TO VOLUME OF HISTORICAL DATA

Having standardised asset codes and descriptions provides benefits in asset identification, transfer and traceability. Often, assets are known to individual staff due to familiarity however when new staff come on board or assets are transferred, cross hired or sold, non-standardised asset descriptions and lack of any consistency in asset identifiers creates potential risk and administration difficulty.

Currently there is a blend of Alpha numeric and numeric which do not follow any format that is easily recognizable between shires. For example, the Group code in one shire could be PE whilst in another shire it is recorded as the No 3. Asset codes similarly have examples such as 1868 versus in another shire showing P10.

Ideally, anyone internally or externally whether in a finance & administration role, operation or maintenance role should be able to easily recognize & trace an asset by a standardized reference system. As noted, this also assists the transfer of equipment either permanently or temporarily between shires.

Suggestion:

Agree on a standardize format which is backed up by an asset register policy and amend current system fields to provide such standardization.

Ideally an Asset Code would be the first 2 letters of the equipment type & a numerical number based on chronological order in terms of acquisition. i.e. Wheel Loader is WL005.

Furthermore, a standard approach to Asset descriptions should be adopted universally across all 5 registers, such as;

Model, Type, Manufacturer. i.e. 770G Grader Caterpillar



2) PURCHASE AND SALE PROCESS REVIEW

DIFFICULTY: MEDIUM. POLICY FORMULATION, ADMINISTRATION, AUDITABILITY
TIME TAKEN: MEDIUM. CONCEPTION, AGREEMENT & IMPLEMENTATION TIME

This requirement was highlighted by several issues discovered when reconciling asset registers to system reports. Although these discrepancies may have been understood by the administration staff or works managers, there were instances where reporting did not back up the stated position.

Examples to note:

Sale of assets. An asset was sold however remained on the asset register at the time of the review. It was noted this had been sold however difficult to find record of sale or provision of an updated report noting asset was removed. Further to this, upon discussion there seemed to be a lack of process or knowledge of a working procedure on selling assets.

This can create many issues and should be rectified as soon as possible where no policy or procedure exists for purchase & sale of assets. Administratively this can skew the financial position of the Shire by over/understating asset value and asset audit discrepancies. Financially this opens a potential risk of unintended or intended financial loss.

Asset purchases. An asset was purchased however was not recorded on to the asset register for nearly 6 months. Although understanding where this asset may have been working and from a maintenance & operational point of view may not be an issue, this raises several issues administratively & financially. Financially the asset register is incorrect and does not reflect the full asset list, asset values nor will it incur depreciation or holding costs during that period. Administratively, certain key metrics like hours reports, Balance sheet reconciliation etc. can not be updated. When utilization and financial performance is measured, this is performed by date of acquisition, not date of registering on the asset register. This error results in overstating utilization performance and under expensing of depreciation.



Suggestion

Review of any current “Sale & Purchase of Asset” policy or similar and check for completeness and whether policies are being followed.

If these are not in place then formulation & implementation of such a policy should be agreed upon.

Further to this, with reference to any LGA risk registers, required sign offs should be adhered too.

Finance, admin or asset management staff need to be noted within this policy with sign off occurring for asset register accuracy and completeness to avoid such discrepancies.

3) STANDARDISATION OF DEPRECIATION RATES & USEFUL LIFE

DIFFICULTY: LOW TO MEDIUM ADMINISTRATION & FINANCE

TIME TAKEN: LOW. ACCOUNTING ADJUSTMENT & CAPEX FORECAST

AMENDMENT

Assets commonly have a uniform set of depreciation rates and useful life expectations which govern a couple of important asset management fundamentals. Depreciation rates are simply a book entry that denotes how quickly an asset is depreciated. At what rate, over how long and whether there is a balloon residual. Although there are guiding principals to benchmark against it is ultimately up to the business unit (in this case, the Shire) to determine however it must be understood there are accounting principals that govern management of assets so this should be understood.

Depreciation rates set an amount in which the asset is written down which should be close to the market value write down of the asset. This rate will impact the profit & loss of the Shire as the depreciation each year is an expense. Should the depreciation not be accurate, 2 things can occur. When the asset is ready to be sold it may be worth much more on the books than the true market value is, and secondly, when a revaluation is performed every 3 years there can be a material hit to the Profit & Loss for write-down of assets.

When looking to see how long an asset is held onto (replaced) is generally guided by the expectation that maintenance costs or downtime will not outweigh the costs of having a new machine. When a machine is constantly in need of repair and can not be used to its full effectiveness, its useful life is determined. Additionally, thoughts about obtaining optimum value on resale is also a consideration.



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Much like how councils treat personal motor vehicles, there are parallels to how mobile working assets can be managed. Machines can often be cheaper to own when new and resale funds can be made prior to any major maintenance costs such as engine rebuild or major component servicing costs.

Currently there is little uniformity across shires and in some instances within a shire in terms of depreciation rate guidance and application. Furthermore, monitoring of depreciation is not taking place in some shires as there is often issues arising post revaluation or purchase. Depreciation, and importantly book value is critical in terms of managing Balance Sheet health as Sale or revaluation events can materially impact results.

Suggestion

We suggest a uniform set of depreciation rates be agreed too and implemented via the asset management policy as already discussed. This rate can be set internally or provided by an external source which provides the best basis in which to have good financial management of assets.

Another piece of work can be done around determining useful lives of assets. As already discussed, sweating an asset by maintaining it until it falls over is not always cost effective either. A review of how maintenance costs are captured and reported on and should be done down to machine level. It can be noted that some already do this effectively. At this point not all reports provided accurately reflect maintenance costs down to machine level therefore it is difficult to ascertain the total cost of owning a machine. Referencing point 1 in this report, asset identification and reporting may assist this. Review & update of the asset management policy should reflect how maintenance is tracked and standardized depreciation rates to be applied.



4) REVIEW OF UNDERPERFORMING ASSETS

DIFFICULTY: MEDIUM. SALE, TRANSFER OF EQUIPMENT, INCREASE SERVICES
TIME TAKEN: HIGH. STEPPED PROCESS WITH MEASUREMENT OF KEY DELIVERABLES

Firstly, an agreed benchmark, or 'Target' utilisation rate needs to be agreed between the 5 shires. This can be done by product type given there is much disparity between the products but also recognizing the criticality of some assets over others. In saying this, there should be some consistency or method in how this target rate is agreed.

The Target rate should be one which drives the financial benefits expected however also can be managed operationally, which is why we suggest this is performed in a staged approach over a period. Throughout our discussions we have nominated a rate of 40%. This is at the lower base of commercial expectations and is essentially a universal rate that often is close to hire rates. Essentially, below 40% utilization of fleet, it is often a more cost-effective exercise to hire the equipment.

As referenced in the below table, these figures are reflective of a hypothetical rate which is a result of idle capacity at levels under 40%. The costs are derived from holding costs only which are depreciation and funding (or opportunity cost to do other things with the inefficient use of funds in idle equipment). The real benefits to be identified come in the form of 2 major forms, being;

- 1) Reduction of asset numbers, therefore delivering the same services with less equipment
- 2) Increase hours in which equipment is being productively used. This can be further split into 3 areas;
 - a. Increase services within the shire
 - b. Seek external uses for equipment with local contractors, companies &/or main roads therefore receiving a commercial return on surplus availability of gear.
 - c. Increase equipment productivity time by sharing across the We-Roc group of shires (in conjunction with point 1.)



As noted previously, we have not taken into account local requirements and therefore any suggestions must be weighed up alongside these requirements, restrictions in seasonal availability etc. however we do attempt to explore alternative options to combat seasonality.

1) REDUCTION OF ASSET NUMBERS

This scenario looks at an overall reduction of the fixed number of plant each shire owns based on historical usage patterns and an assumption that each shire is open to explore an alternative method of fleet ownership and management to achieve savings in asset ownership costs.

Furthermore, this can be looked at in a 2-step approach. Firstly, what asset reductions are clearly evident and able to be done now with little or no impact to services and secondly, should We-Roc move to a 'sharing' model (shown in Item 4 ' We-Roc Consolidation approach'), a more extensive review of asset reduction can take place.

The overall purpose of reducing asset numbers is to maintain the same output of services with fewer assets, which essentially increases the utilization rate of the assets being held. There are 3 benefits of this approach;

- 1) **Instant cash return on receipt of sales revenue of plant sold**
- 2) **Amended requirement for future asset purchases, and reduced holding costs such as maintenance expenses**
- 3) **Potential to review personnel operating machinery to make them more productive**

Conceptually the process to be undertaken is to identify the underperforming assets, i.e. this under 40% Target rate (1st round target) and analyse why this is so. It could be due to the physical amount of work available for this machine or its condition to conduct the works reliably & without hefty maintenance costs. Potentially, in some cases there could also be a lack of available operators to keep the machines at full potential availability.

To highlight areas of review, the below reflects a high-level summary as reflected in the tabled graphs in the report previously provided. Here we show Category, Number of machines per category, Asset



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Register Cost & WDV, Average utilization and No of machines that are under 15% which is a number which denotes a material under capacity to justify ownership.

Summary of position;

CATEGORY	No	Cost	WDV	AVG UTILISATION	No BELOW 15%
Wheel Loaders	15	\$1.8M	\$1.6M	23.0%	8
Grader	17	\$3.8M	\$3.3M	35.0%	2
Roller	17	\$1.4M	\$1.2M	16.3%	10
Excavator	2	\$98K	\$90K	4.9%	2
Tractor	2	\$69K	\$56K	2%	2
Bobcat	3	\$126K	\$102K	8.4%	3
TOTAL	56	\$7.3M	\$6.3M	21%	27
TOTAL	27	\$1.79M	\$1.56M	8.1%	27
(under 15% Utilisation)					

The table above is a starting point in understanding the right balance of equipment required and is the catalyst for further review of underperforming assets. A total of 27 assets are well underperforming and should be reviewed and a sale of such equipment should be explored which would allow for a return of funds back into the balance sheet of each council and would be what we call an opportunity cost of ownership, or, what else can be done with those funds to add more value to rate payers.

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Suggestion

A review of underperforming assets should be done to firstly understand why this is taking place. It could be the equipment is unreliable or perhaps the need for its services are seldom and remote. Looking forward as to whether a piece of equipment is required needs to require justification. Without this, ability to recognize savings will be limited.

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A revaluation of equipment is performed every 3 years and the timing of this review could co-exist with this process of potential sale proceeds. Alternatively, some form of relationship with a machine broking house could work on behalf of We-Roc to source buyers.

When discussing potential asset sales, it is important to note that items 5 & 6 further in this report play a part in the shire having confidence in this process not impacting services to roads and ratepayers.

When buying new equipment, it should be done on the view that services can be performed effectively & efficiently. There is no doubt new equipment is often required throughout the shires and in fact it can be argued that more needs to be spent that currently is (should maintenance costs be higher than cost of new ownership). The identified process of this in some shires is based on a set time rather than based on key metrics around utilization, maintenance or holding costs, hire v buy, or from any review of more effective equipment management practices. Again, this should be revisited in conjunction with potential synergies coming from Items 5 & 6 further in this document.

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Point a) may be a relatively moot point as I'm sure each council is doing all they can with the resources they have however it is obviously one way to increase utilization.

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Point b) is a financially effective way of increasing profitability within shires by using surplus downtime of gear. We observed some shires have taken on a more proactive view of this opportunity than others. It is agreed that some shires have more opportunity to provide equipment to commercial businesses or main roads however it is also evident that opportunities exist above what is being done.

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Suggestions

Once we understand surplus capacity, we then need to review logistics of having underutilised equipment moving to areas of need, tracking & reporting efficiently & effectively and looking for Sales opportunities (cross hiring / transfer). A target should be set between the shires to drive these behaviors and actions agreed to & monitored.

There are localised opportunities e.g. local contractor or business currently contracts a dry or wet hire piece of machinery and an operator from Perth where this could be facilitated locally. Now whether this opportunity exists (having a surplus water cart or loader) for that shire is debatable however when we look at opportunities, we need to look at this as a We-Roc opportunity as there is access to a wider pool of potential solutions. When thinking about contracted opportunities we need to also look at implementation of points 5 & 6 to follow as part of the solution.

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5) IMPLEMENTATION OF TECHNOLOGY SOLUTIONS

DIFFICULTY: MEDIUM TO HIGH. ASSET TRACKING, REPORTING & FACILITATION OF UTILISATION IMPROVEMENTS

TIME TAKEN: MEDIUM TO HIGH. IMPEMETATION, TRAINING AND INFORMATION UPLOAD

Administration of assets can be time consuming, difficult to maintain accuracy and completeness and we understand this review may be perceived as adding additional burden to the current workload of each shire, at least initially. Implementation of asset management systems can also feel like an expensive and unnecessary step so its important to understand the why, how & what of such a move.

In order to successfully implement some of the recommendations noted in points 4 & 6 we recognise this may take considerable administrative effort to manage and resources may not be available. There are a few off the shelf solutions or a more bespoke solution could be built to suit the requirements of We-Roc to allow this to occur. Accingo have sought such products and have relationships in this area. We also have experience in implementing & training staff to use such products should this be agreed that value would be created for the group.

In essence, this product would allow all assets to be housed on a web and App based solution whereby works managers, finance managers and CEO's can;

- view available assets in the total fleet
- have real time reporting on usage, location and availability, &
- track job costings, maintenance schedules and all financial data at We-Roc level, Shire level, plant type or individual machine level

The benefits of this approach are;

- Reduced reliance on administration
- A true picture of asset availability through the entire We-Roc group
- Provide a platform in which true efficiencies can be worked towards
- Improve buy / sell decisions at a group level
- Improve sharing opportunities to complete works in a cost-effective manner by increasing overall utilization



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Although at this stage, the technology adoption is stand alone and does not work on the assumption of physically ‘pooled’ assets in 1 location, the approach has provided an ability for works managers to plan for scheduled & unscheduled works by selecting equipment for a task or job. They would select from 2 areas;

- Owned fleet
- Fleet owned within the group that has been ‘flagged’ for sharing purposes

A task would then have selected equipment allocated to the task. Equipment would then be allocated to that task and requests for external equipment would be accepted or rejected by the owner(s). Costs associated with ownership or an ‘agreed’ rental rate internally would remain with that equipment & simply be charged to that cost centre.

It may be difficult to identify with such an approach however with the ease of application and due to the logistical & administrative ease of cross hiring equipment, the following can occur;

- Improved utilization of equipment over its life cycle
- Reduced need for surplus gear across the We-Roc fleet (see points 3 & 4 above)
- Potential to also wet hire machines and improve recoverables should there be downtime of an employee operator
- Recovery of maintenance & ownership costs by asset owner for an otherwise underutilised asset
- Permanent or temporary transfer of equipment to other We-Roc shire balance sheets
- Improved buy / sell decisions to ensure the group as a whole has the optimum amount of equipment

A further benefit of adopting such technology is the ability to then progress towards a more ‘group orientated’ approach of combining assets into a physical pool (refer point 6 below)



6) CENTRALISATION OF ASSET / ASSET MANAGEMENT

DIFFICULTY: MEDIUM TO HIGH. PHYSICAL ASSET CONTROL, MAINTENANCE & LOGISTICS

TIME TAKEN: MEDIUM TO HIGH. STEPPED PROCESS WITH MEASUREMENT OF KEY DELIVERABLES

Asset ownership is in the top 2 expenses of a shire, along with its people.

Inefficiencies are created when focus is not put on the cost base or operational expense of maintaining or operating such assets. The level of reporting and analysis on these costs is evident that this has not been a priority however the fact that a review has been requested provides the underpinning belief that there can be some improvements in effective fiscal management of such a large cost base.

Each shire has its own equipment deemed necessary to perform the works and this approach has resulted in materially underutilized assets as shown in the utilization graphs provided.

In this report we have touched on areas that highlight the need for focus and potentially what actions can be undertaken to lift the profile of its importance to the financial viability of the We-Roc group of shires. In this section we provide a bold but what we see, necessary solution to have the material impact required for the financial benefit of the group.

In point 5 we discuss the technological step to provide a group view of assets in the fleet which are used to perform critical & noncritical works within your shire. This is a step that not only improves focus through reporting, analysis and potential allocation of ‘pooled’ equipment resources, but also allows a completely different view of asset ownership and what it means to have assets ‘available’ to perform works. In that stage we are not suggesting gear is physically moved however what we are promoting is that you don’t need to own it or have it sitting physically in your yard, or even your region, for it to be available for use.



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Stepping forward once this is understood & adopted, is the potential to physically pool gear in one location. This doesn't mean to say ownership has changed, it simply resides somewhere else until such time as you need it. We attempt to point out in this section that although this is a difficult concept to comprehend, the material benefits mean this should be explored.

We have listened to each shire about the requirement for the assets and the need of the ratepayers and we are not doubting there are scenarios to work through when taking on such a bold concept such as;

- Seasonal work all at one time
- Lack of physical ownership means that scheduled & unscheduled works may not be performed
- Trust
- Who pays for what
- Future budgets & funds will be negatively impacted.

All are valid reasons to explore & work through however our independent assessment is that none of these issues should prevent adopting this model

THE MODEL

For this concept to be explored, it needs common agreement and mindset that an alternative model can work, through communication and a desire to improve the financial outcome for each region.

We suggest that (Post technological adoption) One (1) physical location be chosen as the asset hub within the We-Roc region. From here it needs to be approached in stages.

Stage 1 - all non-critical gear is moved to the chosen location in an asset holding yard. The holding yard is will be the We-Roc asset resource centre (RC). The RC is responsible for ;

- Fulfillment of works manager's needs – (measured on strict KPI's & deliverables)
- All maintenance activity
- Parts holding & distribution
- Transport & logistics of gear
- Hire of equipment (back up)
- Buy / Sell recommendations to We-Roc executives / works managers

There will be a need to form an asset committee or the like, made up from a representative of each council. This will have combined accountability for the smooth operation of the business unit.

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Stage 2 – A review of the combined asset holding will be undertaken. This review will take place to identify the optimum level of asset holding for each plant type based on works requirements. Given this is a new concept this may take place over a period once the model settles and confidence in the ability of the RC is gained. Upon assessment of required equipment, a formal sale process of underutilized equipment is undertaken with acquired funds returning to individual councils who own the equipment. Alternatively, these funds can be held by the RC for the purchase of future assets for the region.

Stage 3 – Procuring a hire agreement with a reputable equipment hiring company to backfill short term requirements will provide confidence of continued works in times of shortfall. The asset fleet size should not be managed to a level that covers for the ‘just in case’, this should be managed by rigid asset management practices to create a truly efficient model.

Stage 4 - Upon successful operations of the RC and with confidence in the model, the option of bringing all gear to the RC should be explored. This will maximise savings of such an approach and further justify the expense of the technology platform and set up costs.

At this time a further review of utilization should be analysed with the view to sell equipment which is now surplus to the overall needs of the works managers.

The overall model is based on removing much of the duplication in the management of assets across the 5 councils. It allows for the reduction in overall capital tied up in mobile plant whilst also releasing initial funds from the sale of plant.

As noted previously in this report, maintenance is not measured in many councils down to machine level so it is difficult to understand the total ownership costs however a broad assumption must be made that the older the equipment, the more that will be spent on maintenance. With the model just highlighted, We-Roc can look to decrease the average age of its working fleet. With newer equipment comes lower maintenance costs, fewer breakdowns therefore reducing downtime for its operators, and more OEM support for warranty claims etc. Funds released should be employed to acquire this new equipment (note item on Sale & Purchase policy).

SUMMARY

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Through this review it has become evident that the level of understanding of full asset spend and inefficiencies in asset utilization is low. This is in part due to lack of visibility of reporting but also to the fact that there are limited controls, drivers or requirements to monitor such spend or activity. The level of local understanding of owned equipment is undoubtedly there but we look to provide detailed solutions to maximizing the capability of a combined We-Roc network approach to asset management.

Now we have thoroughly reviewed the current position of the 5 individual councils, we envisage the most effective & efficient outcome is a position with a reduced fleet size, owning newer model equipment, resulting in lower maintenance costs & higher utilization outcomes, backed up by a cross hiring network, plus an external hiring capability to maintain or even improve service to the community. Providing more value to the ratepayers and more surplus funds to create the opportunity for alternative investment within the region.

The We-Roc group of shires has an ability to create a unique marketplace, with improved purchasing power, better OEM support of parts and repair, an efficient maintenance hub and a best of class technology solution to asset management & logistics that will lead the way above other LGA's. Roles & responsibilities can also be recreated into alternative functions that add more value to the administration of the councils.

Some of our takeaways from discussions or observations were;

- Individual shires only have enough resources to look after themselves
- Physical ownership of gear is seen as a necessity to conduct works (this is not the case in all instances)
- Ability to share equipment across the shire network is administratively difficult
- Lack of detail in the reporting is evident but rarely challenged
- Capex budgets are being squeezed
- Cost reductions are met with lower level of external funding and can cost jobs

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Whilst there will be challenges both ways in the above points, it is evident there is a clear need for an improved financial position for some shires and we believe managing one of the highest expenses for the region more effectively will deliver savings.

We also believe that different levels of thinking can open up opportunities. Some additional conversation starters are that the funds saved by such a bold move in asset management could be matched by additional regional program funding for economic activity or skills training. Or perhaps if we turn one shire into the asset & maintenance hub, that other shires can invest the surplus funds into other activities to provide alternative jobs for their staff.

From our external and independent review, we see a material benefit for the region by implementing improvements to the asset management practices and we would welcome further involvement to assist in making this happen

We appreciate the opportunity to work with each individual council & the We-Roc executives and we look forward to working with you in implementing any or all of the above strategies going forward.

Regards


Blake Read & Neil Marsh

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10.1.11 COUNCILLOR PORTFOLIO'S 2019

Responsible Officer: Jamie Criddle, CEO
Author: Jamie Criddle, CEO
File Reference:
Disclosure of Interest: Nil
Attachments: Nil

Signature: **Officer** **CEO**



Purpose of the Report

- Executive Decision Legislative Requirement

Background

Council has a portfolio system of representation at regional meetings and events. As a result of the recent elections the portfolio representations will need to be reviewed.

The existing portfolio matrix is:-

	Required Members	Cr Geier	Cr Day	Cr Corsini	Cr Della Bosca	Cr Jefferys	Cr Huxtable	CEO
WEROC	2/2 proxy		<input checked="" type="checkbox"/>				Proxy for Cr Day	<input checked="" type="checkbox"/>
Wheatbelt Communities	N/A		<input checked="" type="checkbox"/>				Proxy for Cr Day	<input checked="" type="checkbox"/>
Community Development	Unlimited	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Emergency Services (inc LEMC)	1/1 proxy	<input checked="" type="checkbox"/>			Proxy to Cr Geier			
Tourism (Inc NEWTRAVEL)	1/1 proxy				Proxy for Cr Huxtable		<input checked="" type="checkbox"/>	
Transport (Inc RRG)	1/1 proxy		<input checked="" type="checkbox"/>			Proxy for Cr Day		

Agriculture (Inc Eastern Wheatbelt Biodiversity Group (EWBG), Rural Water, Skeleton Weed)	1/1 proxy 1/1 proxy 1/1 proxy			Proxy for others <input checked="" type="checkbox"/>	Proxy for others <input checked="" type="checkbox"/>	Proxy for others		
Sport & Recreation	Unlimited		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
WALGA	1/1 proxy		<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	Proxy to Cr's
Development Assessment Panel	2/2 proxy	<input checked="" type="checkbox"/>	Cr Day Deputy for Cr Geier			Deputy for Cr Huxtable	<input checked="" type="checkbox"/>	
Bush Fire Representative	1/1 proxy				Proxy for Cr Jefferys	<input checked="" type="checkbox"/>		
Westonia Progress Association	1/1 proxy			<input checked="" type="checkbox"/>			Proxy for Cr Corsini	
CEACA	1/1 proxy Proxy CEO	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>

Comment

I have a nomination from Louis Geier to remain as Westonia's representation on the CEACA group. This is a community representative and does not need to be a Councillor.

Councillor Corsini attended the recent Westonia Progress Association meeting and was elected as Council's representative to the committee.

Statutory Environment

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

Policy Implications

Council does not have a policy in relation to this matter

Strategic Implications

The portfolio system is a technique by which individual Councillors become proficient in a number of areas of local government interest. This then results in a more collectively informed Council with additional individual skills.

 **Financial Implications**

Nil.

 **Voting Requirements**



Simple Majority

Absolute Majority

OFFICER RECOMMENDATIONS

That Council determine the new portfolio structure.

10.1.12 TV REBROADCASTING RATES DEBTORS WRITE OFF

Responsible Officer:	Jamie Criddle, CEO
Author:	Stacey Geier, Rates/Administration Officer
File Reference:	F1.8.3 Debtor Write Off
Disclosure of Interest:	Nil
Attachments:	NIL
Signature:	Officer  CEO 

Purpose of the Report

- Executive Decision Legislative Requirement

Background

In accordance with S 6.12 (1)(c) of the Local Government Act, Council decision in writing off rates debtors that are unrecoverable is required.

Comment

The following TV Rebroadcasting Debtor amounts requires a motion from Council to have written off for the following reasons:

1. TV Rebroadcasting Rates Debtor Raised as Opening Balance on movement from QuickBooks Accounting to SynergySoft in 2012 to the current SynergySoft system.

The total amount of debtor write-off amount to \$ 1210, which has been paid, but is a transfer error in initial set up.

Statutory Environment

S 6.12 (1)(c) of the Local Government Act 1995.

Policy Implications

Council does not have a policy in relation to this matter

Strategic Implications

Effective financial control.

Financial Implications

Balance Sheet adjustment of \$ 1,210.00.

Voting Requirements

- Simple Majority Absolute Majority

OFFICER RECOMMENDATIONS


That Council agrees in accordance with S 6.12 (1)(c) of the Local Government Act, to write-off an amount of \$1,210.00 from outstanding rates debtors, being an Opening Balance on movement from QuickBooks Accounting to SynergySoft in 2012.

10.2 COMMUNITY AND REGULATORY SERVICE

NIL

10.3 WORKS AND SERVICE

10.3.1 TENDER 2-19/20 – BITUMENOUS PRODUCTS

Responsible Officer:	Jamie Criddle, CEO		
Author:	Bill Price, Works Supervisor		
File Reference:	F1.9.1		
Disclosure of Interest:	Cr Geier		
Attachments:	Nil		
Signature:	Officer	CEO	

Purpose of the Report



Executive Decision



Legislative Requirement

Background

Council has made allowance in its 2019/20 Budget for the provision of bituminous products as part of its adopted road's program, which includes approximately 45,500m² of combined primer seal 14mm and 1st coat seal 7mm, with 10mm reseal. With the inclusion of the Boodarockin sealing project instigated by Ramelius the volume of work has increased to 305,625m².

A notice inviting tenders was advertised on 26 September 2019 with tenders closing on 9 October 2019.

Comment

At the close of tenders six submissions were received from the following:

1. Boral Resources
2. Bitutek Pty Ltd
3. Fulton Hogan
4. COLAS WA Pty Ltd
5. Downer EDI
6. Kee Surfacing

In accordance with the Local Government (Functions & General) Regulations, Regulation 14(2a) the following criteria, will determine whether the tender should be accepted:

- Demonstrated experience by tenderer to meet the requirements as set out in specifications.
- A maintenance service best suited to the Principal's requirements that demonstrates a commitment to customer service and a professional corporate image.
- Demonstrated ability and produces to ensure public and employee safety by way of Occupation Safety and Health, and adherence to the Traffic Management for Roadworks Code of Practice.

Tenderer	Selection Criteria and Weighting			Total weighted Score
	Experience (50%)	Maintenance Service (25%)	Safety Commitment (25%)	
Boral Resources	50	20	20	90
Bitutek Pty Ltd	50	20	20	90
Fulton Hogan	50	20	20	90
Colas WA Pty Ltd	50	20	20	90
Downer EDI	50	20	20	90

Kee Surfacing	45	20	20	85
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Assessment of Tenders against compliance criteria:

The tenderer for the supply of bituminous products including aggregate was deemed to comply with the compliance criteria.

Basis of Recommendation:

The tenderer has demonstrated significant experience in carrying out similar works and a demonstrated commitment to service, quality assurance and safety.

Price Schedule

Boral Resources	Bitutek Pty Ltd	Fulton Hogan	Colas WA	Downer EDI	KEE Surfacing
\$2,223,827.38	\$2,222,568.75	\$2,442,043.85	\$2,377,408.75	\$2,303,550.00	\$2,380,331.25

Statutory Environment

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

Policy Implications

Council does not have a policy in relation to this matter

Strategic Implications

Nil

Financial Implications

An allocation of funds has been allowed for in the 2019/20 financial budget as part of the annual roads program. Ramelius resources are funding the Boodarockin Road project.

Voting Requirements

Simple Majority

Absolute Majority

OFFICER RECOMMENDATIONS


That Council:

1. Accept the tender from Bitutek Pty Ltd for the Supply of Bitumenous Products for the total tendered price of \$ 2,222,568.75 including GST.

10.3.2 CONFIDENTIAL RAMELIUS RESOURCES – BOODAROCKIN RD CARTAGE ROUTE

10.3.3 BOODAROCKIN RD BITUMEN SEAL SLK 0.37 – 2.12

Responsible Officer:	Jamie Criddle, CEO	
Author:	Jamie Criddle, CEO	
File Reference:		
Disclosure of Interest:	Nil	
Attachments:	Attachment	
Signature:	Officer	CEO



Purpose of the Report



Executive Decision



Legislative Requirement

Summary

Discuss the sealing of the first section of Boodarockin Road SLK 0.37 – 2.12 (1.75km), not covered in the Ramelius agreement.

Background

As you will be aware, Council and management have been pursuing a suitable cartage route for the Marda Dam operations from Mount Jackson in the Yilgarn Shire to the Mill in Westonia for processing.

Council resolved at the September meeting to authorise the CEO to pursue the Boodarockin Road Route with Ramelius. Agreements are all but in place for works to commence.

RESOLUTION

Moved: Cr Della Bosca

Seconded: Cr Huxtable

08/09-19

That subject to not utilising the contract cartage route determined at the August meeting (13/08-19), Council:

1. Permits Ramelius Resources and Transport Contractor to operate the following configuration along the Bullfinch - Boodarockin Route (Koorda-Bullfinch Rd, Boodarockin Rd) for the duration of mining operation at Marda Dam, Mount Jackson, with a review to be undertaken one (1) year from the commencement date of operations:

Configuration

Heavy Vehicle Services (HVS) has received a 42m A Triple Performance Based Standard (PBS) Scheme Vehicle Access Approval application, requesting AMMS Level 3 Mass (23.5t for tri axle groups). (Tandem Drive 7.3 Tri Drive 4.3)

2. Advises Ramelius Resources that the approval is subject to:

- a) the two parties entering into an appropriate maintenance cost agreement for use of the Koorda-Bullfinch, Boodarockin Rd's;
- b) Requests Ramelius Resources/Cartage Contractor to install appropriate signage at the intersections (Koorda-Bullfinch & Boodarockin, Boodarockin & Mine entry) to advise commuters of the dangers of trucks entering;
- c) Speed limit along entire route as per PBS and RAV restrictions;
- d) Fund the total cost of Boodarockin Road reconstruction, water bind and seal to type 5 standard from (Koorda-Bullfinch road to mine entry), including widening

- and realignment of corners at Sandford Rocks, intersections and floodway stabilisation and seal;
- e) Install centre white lines along route;
 - f) Complete intersection upgrades at Koorda-Bullfinch/Boodarockin & Mine Entrance intersections with appropriate intersection seal treatment;
 - g) conduct community information sessions/mail out prior and during the operation;
 - h) Offer and install noise mitigation measures such as double-glazed windows at D Price & J & R Corsini residences along the route;
 - i) request the entry to the mine on Boodarockin road be somewhere near the “Joan’s Leap” site and not too close to the Corsini Road intersection;
 - j) A 90km/hr speed restriction being place on Boodarockin Road from Westonia Road to the mine entrance.
3. Allow access to the Warralakin Road Route prior to the Boodarockin Road haulage routes/roads being finalised and upgraded, utilising smaller vehicle combinations with the two parties entering into an appropriate capital and maintenance cost agreement for use of the Koorda-Bullfinch, Warralakin, Stoneman and Warrachuppin Roads.
4. The Chief Executive Officer be authorised to negotiate and enter into all appropriate agreements pertaining to this project.

CARRIED 4/0

Comment

As mentioned above, the cartage contractors will be entering the mine site near the Corsini Road corner, therefore not requiring the first 1.75 km (SLK 0.37 – 2.12) section of Boodarockin Road to be reconstructed and sealed. Management have costed the works at approximately \$138,000, with \$99,000 of this cost to be bitumen sealing.

It would be a shame to have 36.25km of the total 38km sealed with the first section as you exit town unsealed.

Management are requesting that Council use its own resources to seal the first 1.75km section of Boodarockin Road with funds either saved on the Boodarockin Road (Ramelius) works via wages or with the roadworks expected to be unspent as a result of this work and the Warrachuppin Road realignment.

Statutory Environment

Nil

Policy Implications

Council Delegation MISC 05 Application of operation of Road Trains

Strategic Implications

N/A

Financial Implications

Nil

Voting Requirements



Simple Majority



Absolute Majority

OFFICER RECOMMENDATIONS

That Council

1. Use its own resources to seal the first 1.75km section (SLK 0.37 – 2.12) of Boodarockin Road at an approximate cost of \$138,000;
2. Authorise the additional expenditure (approximately \$138,000) as an out of budget expense, funded by either costs saved on the Boodarockin Road (Ramelius) works via wages or with the roadworks expected to be unspent as a result of this work and the Warrachuppin Road realignment.

10.4 ENVIRONMENTAL HEALTH, PLANNING AND BUILDING SERVICES

11 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

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

13 DATE AND TIME OF NEXT MEETING

The next ordinary meeting of Council will be held on 21st November 2019 commencing at 3.30pm

14 MEETING CLOSURE

There being no further business the President, Cr Day declared the meeting closed at pm