

*A progressive, diverse and caring community,
with access to modern services and infrastructure,
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MINUTES

of the

Further Special Meeting of Council

held

**Following the Budget Special Meeting
WEDNESDAY 22nd JUNE 2022**

Shire of Cuballing
Council Chambers
Campbell Street, Cuballing

COUNCIL MEETING PROCEDURES

1. All Council meetings are open to the public, except for matters raised by Council under “Confidential Matters”.
2. Members of the public may ask a question at an ordinary Council meeting at “Public Question Time”.
3. Members of the public who are unfamiliar with meeting procedures are invited to seek advice at the meeting. If unsure about proceedings, just raise your hand when the Presiding Member announces Public Question Time.
4. All other arrangements are in accordance with the Council’s standing orders, policies and decisions of the town.

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

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1. **DECLARATION OF OPENING:**

The Shire President, Cr Dowling declared the meeting open at 5.40pm

2. **ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE:**

2.1.1 Attendance

Cr Eliza Dowling	President
Cr Robert Harris	Deputy President
Cr Dawson Bradford	
Cr Adrian Kowald	
Mr Stan Scott	Chief Executive Officer
Mr Fred Steer	Deputy Chief Executive Officer
Mr Bruce Brennan	Manager of Works and Services

2.1.2 Apologies

Cr Julie Christensen – Leave of Absence
Cr Pete Dowdell - Leave of Absence

2.1.3 Leave of Absence

Crs Christensen and Dowdell have approved Leave of Absence.

3. **STANDING ORDERS:**

COUNCIL DECISION 2022/67

That Standing Orders be suspended for the duration of the meeting to allow for greater debate on items.

Moved Cr Bradford

Seconded Cr Kowald

Carried 4/0

4. **PUBLIC QUESTION TIME:**

Questions must relate to the purpose of the meeting.

4.1 Written Questions Provided in Advance:

Nil

4.2	Public Questions from The Gallery:
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Nil

**5. PETITIONS/DEPUTATIONS/PRESENTATIONS/
SUBMISSIONS:**

Nil

6. DISCLOSURE OF FINANCIAL INTEREST:

Nil

7. REPORTS OF OFFICERS AND COMMITTEES:

7.1 CHIEF EXECUTIVE OFFICER:

7.1.1 Administration of the Wheatbelt Secondary Freight Network (WSFN)

Applicant:	WSFN Steering Committee
File Ref. No:	ADM 121
Disclosure of Interest:	Nil
Date:	20 th June 2022
Author:	Stan Scott - CEO
Attachments:	7.1.1A RDAW – WSFN Host Management Proposal 7.1.1B Email from Mandy Walker RDA Wheatbelt 7.1.1C Email to Mandy Walker from Deputy Chair WSFN SC

Summary

Kulin has withdrawn from hosting the administration of the Wheatbelt Secondary Freight Network. The steering Committee is seeking another Local Government to take on this role. This item sets out the basis upon which the Shire of Cuballing could offer to host.

Background

The Wheatbelt Secondary Freight Network project has attracted substantial Federal and State funding. Presently the Wheatbelt Secondary Freight Network program is funded to the tune of \$187 million. If it is delivered successfully the figure could be closer to \$500 Million.

Local Governments when they have a funded project have to contribute 6.7% of the project value. For comparison Roads to recovery and federal Blackspot projects are fully funded, while Regional Road Group Projects on roads of regional significance are funded 2/3 by the State and 1/3 by the Shire. The Shire of Cuballing is a significant beneficiary of the program and has substantial funding earmarked over the next 4 years.

The original host local government was Bruce Rock and is presently Kulin. Kulin has withdrawn as host and they are now seeking a new host local government. There was an approach made to RDA Wheatbelt, but RDA withdrew interest last week end after some email exchanges with the Chairs of the two Wheatbelt Regional Road Groups.

The sticking points with RDA have been:

- RDA was insisting on an independent chair for WSFN and the RRG chairs did not agree;
- RDA was requesting a 25% management fee – that is 24% on top of the value of the administration costs not the project costs – and the RRG chairs considered that this amount was too high.
- RDA is an observer on the WSFN Governance Committee and there seemed to be some suggestion that as professional members they could have done something to prevent the recent issues.

There have been several Local Governments that have indicated a willingness to consider taking on the role of hosting the WSFN. In addition to Cuballing the others have been

Dandaragan, Dalwallinu, Cunderdin and Kellerberrin. In light of RDAs withdrawal WSNF is seeking firm proposals from these shires.

The Task

The Host Local Government would become the employer of record for the 3 staff responsible for the delivery of WSNF

Program Director - Position Vacant
Program Manager - Peter Hall
Executive Officer – Position Vacant

This would include payment of salary, superannuation insurance etc. We would also be responsible for motor vehicle expenses, issue of credit cards, purchasing etc. As Shire of Cuballing employees these staff would be bound by Council policies. We would need to review policies and delegations to ensure they are fit for purpose.

It is not necessary to provide space in Cuballing for the staff. Peter is mostly mobile, and we could arrange and pay for office space convenient for the Program Director when selected.

The Executive Officer essentially provides administrative support and this could be delivered from anywhere.

The Email from Peter Hall setting out the requirements is below:

WSNF History

Shire of Kulin is the current host of the WSNF and have been awesome, In Mid to Late April the shire decided to end the hosting arrangement as of June 30th 2022. WSNF requested Main Roads and RDAW to investigate whether or not they could host, both were interested but due to existing business arrangements are unable.

Why a Host?

WSNF is not a legal entity, it cannot own anything or engage an employee or sign any legal documents. It can control and govern and administer a fund program via the Steering Committee and other resources.

A host is required to undertake these duties on behalf of the WSNF, the risk to the host is negligible to zero.

Cost to the Host

All costs incurred by or for the WSNF are reimbursable, with a direct claim to Main Roads. Main Roads have indicated that they could pay more regularly than monthly if requested.

Including but not limited to office staff time required to undertake duties on behalf of or because of the WSNF.

Traditionally the previous shires have not claimed any “on costs” or “profit” and this may have caused some angst.

The WSNF SC believe that somewhere between 5 to 10 % would be a reasonable charge going forward, because the risk is extremely low.

NB: There are sufficient funds in the WSNF program management bucket to cover all of the anticipated annual costs of hosting the WSNF.

WSFN requirements

Engage the Program Management Team

Program Director – In charge of the PMT and the primary link to the host and SC and major stakeholders.

Program Manager – Currently Employed. Responsible for the program delivery and is the primary contact for the LG's delivering works. Any issues or questions this role gives advice and guidance for the LG's to deliver their project withing the WSFN policies and procedures. The PM was paid by the 42 shire contribution and the REDs grant this was controlled by Koorda however these funds will be exhausted this year.
Executive Officer – Responsible for communications, all stakeholders, web site, data management, meetings, minutes.

Equipment

IT – the WSFN has an agreement with Sapio. The IT is fully independent and stand alone, it is an ongoing monthly bill ~\$50. There may at times be hardware purchase requirements. These are fully reimbursable.

Office – At this stage the WSFN has a minimal requirement for an office. In addition Kulin is not the ideal location for the WSFN Office. Geographically, Tammin is. Financial, Northam is. Stage 1/2 proximity, Northam. Politically, Perth. The WSFN PD will spend around 90% of their time in the office, The PM spends < 50% of time in the office. The next office should be based to better suit the WSFN, PD and host, Northam, Gingin, Midland, work from home. The current thought is that an office close to the PD residence would be sought.

Vehicle for PM – The WSFN is currently investigating a long term lease arrangement and has requested quote from a couple suppliers. In the interim an arrangement with Kulin might be able to be organised or if the Host has another option that could be agreed to.

Other Vehicles – It will depend on the agreed packages going forward.

Accommodation – The PM was supplied a unit in Kulin, this was fantastic because of the distance. Going forward the if the office location is in Perth then this probably won't be required. It is a discussion that can be held going forward.

I can send a copy of my current employment agreement if required.

*Wayne Gibson
WSFN Steering Committee Chair
0428 653 002*

*Grant Robins
WSFN Steering Committee Deputy Chair
0427 801 329*

If you have any questions or need any other information please don't hesitate to contact either of the above gentlemen or myself.

Discussion

The Shire of Cuballing would be quite capable of providing the hosting service, but the risk is higher than zero to negligible. If that was the case they would not be moving on to a third host Local Government. However, the risk is manageable.

Human Resource Management

In addition to the payroll function the host local government becomes responsible for all human resource functions including managing leave, long service leave, WHS, purchasing oversight, performance review and management.

Even though this will not be a traditional local government employment arrangement we cannot contract out our legal and legislative obligations.

Section 5.36 (3) of the Local Government Act

- (3) *A person is not to be employed by a local government in any other position unless the CEO —*
- (a) *believes that the person is suitably qualified for the position; and*
 - (b) *is satisfied with the proposed arrangements relating to the person's employment.*

This means that the CEO of the host Local Government will have hiring and firing responsibility for WSNF staff.

The act goes on to say:

5.37. Senior employees

- (1) *A local government may designate employees or persons belonging to a class of employee to be senior employees.*
- (2) *The CEO is to inform the council of each proposal to employ or dismiss a senior employee, other than a senior employee referred to in section 5.39(1a), and the council may accept or reject the CEO's recommendation but if the council rejects a recommendation, it is to inform the CEO of the reasons for its doing so.*
- (3) *Unless subsection (4A) applies, if the position of a senior employee of a local government becomes vacant, it is to be advertised by the local government in the manner prescribed, and the advertisement is to contain such information with respect to the position as is prescribed.*
- (4A) *Subsection (3) does not require a position to be advertised if it is proposed that the position be filled by a person in a prescribed class.*
- (4) *For the avoidance of doubt, subsection (3) does not impose a requirement to advertise a position where a contract referred to in section 5.39 is renewed.*

These provisions are a double edged sword. They give Council some say in the hiring or firing of designated Senior Employees, but not the WSNF committee. They also create obligation on how these positions are recruited.

5.38. Annual review of employees' performance

- (1) *A local government must review the performance of the CEO if the CEO is employed for a term of more than 1 year.*
- (2) *The CEO must ensure that the performance of each other employee who is employed for more than 1 year is reviewed.*

- (3) *A review under subsection (1) or (2) must be conducted at least once in relation to each year of the person's employment.*

It would be necessary to enter into an agreement with WSFN about how the positions will be managed. This will be a good faith arrangement as it is not possible to agree away the legal obligations of the CEO in the Local Government Act.

Workplace Health and Safety

Key features of the WHS Act are provided in the following extract from the "Overview of Western Australia's Work Health and Safety Act 2020" put out by the Department of Mines, Industry Regulation and Safety, and Worksafe (pg. 2):

- *The primary duty holder is the 'person conducting a business or undertaking' (PCBU) which is intended to capture a broader range of contemporary workplace relationships.*
- *A primary duty of care requiring PCBUs to, so far as is reasonably practicable, ensure the health and safety of workers and others who may be affected by the carrying out of work.*
- *Duties of care for persons who influence the way work is carried out, as well as the integrity of products used for work, including the providers of WHS services.*
- *A requirement that 'officers' exercise 'due diligence' to ensure compliance.*
- *The new offence of industrial manslaughter, which provides substantial penalties for PCBUs where a failure to comply with a WHS duty causes the death of an individual, in circumstances where the PCBU knew the conduct could cause death or serious harm.*
- *The voiding of insurance coverage for WHS penalties, and imposition of penalties for providing or purchasing this insurance.*
- *The introduction of WHS undertakings, which are enforceable, as an alternative to prosecution.*
- *Reporting requirements for 'notifiable incidents' such as the serious illness, injury or death of persons and dangerous incidents arising out of the conduct of a business or undertaking.*

Managing a remote workforce may have its own set of challenges. Probably the single biggest risk will be fatigue management. The WSFN is being delivered over a wide geographical area with potentially long days and driving back to base after late meetings could be a serious risk. We do not presently have a fatigue management policy, but we would probably need one.

Procurement

All purchasing would be subject to Shire of Cuballing purchasing policies and subject to our annual audit. This means we need to establish delegations for purchase orders and procedures for authorisation and oversight. This does not extend to the delivery of project funds, but all administrative expenditure, and credit and fuel cards would be covered.

Cost Recovery and Management Fee

WSFN balked at a 25% management fee proposed by Wheatbelt RDA. However, that model did not seem to include cost recovery for the management and administrative tasks associated with managing the 3 employees and their activities.

Typically, when Local Governments cost a new employee there is an on-costs figure which covers all the non-salary costs associated with that position. This is in effect their share of the organisation's administration cost. Usually, this figure is around 100% of salary. Under the RDA model total non-salary costs including the management fee was 87%.

For the Shire of Cuballing I would propose a Management Fee based on 15% of total costs. Based on the RDA costings this would approximate \$80,000 per annum. This could be charged as a flat fee invoiced quarterly.

Conflict of Interest

The Shire of Cuballing is a substantial beneficiary of the WSFN program with two major routes and significant funding over the next 4 to 5 years. The delivery environment for civil projects is very volatile at present, which means that for every project there will be variations required and negotiations around costings and delivery options. As host local government we could be seen to be getting special treatment for any variation.

This is offset to some degree by that fact that Cuballing is not represented on either the Technical Working Group or the Steering Committee

Strategic Implications - Nil

Statutory Environment

This is discussed in some detail in the item.

Policy Implications

It will be necessary to review key policies and delegations to accommodate our hosting obligations.

Financial Implications

According to the RDA Wheatbelt costings the annual cost of delivery is around \$535,000 which would be fully funded. It is proposed that we charge a management fee of \$80,000 per annum.

Economic Implication – Nil

Environmental Considerations - Nil

Consultation

The CEO has had extensive discussions with Mandy Walker from RDA Wheatbelt and Peter Hall the present Program Manager

Options

Council may choose whether or not to offer to be the host Local Government for the WSFN delivery team.

OFFICER RECOMMENDATION

1. That Council authorise the CEO to contact the Chair of the Wheatbelt Secondary Freight Network Steering Committee to advise that the Shire of Cuballing is willing to be considered as the Host Local Government for the Wheatbelt Secondary Freight Network;
2. The offer is subject to:
 - The successful negotiation of a hosting agreement;
 - Full cost recovery of all outgoings associated with the project;
 - WSNF staff being subject to Shire of Cuballing policies, procedures and delegations;

An annual management fee of \$80,000 invoiced quarterly

COUNCIL DECISION 2022/68

1. That Council authorise the CEO to contact the Chair of the Wheatbelt Secondary Freight Network Steering Committee to advise that the Shire of Cuballing is willing to be considered as the Host Local Government for the Wheatbelt Secondary Freight Network;
2. The offer is subject to:
 - The successful negotiation of a hosting agreement;
 - Full cost recovery of all outgoings associated with the project;
 - WSNF staff being subject to Shire of Cuballing policies, procedures and delegations;
 - An annual management fee of \$110,000 invoiced quarterly.

Moved Cr Bradford

Seconded Kowald

Carried 4/0

Reason for decision different from the Officer Recommendation: Council formed the view that a management fee that approximated 20% of costs would be more appropriate.



An Australian Government Initiative

Wheatbelt Secondary Freight Network Program Management Host Proposal

The Wheatbelt Secondary Freight Network (WSFN) in its current form as a non-legal entity requires an organisation to provide Program Management Host services for the Program Management Team. Previously, Local Governments have provided these services however in a recent review of the WSFN governance plan, it was agreed that to avoid perceived conflict of interest in route selection, allocation of funds and employee management, that the Host organisation not be a Local Government.

RDA Wheatbelt recognises the significance of this program for the region and as such is committed to continue to work collaboratively and support the WSFN Steering Committee to enable delivery of the program.

Section 13.2 of the WSFN Governance Plan (currently in review) describes the \$5.28 million available from Federal and State funds for Program Management which is separate to the funds available for project construction. This proposal as Program Management Host outlines utilising this funding for WSFN operational and staff costs in a standalone budget, something up until this time has not been formalised.

Main Roads WA, the Wheatbelt Development Commission and the WA Local Government Association are not in a position to provide host services. Regional Development Australia Wheatbelt Inc. (RDAW) has examined how we could fulfil the host role and we remain committed to supporting this iconic program whilst managing associated risks and complying with our own governance standards. RDAW believes these risks include:

1. Effective management of perceptions of conflict of interest;
2. Transparent and timely dissemination of information to all parties;
3. Management of party's lack of adherence to due process, particularly in terms of complaints handling and dispute resolution; and
4. Effective oversight of both total program budget and project management funding of \$5.28m.

Whilst some risks have been addressed during the review of governance processes, a program of this size (monetary value, number of stakeholders, project risks, resource management both financial and human) and importance in terms of reputation management, RDAW believes high quality governance processes and ongoing performance monitoring are needed to ensure effective program delivery. RDAW needs to be assured that the relationship between WSFN Steering Committee and the RDAW, through its Director of Regional Development, is open, transparent and responsive.

RDAW offers the following solution in-line with our approach to strong governance, best practice and due process as required by our organisation. We believe this approach will complement the proposed new WSFN Governance Plan and provide an added assurance to all 42 Wheatbelt Local Governments that the WSFN is being delivered in a way that meets their expectations.

The concept is that RDAW supplies the staff and operational requirements of the WSFN Project Management Team to the WSFN Steering Committee for a management fee. The features of this type of employment arrangement are illustrated in Figure 1. The contractual and control relationships that normally apply to traditional contracts of management are split between RDAW and the WSFN Steering Committee (SC). The WSFN Project Management Team are under the direction or control of the WSFN SC in relation to performance of work. They are however not engaged in any contractual or employment relationship with the WSFN Steering Committee.

The WSFN Project Team Members are paid by RDAW and have a direct employment contractual arrangement with RDAW. The WSFN SC pays RDAW a management fee for the staff and associated operational costs with providing those staff. WSFN funds are paid to RDAW via submission of an invoice to Main Roads WA.

Figure 2 is a diagram of the Organisational Structure that will arise from the contract between RDAW and the WSFN for Program Management Host services.

Figure 1: WSFN PMT Employment Relationship

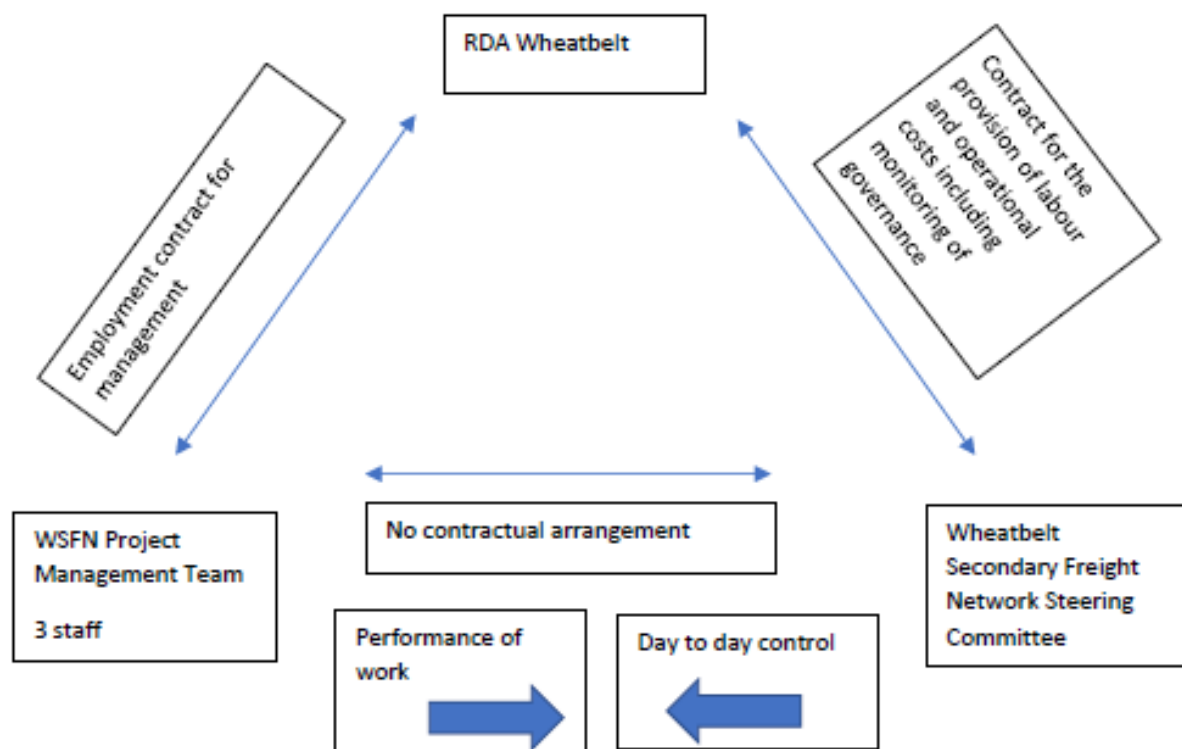
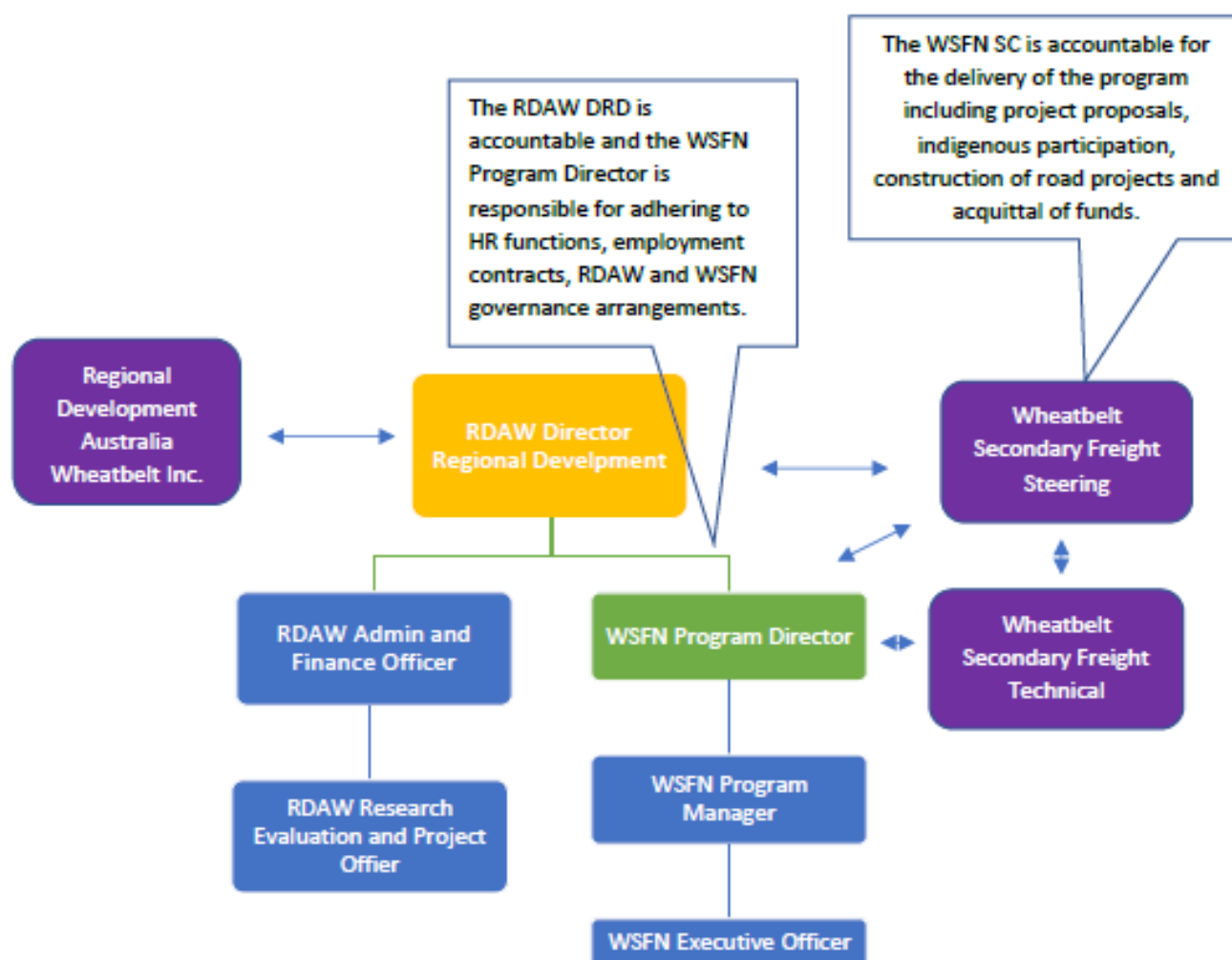


Figure 2: Organisational Structure



Budget and payments

Upon receipt of timesheets and purchase orders from the WSFN Program Director, RDAW as employer is responsible for payment of salaries and operational costs associated with the roles of the WSFN Project Management Team. RDAW legal advice is in line with section 12.3 of the WSFN Governance Plan (under review) requiring a contract between RDAW and the WSFN be prepared. The advice received went on to recommend that RDAW not only charge direct costs and on costs but also a management fee. This fee, based on labour hire rates, has been set 25% of all expenditure and would be paid to RDAW through Main Roads WA from the WSFN project management budget to cover RDAW costs associated with staff management, accounting and governance.

The total budget available with current funding from Commonwealth, State and Local Government is \$187.5m. \$5.28m has been allocated to Program Management costs. Each financial year the WSFN Program Director in conjunction with RDAW will be required to prepare a budget for the WSFN Program Management Team.

A procurement policy would need to be developed between RDAW, the WSFN Program Director and MRWA to ensure it is fit for purpose, all responsibilities and accountability for expenditure are identified and that auditable and transparent procedures are prepared and adopted. The flow of funds is based on RDAW being a supplier to MRWA to which RDAW invoices on a fortnightly basis for recovery of salaries and on a monthly basis for recovery of all other expenses.

Draft Budget

A budget for staff and operational expenses for Program Management has been drafted by RDAW in the absence of an existing Program Management budget or historical data. It covers all known staff expenses and an estimate of operational expenses which will be dependent on how the incoming Program Director shapes the program.

	Budget Item (EX GST)	2022-2023	2023-2024	2024-2025	TOTAL	Comments
INCOME	Commonwealth & State Funding	667,000	671,000	687,000	2,025,000	
	Bank interest	0	0	0	0	Pd in arrears
	TOTAL INCOME EX GST	667,000	671,000	687,000	2,025,000	
SALARIES	Program Director	180,000	184,500	189,113	553,613	2.50%
	Program Manager	135,000	138,375	141,834	415,209	2.5
	Executive Officer	40,000	41,000	42,025	123,025	2.5
	Other - Consultants?				0	
	TOTAL STAFF SALARIES	355,000	363,875	372,972	1,091,847	
OTHER STAFF EXPENSES	Program Director					
	Superannuation	18,900	20,295	21,748	60,943	10.5 / 11 / 11.5 %
	Workcover	1,800	1,845	1,891	5,536	0.10%
	Other travel (own vehicle, taxi, etc)	2,000	2,000	2,000	6,000	
	Accom & meals	1,000	1,000	1,000	3,000	
	Professional Development	1,000	1,000	1,000	3,000	
	Meeting expenses	500	550	600	1,650	
	Other				0	
	Director Sub Total	25,200	26,690	28,239	80,129	
	Program Manager					
	Superannuation	14,175	15,221	16,311	45,707	
	Workcover	1,350	1,384	1,418	4,152	
	Accom & meals	1,000	1,000	1,000	3,000	
	Professional Development	1,000	1,000	1,000	3,000	
	Other travel (own vehicle, taxi, etc)	200	220	250	670	
	Meeting expenses	500	550	600	1,650	
	FBT	1,000	1,000	1,000	3,000	personal use of vehicle
	Manager Sub Total	19,225	20,375	21,579	61,179	
	Exec/Admin Officer					
	Superannuation	4,200	4,510	4,833	13,543	
	Workcover	400	410	420	1,230	
	Travel	1,000	1,000	1,000	3,000	
	Accom & meals	500	500	500	1,500	
	Professional Development	500	500	500	1,500	
	Meeting expenses	250	280	300	830	
	Exec/Admin Officer Sub Total	6,850	7,200	7,553	21,603	
	TOTAL STAFF EXPENSES	51,275	54,265	57,372	162,912	
EMPLOYEE ENTITLEMENT ACCOUNT						
	Leave provisions				0	LSL not applicable atm
	TOTAL ENTITLEMENT COSTS	0	0	0	0	

	Budget Item (EX GST)	2022-2023	2023-2024	2024-2025	TOTAL	Comments
OFFICE LEASE & OUTGOINGS						
	Premises	6,000	6,000	6,000	18,000	Required?
	TOTAL OFFICE LEASE COSTS	6,000	6,000	6,000	18,000	
VEHICLE COSTS - Director						
	Lease	14,400	14,400	14,400	43,200	\$1200 per month
	Fuel	5,000	5,300	5,600	15,900	
	Insurance	2,000	2,000	2,000	6,000	
	Maintenance	1,000	1,000	1,000	3,000	
	Parking, cleaning etc	600	600	600	1,800	
	Director vehicle sub total	23,000	23,300	23,600	69,900	Based on 100,000 kms
VEHICLE COSTS - Manager						
	Lease	21,600	21,600	21,600	64,800	\$1800 per month
	Fuel	5,800	6,000	6,250	18,050	
	Insurance	2,000	2,000	2,000	6,000	
	Maintenance	1,000	1,000	1,000	3,000	
	Parking, cleaning etc	600	600	600	1,800	
	Manager vehicle sub total	31,000	31,200	31,450	93,650	Based on 100,000 kms
	TOTAL VEHICLE COSTS	54,000	54,500	55,050	163,550	
OPERATIONAL						
	Light & Power	2,100	2,100	2,100	6,300	Home office reimbursement \$700 FTE? ADD for any office
	Telephone, Internet & Fax	4,320	4,320	4,320	12,960	Phones, mobile internet??
	Insurance	500	500	500	1,500	Equipment
	Maint/Cleaning & consumables	100	100	100	300	
	Print, Postage & Stationery	500	500	500	1,500	
	Memberships	700	700	700	2,100	Bookkeeping? Other?
	Computer maint costs	750	750	750	2,250	
	Cloud computing costs				0	TBD
	TOTAL OPERATIONAL	8,970	8,970	8,970	26,910	
FINANCE, LEGAL & PROFESSIONAL						
	Bank Charges	10	10	10	30	or \$4 per person for a c/card
	Audit & professional fees	3,750	3,800	3,850	11,400	
	Consultancies	500	500	500	1,500	
	Legal				0	
	TOTAL FINANCE, LEGAL & PROFESSIONAL	4,260	4,310	4,360	12,930	
ACTIVITIES, MARKETING, PROJECTS						
	General activities, marketing, events	1,000	1,000	1,000	3,000	
	TOTAL ACTIVITIES, PROJECTS	1,000	1,000	1,000	3,000	
ASSET ACQUISITIONS & PROVISION						

	Budget Item (EX GST)	2022-2023	2023-2024	2024-2025	TOTAL	Comments
	Asset replacement provision	10,000	1,000	1,000	12,000	laptops, printers etc
	TOTAL ASSET ACQUISITION COSTS	10,000	1,000	1,000	12,000	
WSFN COMMITTEE COSTS						
	Meeting costs and catering	2,850	3,000	3,000	8,850	
	Members travel	10,000	10,000	10,000	30,000	reimbursement
	Members accommodation & meals				0	
	Independent Chair fees	30,000	30,000	30,000	90,000	
	TOTAL WSFN COMMITTEE COSTS	42,850	43,000	43,000	128,850	
EXPENDITURE SUMMARY						
	Staff Salaries	355,000	363,875	372,972	1,091,847	Staff
	Other Staff Expenses (Inc Super)	51,275	54,265	57,372	162,912	Staff
	Employee Entitlements	0	0	0	0	Staff
	Office Lease & Outgoings	6,000	6,000	6,000	18,000	Operating
	Vehicle Costs	54,000	54,500	55,050	163,550	Vehicles
	Operational	8,970	8,970	8,970	26,910	Operating
	Financial, Legal, Professional	4,260	4,310	4,360	12,930	Operating
	Activities & Projects	1,000	1,000	1,000	3,000	Operating
	Asset Acquisitions & Provision	10,000	1,000	1,000	12,000	Operating
	Committee Costs	42,850	43,000	43,000	128,850	Operating
	EXPENDITURE	533,355	536,920	549,724	1,619,999	
RDA WHEATBELT MANAGEMENT FEE						
	25% of expenditure	133,339	134,230	137,431	405,000	Management fee
	TOTAL EXPENDITURE	666,694	671,150	687,154	2,024,998	
		306	-150	-154	2	Surplus / Deficit

Staff	406,275	418,140	430,344
Operating	73,080	64,280	64,330
Vehicles	54,000	54,500	55,050
Management Fee	133,339	134,230	137,431
	666,694	671,150	687,154

Factors taken into account by RDAW

- Reputational risks associated with the current governance challenges of the WSFN Steering Committee and Technical Committee. It concerns RDAW that Legal action has been taken against a current WSFN Technical Group member by two previous WSFN Steering Committee members, and a legal request has been sent to the Chair of the WSFN Steering Committee. We understand the precursor to this was discontent amongst some Regional Road Group members and Local Governments regarding the management and governance of the WSFN. The key to the Governance Plan being implemented and adhered to will be having a Independent Chair

working with an experienced and competent Program Director to manage the Project Management Team (PMT) and provide governance oversight of the Technical Committee and Steering Committee.

To manage this risk an independent Chair must be appointed to the WSFN Steering Committee. This option aligns with the same philosophy and resolution by the Regional Road Groups that an independent Program Management Host be appointed to manage the PMT to prevent instances of actual or perceived conflict of interest. Sitting fees should be paid to the Independent Chair and reimbursement introduced for elected members of the Steering Committee elected members. Technical Committee members are engaged by Local Government (as employees or contractors) and as such do not require travel reimbursement because it forms part of their day-to-day job. The same applies to the non-voting members of the Steering Committee who attend meetings as part of their day-to-day job.

We do not agree with the current stance of the WSFN Steering Committee which permits consultants instead of local government employees to be appointed to the Technical Committee. A key premise of the funding request to the Federal Government Roads of Strategic Importance program was that these funds be used to build road infrastructure planning and construction capacity and capability within Local Government organisations. The engagement of consultants does not build local works managers or staff capabilities, it effectively outsources expertise without building a skilled local government sector. It is our strong suggestion that this stance be reconsidered.

- **Administrative and operational policies and procedures are not documented.** RDAW policies and procedures may not be entirely fit for purpose for the WSFN Project Management Team. We need to ensure that the WSFN PMT as employees of RDAW comply with RDAW policies however there could be items specific to the WSFN that need to be considered. Documenting and implementing clear and practical procedures will mitigate some of the potential reputational and operational risks. An example of this is currently the Steering Committee receives agenda papers with a very short lead up time to meetings which makes consideration of issues and decision making difficult. Having clear procedures and dedicated staff in place to manage processes will be of great benefit to moving on from past issues as well as meeting Governance Plan requirements.
- **There is a need for the Steering Committee to have checks and balances in place for the Program Management Team.** A feedback mechanism between RDAW and the WSFN Steering Committee will need to be designed so that performance issues, appeals or disputes between Local Governments, consultants and the WSFN can be resolved by the Steering Committee instead of unsolicited reporting amongst select members of regional road groups.
- **Time pressures for finalising arrangements.** There is a Project Manager in place who is delivering the WSFN program as an employee hosted by the Shire of Kulin. There is a need to identify Program Management Host arrangements so that the WSFN program can continue to be delivered and that recruitment for a Program Director and Executive Support Officer be undertaken. RDAW as employee host, would lead the recruitment process with members of the WSFN Steering Committee on the selection panel.
- **Fee for management arrangement.** If RDAW agrees to take on the employee host role, we will be charging 25% management fee on all WSFN Project Management Team expenses. This accounts for the DRD and Admin and Finance Officers time and responsibilities.

RDAW Program Management Host Solution

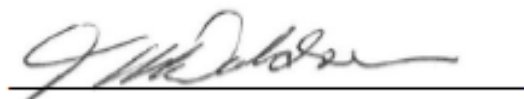
RDA Wheatbelt is committed to ensuring that the WSFN program remains an iconic program that showcases how Local, State and Federal Government can work together on a region wide long term solution for road safety and infrastructure.

RDA Wheatbelt agrees to enter a contract with the WSFN Steering Committee to be the Program Management Host of the WSFN Project Management Team for the term July 2022 – June 2025 conditional on agreement by the Steering Committee that an independent paid Chair be appointed to the WSFN Steering Committee; and that elected representatives on the WSFN Steering Committee be reimbursed costs for attending to Steering Committee business.

The rationale for requiring an independent Chair is to align with the Regional Road Groups' resolution to source an independent Program Management Host. There are many benefits of having a Chair independent of the Regional Road Group (RRG) structure. Most significant is the ability to ensure consistency of governance and continuity of corporate knowledge throughout the life of the WSFN Program. The burden of organisational management from the unpaid RRG representatives is removed by having an independent Chair and Program Management Host overseeing a staffed Program Management Team.

RDAW as an organisational partner will work with WSFN Program Director to define the role of RDAW in regard to Governance arrangements, policies and procedures, and review of arrangements. The employment arrangement and organisational structures depicted in Figures 1 and 2 will be implemented by RDAW in collaboration with the WSFN Program Director.

Signed



Date: 16 June 2022

Terrance (Tuck) Waldron

Chair

Regional Development Australia Wheatbelt Inc.

3 Constable Street

Gingin WA 6503

T: 08 9575 1888

E: admin@rdawheatbelt.com.au

W: www.rdawheatbelt.com.au

Stan Scott

From: Mandy Walker <mandy.walker@rdawheatbelt.com.au>
Sent: Monday, 20 June 2022 3:20 PM
To: Stan Scott
Cc: Pippa Harris; tuck.noels
Subject: FW: RDAW HOST ARRANGEMENT
Attachments: RDAW - WSFN Program Management Host proposal final (002).pdf; RE: WSFN hosting arrangements

Hello Stan

Following on from our discussion about the potential for Cuballing to be Program Management Team host, I attach the proposal that RDAW presented to the WSFN SC via email on the 16th June along with feedback from Wayne and Grant over the weekend. We reassessed our position because we don't believe that we could make an arrangement like this work so withdrew the proposal before it was considered by the WSFN SC today.

I'm happy to talk through the rationale for our proposal and we are keen to support the WSFN where we can. We believe the key to long term sustainability and success of this program is to have a paid Independent Chair oversee the WSFN SC and for wider recognition that the PMT is not just a payroll function it is an organisational function.

Regards
Mandy

Mandy Walker
 Director Regional Development
 RDA Wheatbelt Inc
 Mobile: 0428 372 179
 Phone: (08) 9575 1888
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From: Wayne Gibson <cr.gibson@dandaragan.wa.gov.au>
 Sent: Saturday, 18 June 2022 5:43 PM
 To: Mandy Walker <mandy.walker@rdawheatbelt.com.au>; executiveofficer@wsfn.wa.gov.au;
 cr.haywood@goomalling.wa.gov.au; WSFN Project Manager <projectmanager@wsfn.wa.gov.au>
 Cc: kultrans@bigpond.com; croconnell@nungarin.wa.gov.au; HUNT Alli (LGIM <alli.hunt@mainroads.wa.gov.au>;
 IDuncan@walga.asn.au; chris.sharples@wheatbelt.wa.gov.au
 Subject: RDAW HOST ARRANGEMENT

Hi Mandy

Thanks for your RDAW hosting proposal you have put a lot of resources in to it, and it's quite extensive.

My concerns with the hosting arrangement, going through the document are?

1/ You have only allowed for 5 FTE for a EO Executive Officer I believe there's a need for a full time EO. With our work load going forward, communication with 42 LGs, publicity, website, and promotion of the WSFN. The primary concern highlighted by all the LGs in the wheatbelt was communication. The primary role of the EO is communication of the WSFN going forward. They must be kept in the loop at all times.

2/ Reputation risks associated with the current governance challengers of the WSFN Steering Committee and Tec Committee. It concerns RDAW that legal action has been taken against a current WSFN Tec Group member by two previous WSFN Steering Committee members. We have to be very careful what we say regards this issue. But I would point out you have been on the SC from the very start, I would have thought that the professional people on the SC would have picked up on the issues earlier. I have been considering all the boards and two councils I have been a member of, there has been 4 instances where legal action has been taken, in my time. One of these companies had more high-power people on it than we have. The important thing to remember is that the issue has been picked up and actioned on by Sub Groups and RRG and concerns from some LGs. I believe that an Independent Chair will not solve this problem.

This is an on-going problem, where a Chair must always move forward with their committee. Changing the person does not necessarily solve the problem. That's a perception. I'm surprised that no consideration of the Governance review has been taken into account by yourself.

I agree an independent Director / CEO is a must, this has not been the case so far, this will go a long way to solve our issues from the past. I believe the new Technical Committee as its set up now will work a lot better with 8 members and meet regular not ad hoc. Also, the increase to the SC Committee will also help. We also must remember that The Technical Group recommends to the Steering Committee, the SC has to approve the recommendations. Our reviewed Governance has and will solve a lot the issues if not all of them. Going forward we must have confidence in the new Governance review.

I have a problem with the organisation we are asking to host our committee, is using words like we must do this. I would have liked to see we will work together on this issue; if this is to be a workable partnership between our groups.

Whilst independence does lend itself to a non-biased Governance there is a point where the independence loses contact with the region that they are supposed to represent. Independence with the PMT is fully supported but should be tempered by the local Steering Committee who are involved in our region. The SC is made up of quite resilient people who can put aside all local issues for the good of the region.

I will admit there has been minor issues in the past 12 months, which if they were handled properly would have not been an issue, an independent Director would have been a big plus.

I believe you do not spend funds just because they are available. Money spent on an independent Chair, is a waste of funds and more importantly not needed. Whilst talking about funds I find it hard to justifying 25% for a management fee, it is a bit over the top, after some inquiries. I believe a fee of around 15/17% is a more realistic figure, the original figure talked about was \$90k. It's now \$133k.

3/ The engagement of consultants I believe to be a plus for local government as they are passing on knowledge they have gleaned over the years and pass this onto the local work managers.

We must remember these people have been elected by their respective Sub Groups. These same people represent their respective Sub Group at RRG.

Smaller Shires contract these people because they cannot afford a full-time engineer. I believe this is a hangover from the legal issue going forward. The SC has introduced a conflict of interest register for every member of both SC and TG, and this is in place now.

I believe this is the right of the Sub Group to elect whoever, in most cases they are the people that the Sub Group believes are the best people for the job. You must consider local governments going forward and how they operate; you have a lot of LG knowledge on your board. And the SC has a very broad range of LG knowledge also, we all wish the same outcome at end of the day and that's the best road network in our 42 LGs.

Factors taken in to account by RDAW.

We understand the precursor to this was discontent amongst some Regional Road Group members and LGs regarding the management and governance of the WSN. I would have thought you would have had a better understanding of the issues. The biggest issue was procedures which were not covered off in the Governance Plan, and ad hoc changes to the governance plan. To quick fix. Again, an independent Director would have solved this issue, not an independent Chair.

Again, I must stress our new or revised Governance plan has picked up on these issues. The original Governance was done in haste I believe but hindsight is great.

There is a need for the Steering Committee to have checks and balances in place for the PMT. A feedback mechanism to the SC for appeals or disputes between LGs, consultants and the WSN can be resolved by the SC, this has been covered off in the new Governance Plan, I believe looking at your main concerns we have covered off on most of the issues you have raised. You have not really given the new Governance a chance, plus you were at the meeting.

Regards minutes an agenda since we have had an EO these are put out about 7/10 days after and before meetings, except the last 6/7 weeks which we are trying to meet time lines under our present situation which is not really helping.

Without a doubt time pressures are on our mind, but the SC must ensure what ever is adopted it must be in the best interest of the 42 LGs going forward.

The burden of organisational management from unpaid RRG representatives is not a big issue as I believe the reps are doing the job because they are interested in what they are doing for the LGs regional areas and for the betterment of the 42 LGs. I raised that as a point of interest, in regards of volunteers in the country, we would be buggered without them. But life goes on, as it must.

Regards the rationale for requiring an independent Chair is to align with the RRG resolution to source an independent Program Management Host, that's correct, but not for the perceptions you believe.

We do have a few issues at present Legal representation for the previous two SC members, have stated that work on our New Governance has to cease forth with, we hope to have an answer on this on Tuesday.

Well Mandy you still did a good job on the proposal you have put forward; I believe it will be a good discussion going forward. Thanks very much.

Wayne Gibson
Chair WSN
wheatbelt

Stan Scott

From: kultrans@bigpond.com
Sent: Friday, 17 June 2022 8:19 PM
To: Mandy Walker; 'WSFN Executive Officer'; cr.gibson@dandaragan.wa.gov.au; 'Des Hickey'; 'Cr Darrel Hudson'; cr.haywood@goomalling.wa.gov.au; cr.graham.broad@narrogin.wa; 'Eileen O'Connell'; 'HUNT Alli (LGIM)'; IDuncan@walga.asn.au; 'Chris Sharples'
Cc: tuck.noels; karenstrange; relbaker; Pippa Harris
Subject: RE: WSFN hosting arrangements

Hi Mandy

Thanks for the proposal ,obviously a lot of time and thought has gone into it .

I have a couple of concerns with the document .

Firstly the 25 % management fee to me seems high . App \$135000 average per year to essentially provide a payroll service seems excessive as all other costs are being on charged.

Secondly the requirement for the independent chair . With changes that have been made to both committees I do not see the need or believe that the WSFN will benefit from an independent chair . Time may prove me wrong, but I think the substantial changes we have made in the last few months will address the concerns raised and do not believe spending more funds on administration costs will come with a benefit to the program .I'm unable to comment on Wheatbelt North RRG but it was an independent governance review was what was requested at the Wheatbelt South RRG meeting .

Lastly the reference to the make up of the Technical Committee . The use of consultants by local government aid and provide knowledge to work managers allowing them to upskill . As in every industry at the moment there is a skill shortage . It needs to be remembered that 8 members now make up the Tech Committee and it is only making recommendations to the Steering Committee not giving the final approval and I believe the knowledge of this committee is paramount the success of the program .

Please feel free to contact me at any stage to discuss any of these points .

Regards

Grant Robins
 Kulin Transport
 P/H 0427801329
 E/Mail kultrans@bigpond.com
 Fax [08 98801326](tel:0898801326)
 P.O Box 169
 Kulin W.A 6365

From: Mandy Walker <mandy.walker@rdawheatbelt.com.au>
Sent: Thursday, 16 June 2022 11:33 AM
To: WSFN Executive Officer <executiveofficer@wsfn.wa.gov.au>; cr.gibson@dandaragan.wa.gov.au; Des Hickey <crhickey@corrigin.wa.gov.au>; Cr Darrel Hudson (crhudson@dowerin.wa.gov.au) <crhudson@dowerin.wa.gov.au>; cr.haywood@goomalling.wa.gov.au; cr.graham.broad@narrogin.wa; Eileen

O'Connell <croconnell@nungarin.wa.gov.au>; Grant Robins (kultrans@bigpond.com) <kultrans@bigpond.com>; HUNT Alli (LGIM) <alli.hunt@mainroads.wa.gov.au>; IDuncan@walga.asn.au; Chris Sharples <chris.sharples@wheatbelt.wa.gov.au>
Cc: tuck.noels <tuck.noels@bigpond.com>; karenstrange <karenstrange@bigpond.com>; relbaker <relbaker@bigpond.com>; Pippa Harris <admin@rdawheatbelt.com.au>
Subject: WSNF hosting arrangements

Dear fellow WSNF Steering Committee members

Please see hosting solution being offered by RDAW for the WSNF Project Management Team. We have a window available between 10am and 2pm (finish by 2pm) on Monday 20th to meet over zoom, can I ask Fiona to lock in a time that suits the majority and send a zoom meeting invite?

I will ask that the RDAW Chair Tuck Waldron, Deputy Chair Karen Strange, Committee member Lyn Baker (ex WSNF SC member) and our Admin and Finance Officer Pippa Harris also attend so that you can ask questions of them regarding the proposal.

We are committed to making sure that WSNF as a non-legal entity has a robust organisational solution reflective of the nature and scale of a \$187.5m program. I have confirmed that we can get a contract in place for Peter by the 1st July to ensure continuation of payroll for him.

Kind regards
Mandy

Mandy Walker
Director Regional Development
RDA Wheatbelt Inc
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Phone: (08) 9575 1888
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E-mail: mandy.walker@rdawheatbelt.com.au
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7.1.2 Participation in a Hotham Williams VROC

Applicant:	Shire of Williams
File Ref. No:	ADM 038
Disclosure of Interest:	Nil
Date:	21 st June 2022
Author:	Stan Scott - CEO
Attachments:	Attachment 1 – Draft MOU

Summary

The CEO and Shire President attended a meeting with the Shires of Boddington, Williams and Wandering to discuss the formation of a Voluntary Regional Organisation of Councils.

Purpose

The Shire of Williams has contacted us to see if the Shire of Cuballing is interested in joining a Voluntary Regional Organisation of Councils. The purpose of this item is for Council to determine whether to proceed.

The Draft MOU for the proposed Hotham Williams VROC is attached to this report. It sets out in some detail the purpose and objectives of the VROC.

Background

The Shire of Cuballing is already involved in a range of Regional cooperative arrangements including:

- The Wheatbelt South Aged Housing alliance secured \$2.8 million of Commonwealth funding for the construction of Independent Living units in Cuballing, Kondinin, Corrigin and Wickepin.
- The Shire pays an annual contribution towards the operation of the Narrogin Regional Library;
- The Shire pays an annual contribution and sits on the management committee of the Dryandra Country Visitor Centre;
- Cuballing and Wickepin have joint Emergency Management arrangements;

Until 2013 Cuballing was part of the Dryandra Voluntary Regional Organisation of Councils. This group consisted of Cuballing, Pingelly, Wandering, Wickepin and the two Narrogins. It was the vehicle for the distribution of the regional component of the Country Local Government Fund. It seems to have disbanded following the expiry of that program and the Narrogin amalgamation.

In addition to specific local arrangements the Local Government as an industry in WA has a rich history of cooperating as a sector including:

- Every Country Local Government is involved in the Regional Road Group system. Wheatbelt Local Governments are involved in the Wheatbelt Secondary Freight Network.
- Local governments in WA are collectively self-insured through the LGIS property, liability and work covers schemes.

- The local government sector through WALGA has a broad range of preferred supplier arrangements delivering significant savings to member Councils.
- WALGA's governance arrangements includes a State Council electing from a number of regionally based zones. Cuballing is part of the Central Country Zone of WALGA.

Voluntary Regional Organisations of Councils (VROC)

WALGA published a snapshot of regional cooperation and shared services operating in WA. A link to this publication is in resources. There are a number of different forms of regional cooperation in the WA Local Government Sector:

Regional Councils:

These are formed using an establishment agreement that must be approved by the Minister. Generally these will have a narrow scope of specific purpose such as land development or Waste Management.

Shared Services

Local Governments often share services, particularly regulatory services such as health, building or rangers.

Alliances

These are for purpose arrangements, sometimes incorporated, usually with a specific focus such as tourism, economic development or aged housing.

Subsidiaries

Section 3.69 of the Act says:

Two or more local governments making arrangements under which they are to provide a service or carry on an activity jointly may, with the Minister's approval and in accordance with the regulations, form a subsidiary body (called a regional subsidiary) to provide that service or carry on that activity.

This was supposed to allow Local Governments to form new entities with less onerous compliance requirements than for Regional Councils. Unfortunately, the regulations surrounding these entities were so onerous that none were formed at the time of the WALGA publication, and I am not aware of any that have formed since.

VROC

A number of voluntary organisations of Councils have been established to work collaboratively for regional planning and shared projects that benefit a region. Governance arrangements can vary, but most operate under a memorandum of understanding with administrative support provided by the members Councils

The governance arrangements for VROCs are generally less demanding than for Regional Councils and the barriers to entry and exist are lower. This makes them quite an attractive governance model. The level of success is varied, and it is now not uncommon for Local Governments to come and go.

Discussion

The proposed VROC involves Boddington, Wandering and Williams. Wandering and Williams both share a boundary with Cuballing, are located in the Wheatbelt Development Commission Region and are part of the Central Country Zone. Boddington share a

boundary with Wandering and Williams, but is part of the Peel WALGA Zone and the Peel region.

In some ways regional boundaries are arbitrary and there is nothing to prevent Local Governments working across those boundaries. The main question is whether there is sufficient community of interest with the proposed Hotham Williams VROC group.

When the matter was discussed at Forum in April Council was disposed to consider involvement.

Strategic Implications

This proposal is consistent with the economy strategy set out in the Strategic Community plan is:

Create and strengthen partnerships to advocate for and deliver community facilities, and services and major infrastructure.

Statutory Environment

This is discussed in some detail in the item.

Policy Implications – Nil

Financial Implications

The proposal is for a 5 year MOU with an annual contribution of \$5,000 per Local Government. If joint projects are developed that require further contribution the further contribution would be considered on its merits by individual member Councils.

There is an existing Hotham Williams Economic Alliance which is about to be wound up. It is likely that it would pass on the balance of its funds, around \$35,000, to the proposed VROC.

Economic Implication – Nil

Environmental Considerations - Nil

Consultation

The CEO and Shire President attended a meeting with the Shires of Boddington, Williams and Wandering on Monday 21 June. The Group is keen to make a decision quickly so that budget contributions can be set aside and the winding up of HWEA can proceed quickly.

Options

Council may choose whether or not to participate in the proposed VROC.

COUNCIL DECISION 2022/69

That Council resolve that:

- 1. The Shire of Cuballing commits to participating in the Hotham Williams VROC,**
- 2. Allocates \$5,000 from its 2022-23 budget as its first annual contribution;**
- 3. Authorises the CEO and the Shire President review, endorse and execute the Memorandum of Understanding (MOU) to form the VROC provided it is substantially similar to the draft MOU at attachment 1.**
- 4. Notes that the MOU will require an annual contribution of \$5,000 per year for the 5 year life of the MOU.**

Moved Cr Harris

Seconded Cr Bradford

Carried 4/0

Boddington, Cuballing, Wandering, Williams

Hotham Williams VROC

Memorandum of Understanding

CERTIFICATE OF AGREEMENT

The Shires of Boddington, Cuballing, Wandering and Williams enter a Memorandum of Understanding (MOU) with the intent of developing an alliance that will assist in providing the group with a clear strategic direction for economic development in the Hotham Williams Region.

The MOU recognises (the group) role as a strategic regional management team represented by appointed elected members and staff.

The MOU has a particular focus to support economic development and sets out commitments by all parties for the timely implementation of initiatives and specific projects agreed to by the parties of the MOU.

As part of this MOU the undersigned agree to abide by the underlying principle and commitments (outlined) on which the agreement are based.

Signed byfor and on behalf of the Shire of Boddington

Name.....Date.....

Signed byfor and on behalf of the Shire of Cuballing

Name.....Date.....

Signed byfor and on behalf of the Shire of Wandering

Name.....Date.....

Signed byfor and on behalf of the Shire of Williams

Name.....Date.....

NAME

The name of the voluntary regional organisation of councils is the Hotham Williams Voluntary Organisation of Councils (Hotham Williams VROC). It is recognised that the Hotham Williams VROC has been established to continue the work of the Hotham Williams Economic Development Alliance (HWEDA) that was established as part of the Boddington SuperTown Economic Development Strategy. HWEDA was a collaborative sub-regional group made up of the three communities of Boddington, Wandering and Williams.

PURPOSE

A Memorandum of Understanding between the Shires of Boddington, Cuballing, Wandering and Williams is to establish a working partnership: -

- To achieve recognition of the Hotham Williams area as a viable, political, social and economic region;
- To enhance service delivery and infrastructure for the collective and individual communities;
- To achieve a sustainable, cost effective model for the sharing of resources.

PARTIES TO THE MOU

The Shires of Boddington, Cuballing, Wandering and Williams.

OBJECTIVES

The objectives of the Hotham Williams VROC as follows:

1. To initiate, facilitate and coordinate activities to meet the business development needs and interests of:
 - a. Existing corporations and other business enterprises operating in the Hotham Williams area; and
 - b. Corporations and other business enterprises investing in or considering investment in the area;
2. Provide assistance to investors and potential investors through strategic introductions and non-financial assistance to appropriate sources of advice to encourage the economic development and promotion of the area;
3. Lobby government at all levels for the provision of government services, infrastructure, concessions and incentives which encourage and facilitate economic development;
4. Strengthen the local government / business interface;
5. Market and promote the Hotham Williams area as a destination to commercial/industry visitors and recreation visitors;
6. Generally conduct activities identified by the group from time to time that meet the aims of regional economic development; and
7. Promote sustainable development through a balance between economic, environment and quality of life.

PRINCIPLES

In entering this MOU all the parties agree to abide by the following principles, as established between the local governments.

OVERARCHING PRINCIPLE

To promote and expand the economy of the Hotham Williams area by undertaking purposeful and agreed joint initiatives and projects.

GENERAL PRINCIPLES

- 1. Partnerships**
 - a. Recognise that partnerships between the local governments in the MOU are essential to achieve social, environmental and economic development of the Hotham Williams area.
 - b. Be flexible and open to new approaches to service delivery and funding.
 - c. Recognise and acknowledge the needs and constraints of all spheres of government, community and stakeholders.
 - d. Recognise that new partnership agreements may be considered if initiated by either state or local government.
 - e. Invite participation from key business, industry and community groups where appropriate.

- 2. Roles and Responsibilities**
 - a. Identify, understand and respect the roles and responsibilities of all parties.
 - b. Ensure that these roles and responsibilities are considered and respected in all decision making.
 - c. Recognise and respect the role that each plays in enhancing sustainable social, environmental and economic development.

- 3. Communication**
 - a. Open and timely communication on issues of relevance to the group.
 - b. Meet at least twice in any financial year.
 - c. Recognise the need to confidentiality of discussion until a mutually agreed time.

- 4. Consultation**
 - a. Appropriate consultation to facilitate understanding and consensus.

- 5. Outcomes**
 - a. Well defined and agreed outcomes and performance measures for all projects and activities.
 - b. Adopt a realistic approach to funding and resource issues, including opportunities for development of local assets for the benefit of the people of the area.
 - c. Commitment to contribute resources and expertise to the partnership process.

- 6. Accountability**
 - a. A transparent approach where changes to roles, responsibilities and budgets are negotiated and agreed and resources necessary to implement changes are identified.
 - b. Undertake open assessments of the effectiveness of agreements.
 - c. Have clearly defined reporting, dispute resolution and review mechanisms.

MEMBERSHIP COMMITTEE

Appointment of Committee

- a. Each local government is to have two representative voting members, being an elected member and CEO.
- b. Non-voting elected members and officers of each local government may participate in meetings.

Chairperson and Executive/Financial Management Support

The Chairperson will be elected for a two-year term that aligns with the Local Government Electoral cycle. Executive support and financial management support will be determined by resolution of the VROC.

Role of representative of Hotham Williams VROC

- a. Represent the interests of the individual local governments, ratepayers and residents of the region;
- b. Facilitate communication between the community of the region and Hotham Williams VROC;
- c. Participate in the decision-making processes at meetings of Hotham Williams VROC and its committees (if formed); and
- d. Represents and undertakes actions on behalf of Hotham Williams VROC as authorised by the VROC.

Decision making process

- a. In all strategic planning issues, consensus will be reached to make recommendations back to individual MOU local governments for ratification.
- b. Where voting is required on approved operational issues a simple majority prevails.
- c. In relation to membership of Hotham Williams VROC any decision must be absolute.

FINANCIAL CONTRIBUTIONS

Annual contributions

As determined by consensus each local government will contribute up to \$5,000 per annum to meet project and executive/secretarial financial needs.

Manner of Payment

The contributions shall be paid by each party to the Hotham Williams VROC in a manner determined by the VROC.

PROJECTS

Requirements

Hotham Williams VROC shall only undertake a project once it is satisfied that any services and facilities will: -

- a. Integrate and coordinate, so far as practical, with any provided by the Commonwealth, State or any public body;
- b. Within the district of a local government do not duplicate, to an extent that the party consider inappropriate, services or facilities provided by the Commonwealth, State or any other body or person, whether public or private; and
- c. Are managed efficiently and effectively.

Project plan to be prepared

Where the Hotham Williams VROC is considering a proposed project, it shall prepare a project plan.

Contents of a project plan

Project plan can include:-

- a. Clearly identified project purpose, objectives and outcomes;
- b. Cost benefit analysis;
- c. A project action plan with clear timelines and performance milestones clearly outlined; and
- d. A project budget which includes the following:-
 - Grant or other funding
 - Local Government contributions
 - Project expenses
 - Administrative expenditure
 - Human resource cost
 - A dollar cost of in-kind contributions
 Recurrent budget if required which includes:
 - Revenue
 - Expenditure
 - Human Resource Cost
 - Program maintenance and asset management costs

Parties to be given a project plan

Upon completion of the project plan the Hotham Williams VROC shall give a copy of the plan to each of the member local governments.

Election to participate in a project

Each local government shall, within a reasonable period determined by the Hotham Williams VROC, elect whether to participate in the project by giving notice of its election to the Hotham Williams VROC.

Review of project plan

As soon as practicable after the period referred to in the project plan:-

- a. Review the project plan and its viability having regard to the number of local governments that elected to participate;
- b. Decide whether to proceed with the project; and give notice to each of the project parties of its decision.

Project parties to be bound

Where the Hotham Williams VROC decides to proceed with a project and gives notice of its decision to each of the local governments then each of the parties shall be bound by the terms of the project plan in a new project agreement.

Winding up the project

The Hotham Williams VROC may resolve to wind up the project. An absolute majority vote will be required by the Hotham Williams VROC to resolve to wind up any project.

Division of assets

If a project is to be wound up and there remains after satisfaction of all its debts and liabilities, any property and assets of the project then the property and assets shall be realised and the proceeds along with any surplus funds shall be divided among the project parties in the proportions referred to in the project plan.

Division of liabilities

If a project is wound up and there remains any liability or debt in excess of the realised property and assets of the project plan then the liability or debt is to be met by the project parties in the proportions referred to in the project plan.

Indemnification by project parties of Hotham Williams VROC

If a project is wound up, then the project parties shall indemnify the Hotham Williams VROC (in the proportions referred to in the project plan) with respect to that liability or project.

TERM AND TERMINATION**Term of agreement**

Unless wound up, this agreement shall remain in place, for five (5) years from the date of signing by the local government representatives.

Winding up by agreement

The parties may, by agreement, wind up the Hotham Williams VROC.

Division of assets

If the Hotham Williams VROC is wound up and there remains, after satisfaction of all its debts and liabilities, any property and assets of Hotham Williams VROC then the property and assets shall be realised and the proceeds along with any surplus funds shall be divided among the parties in the proportions referred to in the agreement.

Division of liabilities

If the Hotham Williams VROC is wound up and there remains any liability or debt in excess of the realised property and assets of the Hotham Williams VROC then the liability or debt is to be met by each of the parties in the proportions referred to in the agreement.

WITHDRAWAL OF A PARTY**Withdrawal**

Parties may at any time may advise the Hotham Williams VROC of their intent to withdraw from Hotham Williams VROC.

When withdrawal to take effect

Withdrawal will take effect as from the end of the relevant financial year with a minimum of three (3) months' notice.

Entitlement or liability of withdrawing party

As soon as practicable following withdrawal taking effect the Hotham Williams VROC shall: -

- a. Distribute to the party an amount equal to the proceeds and any surplus funds which would have been payable if the Hotham Williams VROC was wound up; or
- b. Be entitled to recover from the party an amount equal to the liability or debt which would have been payable by the party if Hotham Williams VROC was wound up.

Parties may be required to pay distribution

If the Hotham Williams VROC is unable to meet the distribution referred to above from funds on hand then, unless the Hotham Williams VROC decides otherwise, the parties (other than the party that has withdrawn) shall pay the distribution in the proportions equal to their respective equities in the Hotham Williams VROC.

ADMITTING NEW MEMBERS

Prospective new members may only be admitted by full agreement of all parties and shall be required to contribute to Hotham Williams VROC a sum equal to the current year's contribution schedule or a discretionary sum agreed to by the Hotham Williams VROC.

DISPUTE RESOLUTION

Dispute

In the event of any dispute or difference arising between the parties or any matter or thing arising under in connection with the Memorandum of Understanding, then notice in writing may be given adequately identifying the matters, the subject of the dispute.

Arbitration

The party or Hotham Williams VROC may refer the matter to arbitration under and in accordance with the provisions of the *Commercial Arbitration Act 1985*.

Legal representation

For the purposes of the *Commercial Arbitration Act 1985*, the parties' consent to each other and the Hotham Williams VROC being legally represented at any such arbitration.

Memorandum of Understanding in Good Faith

Despite anything expressed or implied to the contract in this Memorandum of Understanding (MOU) or anywhere else, this MOU is a mere non-justiciable statement of current intent, and is neither intended to be, nor is it, (a) legally binding, or (b) creative of legal relations between the parties to it. No legal rights or obligations will come into existence unless or until one or more legally enforceable written agreements are entered into.

8. CONFIDENTIAL MATTERS:

Nil

9. NEXT MEETING:

Ordinary Council Meeting, 2.00pm, Wednesday 20th July 2022 at the Shire of Cuballing Council Chambers, Campbell Street, Cuballing.

10. CLOSURE OF MEETING:

There being no further business, the Shire President, Cr Dowling, closed the meeting 6.06 pm