



Gascoyne Country Zone

Minutes

Mandu Mandu, Exmouth

10:00am

Friday, 26 June 2020

Gascoyne Country Zone

Meeting hosted by the Shire of Exmouth

Mandu Mandu

Meeting commenced at 10:00am, Friday, 26 June 2020

Minutes

ATTENDEES

Shire of Carnarvon	President Eddie Smith David Burton – Chief Executive Officer
Shire of Exmouth	President Cr Matthew Niikkula Cameron Woods – Chief Executive Officer
Shire of Shark Bay	President Cr Cheryl Cowell – Chair Paul Anderson – Chief Executive Officer
Shire of Upper Gascoyne	President Cr Don Hammarquist OAM John McCleary – Chief Executive Officer
WALGA	Mark Bondiotti – Policy Manager Transport and Roads

GUESTS

Department of Local Government, Sport and Cultural Industries	Benita Donda – Regional Officer
Gascoyne Development Commission	Simmons Van Buerle – Director Regional Development
Regional Development Australia - Mid West Gascoyne	Mark Holdsworth - Director of Regional Development Executive Officer

APOLOGIES

Gascoyne Development Commission	Tym Duncanson – Chief Executive Officer
Department of Fire and Emergency Services	Matt Holland, Area Officer Carnarvon
Regional Development Australia - Mid West Gascoyne	Yvonne Messina, Chair RDAMWG

4.2 Business Arising

None.

5. ZONE BUSINESS

5.1 Solar Eclipse 2023

Shire of Exmouth

Standing Item on the agenda relating to planning for the 2023 Solar Eclipse.

Note - \$14.6m allocated to upgrade the Exmouth Road.

Noted

5.2 Review of the State Roads to Local Government Agreement 2018/19 to 2022/23

Shire of Upper Gascoyne

Background

Preamble

This review has been undertaken by the Chief Executive Officer of the Shire of Upper Gascoyne to determine how this agreement is working now and if there are any areas in this agreement that can be improved, in the future, to assist Gascoyne Local Governments and by default other rural/regional Local Governments in fulfilling their obligations in maintaining their road assets, which is a function of receiving adequate funding.

This review is not intended to be holistic and complete as there are others within our Local Government sector that are better equipped to undertake this review; however, it may be a source that enables others to make a contribution with the overall objective to improve the financial outcome for rural / regional Local Governments.

Assumptions

Rather than look at each Local Governments as a separate entities the review focuses on each Regional Road Group and in particular the Gascoyne Regional Road Group. Mean averages have been used as the data set for most Regional Road Groups is sufficient in size to account for the outliers in each data set.

Not all aspects of the agreement have been examined, the review largely concentrates on the Direct Grants and Program Grants.

Direct Grant

The Direct Grant derives its allocation amount from 13.2% of the total State Road Fund as provided under section 6.2.2 of the Agreement and it is dispensed to Local Governments via the Asset Preservation Model methodology and by extension the Asset Preservation Value.

The Gascoyne Regional has the lowest Direct Payment Grant (\$772,000), in quantum of any of the Regional Road groups, however, when averaged across our four L/Gvts we rank 6th.

Regional Road Groups	AVE Amount	Rank
Mid-West	\$165,906.44	8
Gascoyne	\$193,064.75	6
Metro	\$239,502.97	3
Pilbara	\$298,869.25	1
Kimberly	\$238,229.75	4
Great Southern	\$179,472.92	7
South West	\$193,895.81	5
Goldfields – Esperance	\$252,413.33	2
Wheatbelt North	\$163,929.50	9
Wheatbelt South	\$144,995.89	10

From a comparative analysis the Pilbara and Kimberley are the most appropriate for the Gascoyne to benchmark against as they have a large amount of unsealed roads and their Regional Road Groups have the same amount of L/Gvts. The table clearly demonstrates that we are well below these two regions, the metro amount has been highlighted to provide some perspective against rural and metro.

In 2019/20 there was a total allocation \$26,592,100 (13.2% of the State Road Funds \$193,400,000) for the Direct Grant, the rural allocation was \$19,646,514 which is 73.88% of the total allocation. The metro received \$6,945,585 or 26.12% of the total allocation. On average the metro received \$239,502.95 per Local Government and the rural L/Gvts received \$183,612 per Shire. This does show that the metro shires are receiving approximately 30.5% more than their rural/regional counterparts.

Comment

Given that the 13.2% of the State Roads Fund is the stipulated amount in the agreement and that it is to be dispersed according to the Asset Preservation Model there is very little room to make any adjustments; however; clause 10 of the agreement provides that the Agreement is to be reviewed within 2 years; there may be an opportunity in this space to make some changes.

It would be my view that we seek to have the Direct Grant payable via a combination of per centum of the Total Direct Grant Allocation and APV distribution to L/Gvts via Regional Road Groups;

Rural/Regional Road Groups 79%
Metro 21%

When averaged metro L/Gvts would receive \$192,563.48 and Rural/Regional would receive \$196,334.20.

Road Project Grants

This particular grant is for specific projects as approved at the Regional Road Group level for assets in the Roads 2030 document. After deducting funding for Commodity Routes and Road and Bridge Condition data, the Road Project pool is to be distributed on the basis of 36% for metro and 64% for rural / regional road groups. The methodology for allocating funds to rural/regional road groups is based on 75% of the asset preservation model and 25% population factor.

In quantum the Gascoyne receive the lowest amount (1,925,406), once averaged out between the various L/Gvts in their respective road groups the Gascoyne ranks 7th with an average Project Grant allocation per L/Gvt of \$481,351.50.

Regional Road Groups	AVE Amount	Rank
Mid-West	\$442,866.94	8
Gascoyne	\$481,351.50	7
Metro	\$1,236,707.07	1
Pilbara	\$1,012,981.00	2
Kimberly	\$732,294.50	4
Great Southern	\$528,650.67	6
South West	\$862,737.38	3
Goldfields – Esperance	\$716,536.22	5
Wheatbelt North	\$412,233.92	9
Wheatbelt South	\$349,197.61	10

From a comparative analysis the Pilbara and Kimberley are the most appropriate for the Gascoyne to benchmark against as they have a large amount of unsealed roads and their Regional Road Groups have the same amount of L/Gvts. The table clearly demonstrates that we are well below these two regions, the metro amount has been highlighted to provide some perspective against rural and metro.

Comment

As previously mentioned the split is 36% metro and 64% rural / regional. Under 6.2.1 of the State Roads Funds to Local Government Agreement it is stated “the split **shall** be reviewed during the course of this Agreement”. In addition the methodology of allocating funds to Rural Regional Road Groups for road projects is to be based on 75% of the Asset Preservation Model and 25% population factor.

Advice received has indicated that there was thought about reducing the split of 36/64 when the agreement was being drafted but it was decided to concentrate on the quantum rather than the specifics. There is opportunity now to review this, the SUG would seek to have this changed to 10/90 and also have the population factor discontinued.

General Discussion

When viewing the overall grant allocations we find a total expenditure of \$201,455,000 with the following Regional Groups having:

Regional Road Groups	Amount	%
Mid-West	\$11,263,108	5.59%
Gascoyne	\$3,017,489	1.50%
Metro	\$84,515,501	41.95%
Pilbara	\$6,655,366	3.30%
Kimberly	\$4,981,025	2.47%
Great Southern	\$10,307,454	5.12%
South West	\$23,703,025	11.77%
Goldfields – Esperance	\$11,369,052	5.64%
Wheatbelt North	\$17,694,918	8.78%
Wheatbelt South	\$9,976,475	4.95%
Various	\$17,971,585	8.92%
Total	\$201,455,000	

It is clear that the metro region has by far the largest piece of the pie, 4x the next closest and approximately 28 times more than the Gascoyne Regional Road Group.

An interesting document to review against aforementioned observations and comments is the “Report on Local Government Road Assets & Expenditure 2018/19”. In some ways this report does not stack-up or is

missing information, paragraph 6 of the report (page 1 – Conclusions) states that metro received less than a quarter of Federal and State Funds, yet the above table shows that they receive 41.95% of State Funds. It is to be noted that the metro councils (29) make up approximately 21% of all Local Governments in the State (136), 21% get 41% of the State Funds.

From a Federal point of view there are two primary avenues of funds. The first being the Roads component of the FAG's Grant, according to the WA Local Government Grants Commission Annual Report 2018 a total of \$107,398,136 was allocated for roads and special projects. The metropolitan Councils received \$27,513,250 or 25.62% which on average equates to \$948,732 per Council versus \$69,884,886 or 74.38% for rural councils which on average equates to \$653,129 per Council. On average a metro council receives 18.46% more than a rural council.

Under the Roads to Recovery funding allocations for the 2019/20 the State of WA was allocated \$75,787,932 for 19/20. The estimated allocation for the metro Councils was \$17,225,699 or 22.73%; however when we average this out each metro Local Government gets \$593,989.62 whereas each rural Local Government receives \$547,310.59.

Comment

It is apparent that when comparing metro and rural the aggregated data seems to suggest that the metro councils as a collective are extremely well compensated financially through the current arrangements. The per centum of the total grant pool does not tell the full story as we are looking at 29 metro local governments against 107 rural local governments. This argument is further exasperated when you look at the financial contribution afforded to Local Governments such as Bunbury, Busselton, Albany, Kalgoorlie, etc.

The grants are heavily influenced by the Asset Preservation Model. It has been established that APM is quite effective when applied to sealed roads but is deficient when applied to unsealed roads, as such, we are getting a skewed view of the actual costs to maintain a road network. When this is put into a metro/rural context the vast majority of unsealed roads are in rural local governments with the metro road network almost exclusively sealed. The Report on Local Government Road Assets & Expenditure 2018/19 states that 68% of the States roads are gravel.

Although there is no data available to support this claim, the issue of private road construction (developers) also needs to be considered as these roads will appear on the roads inventory of each individual local government but in reality they have not had to expend any monies themselves. Another element that needs to be considered is the standard of road construction, in the rural areas, the predominate road sealing methodology is using aggregate whereas in the metro they use asphalt.

The Report on Local Government Road Assets & Expenditure 2018/19 concludes that the metro councils only need to use 8.2% of their own source revenue to achieve 100% of the required expenditure whereas Shires within the Gascoyne would need to spend approximately 98% of the own source revenue (rates, FAGS Grant excluding the roads component, loan funds, funds from accumulated reserves).

SAC and WALGA are continuing to advocate for an increase to the available financial resources, currently the rate is set at 20% and their goal is to achieve incremental increases until the nominal per centum is increased to 27% as per previous agreements. This is a difficult argument to prosecute given that some RRG's do not exhaust all their allocation for particular financial years; as such, the State Government can easily deflect this argument by pointing out that as a sector we cannot spend what we currently receive. A system needs to be put in place to address instances where full expenditure for any financial year cannot be achieved and that this money can be re-directed to a RRG that can expend those funds in that particular financial year. Crucial to this proposition is that all RRG's have a 3 year projected works program, as required by section 4 of the State Road Funds to Local Government Agreement 2018/19 to 2022/2023. Forward financial year projects must be 'shovel ready' with all approvals in place so there are no unforeseen impediments that may prevent or slow down the delivery of the project.

RESOLUTION

Moved
Seconded

President Eddie Smith Seconded
President Cr Matthew Niikkula

1. Request that in accordance with the State Road Funds to Local Government Agreement 2018/19 to 2022/23, clause 6.2.1, WALGA through the State Advisory Council seek to review the 36% Metro / 64% Rural split in Road Project Grants.
2. Request that WALGA investigate and review the inclusion of the 25% population factor used in the methodology for allocating Road Project Grants.
3. Request that WALGA present findings from the review of the Asset Preservation Model to the Regional Road Group.
4. Request that WALGA engage SAC to consider redistributing funds from Regional Road Groups that are forecast to be unspent in any given financial year to Regional Road Groups that can deliver and acquit projects using those funds in that particular financial year.

CARRIED

5.2 Zone Status Report

Agenda Item	Zone Resolution	WALGA Response	Update	WALGA Contact
2020 May 1 Zone Agenda Item 8.4 Local Law Process	That WALGA advocate for the Local Law making process to be streamlined as part of the Review of the Local Government Act.	Phase 2 of the Local Government Act Review will encompass Local Laws, albeit should be noted that this process cannot influence how State Parliament exercises its sovereignty over the validity of subsidiary legislation, including Local Laws, through the agency of Parliamentary Committees such as the Delegated Legislation Committee.	June 2020	Tony Brown Executive Manager Governance and Organisational Services 9213 2051 tbrown@walga.asn.au
2020 February 28 Zone Agenda Item 5.2 Ningaloo Coast Regional Strategy	That WALGA advocate for the DBCA to undertake economic impact studies on state management plans.	In response to correspondence and discussions with WALGA, correspondence from the Director General of DBCA has been received. This correspondence underpins a specific agenda item for the zone to consider the DBCA response and determine next steps. Awaiting further consideration of the DBCA correspondence by the zone. Ongoing.	Ongoing	Mark Batty Executive Manager, Strategy, policy and Planning mbatty@walga.asn.au 9213 2078
2020 February 28 Zone Agenda Item 5.1 State Aviation Strategy	That: 1. The Zone note the update relating the State Aviation Strategy; and, 2. Zone members consider making a submission to the Department of Transport and providing input to WALGA for the preparation of a sector submission. 3. WALGA include in its submission: a. Future planning for the long term horizon of aviation including tourism, mining and other industries, b. Interconnectedness between towns, with a particular emphasis on tourism; and, c. Broader aviation infrastructure needs including upgrade of airstrips for remote Western Australia to service RFDS and other needs.	A submission has been prepared and considered by the Infrastructure Policy Team, as the (extended) due date is prior to the May State Council meeting. A copy of the submission will be included for the July State Council meeting.	July 2020	Ian Duncan Executive Manager Infrastructure iduncan@walga.asn.au 9213 2031
2019 September 5	That the Gascoyne Zone request WALGA to follow up on the Ningaloo Coast Regional Strategy Carnarvon to Exmouth – Nynggulu	WALGA has commenced discussions with the Shire, the Department of Biodiversity Conservation and Attractions and the	Ongoing	Mark Batty

Zone Agenda Item 5.1 Nyinggulu (Ningaloo) Coastal Reserves Draft Joint Management Plan	(Ningaloo) Coastal Reserves, Draft Joint Management Plan seeking a response before the November meeting.	Gascoyne Development Commission on the development of the Regional Strategy, and the concerns raised by the Shire of Exmouth. Ongoing.		Executive Manager, Strategy, Policy and Planning mbatty@walga.asn.au 9213 2078
2019 September 5 Zone Agenda Item 5.1 Restricted Access Vehicle Operating Condition	That the Gascoyne Zone request WALGA to establish a Working Group relating to the Restricted Access Vehicle Operating Condition issue as soon as possible, to allow the Working Group to develop possible options prior to meeting with Main Roads.	The RAV Access working group met by teleconference in early December 2019. Based on the resolution of this meeting a letter detailing Local Government expectations was sent to Main Roads WA. To date there has been no response from Main Roads WA and the existing regulatory arrangements remain in place	July 2020	Ian Duncan Executive Manager Infrastructure iduncan@walga.asn.au 9213 2031
2019 September 5 Zone Agenda Item 5.1 Financial Assistance Grants	That the Gascoyne Zone request WALGA to: <ol style="list-style-type: none"> 1. Vigorously pursue the release of the findings of the 2013 FAGs Review; 2. Note the position taken at the ALGA National General Assembly supporting a review of the FAGs allocations; and, 3. Develop a policy position supporting a review of the FAGs methodology. 	WALGA sought advice on this issue from the Governance and Organisational Services Policy team on 4 March 2020. The following action is being carried out; That WALGA request ALGA to advocate for a national position on the need for a Financial Assistances Grants (FAGs) Review to be conducted by the Productivity Commission that addresses: <ul style="list-style-type: none"> • The current complex and confusing assessment and allocation methodology; • Clarification of how 'disabilities' are defined and administered within these methodologies; • The need for more money to be provided in the total funding pool; and • Support for the retention of minimum grant allocations. This advocacy has been placed on hold, given that the priority is to distribute greater amounts of funding to all councils through all existing mechanisms, including FAGs, in order to support local economies as they recover from COVID-19.	June 2020	Nebojsa Franich, Policy Manager, Economics, nfranich@walga.asn.au 9213 2096
2019 June 20 Zone Agenda Item 5.1 Regional Strategy Carnarvon to Exmouth – Nyinggulu (Ningaloo) Coastal Reserves, Draft Joint Management Plan	That the Gascoyne Zone: <ol style="list-style-type: none"> 1. Request WALGA continue to advocate to the State Government that an independent economic assessment of Wilderness Camping in the Shire of Exmouth and the broader Gascoyne Region be undertaken prior to any decisions being made; and, 2. Note that the Shire of Exmouth will draft a statement to be sent to Gascoyne Local Government Chief Executive Officers outlining concerns with the current proposal. 	WALGA has commenced discussions with the Shire, the Department of Biodiversity Conservation and Attractions and the Gascoyne Development Commission on the development of the Regional Strategy, and the concerns raised by the Shire of Exmouth. Ongoing.	Ongoing	Mark Batty Executive Manager, Strategy, Policy and Planning mbatty@walga.asn.au 9213 2078
2019 June 20 Zone Agenda Item 5.2 Asset	That the Gascoyne Country Zone request WALGA to undertake a review of the Asset Preservation Model that informs the distribution of road funding to ensure equity, recognition of Local Government	Work has commenced to review and document the Asset Preservation Model in order to facilitate an informed discussion about how the model works, its sensitivity to inputs and assumptions and the implications	Ongoing	Ian Duncan Executive Manager Infrastructure iduncan@walga.asn.au 9213 2031

Preservation Model	circumstances and the validity and accuracy of assumptions that inform the model.	of changes. This project will continue through 2020. The first output of this process will be a manual explaining the functioning of the model, including the procedure for updating it.		
2019 March 22 Zone Agenda Item 5.4 Ningaloo Coast Regional Strategy Camarvon to Exmouth – Nyinggulu (Ningaloo) Coastal Reserves, Draft Joint Management Plan.	That the Gascoyne Zone requests WALGA to advocate to the State Government to undertake an independent economic assessment of Wilderness Camping in the Shire of Exmouth and the broader Gascoyne Region.	WALGA has commenced discussions with the Shire, the Department of Biodiversity Conservation and Attractions and the Gascoyne Development Commission on the development of the Regional Strategy, and the concerns raised by the Shire of Exmouth. Ongoing.	Ongoing	Mark Batty Executive Manager, Strategy, Policy and Planning mbatty@walga.asn.au 9213 2078
2019 March 22 Zone Agenda Item 2.1 Integrated Planning and Reporting (IPR) Peer Support Program	That the Gascoyne Zone request WALGA to: 1. Support Local Government in their tourism endeavours as a key component of the Economic Development project; 2. Continue to prosecute the economic development and tourism agenda; 3. Advocate to the State Government to review the regional development commission and tourism structures in WA aiming for a more strategic and collaborative approach; and, 4. Advocate to the State for revitalization of the regional development commission regional plans.	State Council adopted the <i>Local Government Economic Development: Research Findings and Future Directions Discussion Paper</i> and <i>Local Government Economic Development Framework</i> at its meeting of 27 th March 2019. This includes the endorsement of a range of Economic Development policy positions, including those relating to tourism. With the support of State Council's Economic Development Policy Forum, WALGA will now implement its Advocacy Strategy to prosecute this policy agenda. In response to the Gascoyne's resolution, as a matter of priority, WALGA will seek a response from the Minister of Regional Development on the status of the Regional Development Commissions and the development of regional plans. At the time of writing this update a response has not been received from the Minister's office.	June 2020	Tony Brown Executive Manager Governance and Organisational Services 9213 2051 tbrown@walga.asn.au
2019 March 22 Zone Agenda Item 5.2 Restricted Access Vehicle Operating Condition	That the Gascoyne Zone request WALGA to: 1. Advocate for thorough consultation with the Local Government sector regarding alternative approaches to the CA07 operating condition; and, 2. Establish a Working Group consisting of representatives from MRWA, WALGA, LGIS, DoT and the Local Government sector incorporating at least one member from each affected WALGA Zone to consider alternative approaches.	The RAV Access working group met by teleconference in early December. Based on the resolution of this meeting a letter detailing Local Government expectations was sent to Main Roads WA. To date there has been no response from Main Roads WA and the existing regulatory arrangements remain in place	July 2020	Ian Duncan Executive Manager Infrastructure iduncan@walga.asn.au 9213 2031

Noted

Zone Agenda Item 5.1 above was the subject of further discussion. Particular concern was raised regarding the additional costs incurred to maintain Shire roads used to access DBCA tourist attractions that have been subject to substantial increases in traffic. Shires receive no compensation from DBCA and the continued maintenance burden is not sustainable.

RESOLUTION

1. **The Shire of Exmouth will lead a delegation to seek a meeting with the Minister for Environment; Disability Services; Electoral Affairs to put a case that the DBCA compensate Shires for additional costs related to the maintenance of roads that are solely required to provide access to DBCA tourist attractions.**

Moved: President Cr Matthew Niikkula
Seconded: President Eddie Smith

CARRIED

6. STATE COUNCIL AGENDA – MATTERS FOR DECISION

(Zone delegates to consider the Matters for Decision contained in the WA Local Government Association State Council Agenda and put forward resolutions to Zone Representatives on State Council)

MATTERS FOR DECISION

4.1 COVID-19 Pandemic – WALGA Response

That the information contained in this report relating to WALGA's response to the COVID-19 pandemic be noted.

5.1 WA Public Libraries Agreement

That the draft State and Local Government Agreement for Public Libraries be endorsed.

MATTERS FOR NOTING / INFORMATION

- 6.1 Draft Aviation Strategy 2020
- 6.2 Regional Aviation Policy Issues Paper
- 6.3 Report Municipal Waste Advisory Council (MWAC)

ORGANISATIONAL REPORTS

- 7.1.1 Report on Key Activities, Commercial and Communications
- 7.1.2 Report on Key Activities, Governance and Organisational Services
- 7.1.3 Report on Key Activities, Infrastructure
- 7.1.4 Report on Key Activities, Strategy, Policy and Planning
- 7.2 Policy Forum Reports

RESOLUTION

Moved: President Cr Matthew Niikkula
Seconded: President Eddie Smith

That the Gascoyne Zone supports all Matters for Decision as listed above in the June 2020 State Council Agenda.

CARRIED

7. EXECUTIVE REPORTS

7.1 State Councillor's Report to the Zone

Cr Cheryl Cowell provided an update on the previous State Council meeting.

Noted

7.2 President's Report to the Zone

Mark Bondietti outlined the President's Report on behalf of Mayor Tracey Roberts JP.

Noted

7.3 Gascoyne Development Commission

Simmons Van Buerle provided an update to the Zone.

Noted

7.4 Department of Local Government, Sport and Cultural Industries

Benita Donda provided updates to the Zone.

Noted

8. OTHER BUSINESS

8.1 Roadwise update

Engel Prendergast provided an update to the Zone

Noted

8.2 Sewer Policy

The Shire of Carnarvon raised the issue of Sewer policy affecting the affordability of developments.

Noted

9. DATE, TIME AND PLACE OF NEXT MEETING

Next meeting: 10:00am, Friday 28 August via videoconference.

Next in-person meeting: 10:00am, Friday, 27 November in Carnarvon.

10. CLOSURE

There being no further business the Chair declared the meeting closed at 11:41am.

