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Council Meeting

Friday 23 February 2018
Teleconference Meeting, commencing at 9.00am

MINUTES

WALGGA DRAFT

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WALGA DRAFT

GOLDFIELDS VOLUNTARY REGIONAL ORGANISATION OF COUNCILS (GVROC)

**Teleconference Meeting to be held on Friday 23 February 2018
commencing at 9.00am**

Minutes

1. OPENING AND ANNOUNCEMENTS

The purpose of the meeting is to consider and provide advice to the GVROC Chair and WALGA State Council representative, Cr Mal Cullen when he attends the WALGA State Council Meeting in Perth on Wednesday 7 March 2018.

The Chair, Cr Cullen opened the meeting at 9.00am, welcoming all in attendance.

2. DECLARATION OF INTEREST

Pursuant to the Code of Conduct, Councillors and CEOs must declare to the Chairman any potential conflict of interest they may have in a matter before the Goldfields Voluntary Regional Organisation of Councils and Goldfields Esperance Country Zone of WALGA as soon as they become aware of it. Councillors, CEOs and Deputies may be directly or indirectly associated with some recommendations of the Goldfields Voluntary Regional Organisation of Councils and the Goldfields Esperance Country Zone of WALGA and the WALGA State Council. If you are affected by these recommendations, please excuse yourself from the meeting and do not participate in deliberations.

Nil

3. RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

3.1 Attendance

3.2 Apologies

Cr Shaneane Wheldon, Deputy President

3.3 Guests

Nil

3.4 WALGA Representatives

Ms Joanne Burges, Executive Manager People and Place

Ms Debra Langridge, Policy Manager Community

3.5 Department of Local Government, Sport and Cultural Industries Representative

Nil

4. WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION (WALGA) BUSINESS

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

4.1 State Councillor / Goldfields Esperance Zone President's Report

Cr Mal Cullen

Cr Cullen reported that there were many new faces on WALGA State Council.

At the March State Council Meeting the election of the WALGA President and Deputy President will be held.

Work being undertaken by the WALGA staff at the moment includes:

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4.2 WALGA Status Report (Attachment)

Presenting the Status Report for February 2018 which contains WALGA's responses to resolutions from previous meetings

ZONE COMMENT:

This is an opportunity for Member Councils to consider the responses from WALGA in respect to the matters that have been previously submitted.

The matter covered within the Status Report is also considered within the WALGA State Council Agenda as it relates to the review of the *Local Government Act 1995*.

RECOMMENDATION:

That the Goldfields Voluntary Regional Organisation of Council notes the WALGA Status Report.

RESOLUTION: **Moved: Cr Rathbone** **Seconded: Cr Hill**

That the Goldfields Voluntary Regional Organisation of Council notes the WALGA Status Report.
CARRIED

4.3 Review of WALGA State Council Agenda - Matters for Decision

From Executive Officer

Background:

WALGA State Council meets five times each year and as part of the consultation process with Member Councils circulates the State Council Agenda for input through the Zone structure.

The Zone is able to provide comment or submit an alternate recommendation that is then presented to the State Council for consideration.

5.1 Local Government Act 1995 Review (05-034-01-001 TB)

WALGA Recommendation

That WALGA:

1. Endorse the responses to the Department of Local Government, Sport and Cultural Industries consultation paper provided in this report;
2. Forward the WALGA policy positions endorsed at the December 2017 State Council meeting to the Department as part of this submission for the Act review process;
3. Request that the Department of Local Government, Sport and Cultural Industries ensure that representation from WALGA and the Local Government Professionals WA is included in any legislative drafting process as a result of the Local Government Act review; and
4. Support the continuance of the Department of Local Government as a direct service provider of compliance and recommend the Department service its capacity building role through the utilisation of third party service providers.

EXECUTIVE OFFICER COMMENT:

GVROC has considered the matter of the review of the *Local Government Act 1995* (the Act) on a number of occasions over the past six months. These discussions have been centred around the discussion paper prepared by WALGA and more recently the discussion paper released by the Minister for Local Government late last year.

Following the Minister's decision to commence a review of the Act, WALGA determined to consult with the sector on all potential Act amendment issues. To assist with this process WALGA produced a Discussion Paper that was structured around each section of the Act. Following the release of the WALGA Discussion Paper the GVROC CEOs reviewed the details and presented the recommendations to the GVROC Meeting on 2 August 2017 and 25 August 2017.

The GVROC Meeting on 25 August 2017 reviewed all the positions that had been developed together with some additional matters and resolved as follows:

RESOLUTION: *Moved: Cr Rathbone* *Seconded: Cr Best*

That the GVROC position on each item considered in the review of the Local Government Act 1995 be developed into a formal submission for endorsement at the next GVROC Meeting on Friday 13 October 2017.

CARRIED

This was done with a detailed report prepared for GVROC Council's consideration at the meeting held 13 October 2017, with GVROC Council resolving as show below:

RESOLUTION: *Moved: Cr Harris* *Seconded: Cr Best*

That all GVROC Positions outlined in the submission included in these meeting papers, as amended, be submitted to the WA Local Government Association in response to the request for comment on the review of the Local Government Act 1995.

CARRIED

A copy of the minutes from that meeting form an attachment to the meeting agenda.

GVROC Council has also considered the Minister's discussion paper on the need to review the Act. This was done at the GVROC Council Meeting held in Esperance on 2 February 2018 at which time it was resolved as shown below:

RESOLUTION: *Moved: Cr Hill* *Seconded: Cr Bonza*

That the matter be left with individual local governments to provide a response to the Minister's Consultation titled Agile, Smart, Inclusive – Local governments for the future and the Executive Officer be requested to circulate to GVROC Member Councils the draft submission prepared by the Central Country Zone of WALGA.

CARRIED

A copy of the draft submission prepared by the Central Country Zone of WALGA was circulated to all GVROC Member Councils.

GVROC needs to determine whether there are any aspects of the WALGA submission it has concerns with or whether the submission as presented broadly addresses all its concerns raised previously. Other than possibly the issue detailed below, the Executive Officer believes the WALGA submission is one that should be supported.

In formulating its submission on the WALGA Discussion GVROC considered a number of matters outside the scope of the Discussion Paper.

One of these was the role of the Department of Local Government. In formulating a response for GVROC Council, there was agreement within the GVROC CEOS Group that there should be a "parallel" review of the role and functions of the Department of Local Government. GVROC Council agreed, resolving as shown below on 13 October 2017:

CONSENSUS RESOLUTION:

That GVROC support the GVROC CEOs position of the need for a review of the role and functions of the Department of Local Government as part of the review of the Local Government Act 1995.

CARRIED

This resolution is based on GVROC's view that a comprehensive review of the Department of Local Government, Sport and Cultural Industries should be undertaken given the extent of proposed legislative changes.

This view is apparently shared by other WALGA Zones because the role of the Department of Local Government is considered within WALGA's submission to the Minister. This view is articulated in the WALGA State Council Agenda, with the following an extract from the WALGA State Council Agenda.

Role of the Department of Local Government

State Council, at its 6 December 2017 meeting, resolved for information pertaining to the role of the Department of Local Government to be considered in this report.

Further, a number of Local Governments participating in the review process have raised the issue of the role of the Department. The general consensus is that the Department has for some time focused on compliance and policing with very little focus on supporting Local Governments and looking at ways to assist the sector. The capacity building role, which was a valued function of the Department's operations in the first decade from the commencement of the Local Government Act in 1996, should again become an important focus.

During WALGA's Systemic Sustainability Study consultation in 2006, there was commentary on the conflict of the Department of Local Government having a dual role as a regulator for compliance on one hand and a capacity builder on the other hand. At the time there was anecdotal evidence of Local Governments requesting capacity building assistance only to later receive a notification from the compliance section. In recent years the Department has focused predominantly on compliance and WALGA has stepped in and provided an advice and support service in the governance area to fill the apparent gap in capacity building. Notwithstanding, the government has effectively acknowledged a responsibility to contribute to capacity building in the sector, largely by providing funding of appropriate activities such as elected member training.

There is a need for a clear definition from the Department on their role, so that Local Governments are aware of the framework they are operating in. The clear message from the sector is that the role of the Department should be as an enabler for the Local Government sector assisting where possible and in a way that does not compromise its compliance and regulatory responsibilities.

The Department has a core role in compliance and an important role to play in capacity building. As the regulator, the Department must necessarily focus on compliance from a legislative and regulatory point of view and therefore be a direct service provider.

Capacity building should remain a responsibility of the Department in ensuring the improvement of the Local Government sector, however in line with recent practice, this would best be facilitated by funding external or third party service providers to deliver targeted activities, thereby eliminating the potential for conflict with their compliance requirements.

GVROC needs to determine whether the WALGA position is sufficiently strong.

The Status Report provided for this meeting provides feedback on how other issues raised by GVROC were considered within the context of WALGA preparing its response to the Minister for Local Government. GVROC may wish to consider whether any additional comment is required on these matters.

ZONE COMMENT:

Cr Bonza suggested that in terms of training requirements for elected members the mandated list of essential remaining required should include training around CEO appraisals and appointment.

Cr Rathbone supported this proposal.

Jo Burges agreed that WALGA could take this proposal forward should that be the meeting's decision.

RESOLUTION: **Moved: Cr Bonza** **Seconded: Cr Rathbone**

That WALGA:

1. **Endorse the responses to the Department of Local Government, Sport and Cultural Industries consultation paper provided in this report;**
2. **Forward the WALGA policy positions endorsed at the December 2017 State Council meeting to the Department as part of this submission for the Act review process;**
3. **Request that the Department of Local Government, Sport and Cultural Industries ensure that representation from WALGA and the Local Government Professionals WA is included in any legislative drafting process as a result of the Local Government Act review;**
4. **Support the continuance of the Department of Local Government as a direct service provider of compliance and recommend the Department service its capacity building role through the utilisation of third party service providers; and**
5. **Advocate for the broadening of the minimum training required by elected members to include training related to the appointment of and appraisals for CEOs.**

CARRIED

5.2 Local Government Act – Audit and Financial Management Regulations Amendment – (05-034-01-001 LF)

WALGA Recommendation

That WALGA endorse the following response to the Department of Local Government, Sport and Cultural Industries, regarding proposed regulatory amendments to facilitate introduction of Local Government auditing by the Auditor General:

- (1) *Local Government (Audit) Regulations 1996* proposed amendments are supported, subject to the following:
 - (a) Proposed amendment of Regulation 9 – supported subject to:
 - (i) The definition of Australian Accounting Standards being consistent between this Regulation and Financial Management Regulation 3.
 - (b) Proposed new Regulation 9A – Not Supported:

- (i) Section 7.10 of the Act already sufficiently provides for the Auditor's right of access to documents.
- (ii) If proposed new Regulation 9A is retained, then subject to:
- Changing requirement for CEO to provide documentation from 14-days to 30-days; or alternatively,
 - Ensuring audit planning under Audit Regulation 7 includes identification and agreement on documentation required to be provided.
 - Re-sequencing the definitions for Strategic Community Plan and Corporate Business Plan to align with the sequence of Sub-regulations 9(A)(1)(a) and (b).
- (c) Proposed amendment of Regulation 13 – supported subject to:
- (i) Consideration of changing the Compliance Return period from a calendar year to a financial year to be consistent with other audits. Noting that this change would require consequential changes to Audit Reg.15.
- (d) Proposed amendment of Regulation 16 - Supported subject to:
- (i) Sub-regulation 16(a) being deleted as Audit Committee involvement in 'guiding and assisting' Local Government to prepare budgets, financial reports, rates, etc. compromises the Committee's objectivity / impartiality when undertaking the audit role.
- (ii) Redrafting Sub-regulation 16(d) to prescribe the Audit Committee's function as being 'to monitor and advise the CEO in regard to the outcome of any review undertaken in accordance with Audit Regulation 17(1) and Financial Management Regulation 5(2)(c)'. The redraft is proposed to avoid any confusion between the Audit Committee function and the CEO's responsibilities for the administration of the Local Government.
- (iii) Amendment of Sub-regulation 16(d) to include a requirement for the Audit Committee to report to Council.
- (2) *Local Government (Financial Management) Regulations 1996* proposed amendments are supported, subject to the following:
- (a) Proposed amendment of Regulation 5 - supported subject to:
- (i) Including a requirement for the outcome of a review to be reported to Council via the Audit Committee, consistent with other similar reporting requirements.
- (b) Proposed amendment of Regulation 17A – supported subject to:
- (i) Resolution of the conflict between the proposed 3-5 year review cycle and AASB 116 clause 34 which requires annual review of asset valuations in some circumstances.
- (ii) Deletion of Sub-regulation 17A(4) as it replicates the requirements of AASB 116 clause 34 and may become inconsistent with the AAS should the AAS be amended in future.
- (iii) Redrafting of Sub-regulation 17A(6) to enable Local Governments to determine the \$value threshold through their accounting policy, enabling Local Governments to apply an effective size and scale regime.

- (iv) Inserting a new sub-regulation excluding Local Governments from compliance with AASB 166, clause 36, so to avoid requirements for revaluation of a whole class of assets, on the basis that revaluation within the 3-5 year cycle is sufficient.
- (c) Regulation 17B is not supported on the basis that:
 - (i) Regulation 17B is contrary to the intent of Regulation 17A which expenses assets valued less than \$5000.
 - (ii) "Attractive" assets is not defined.
 - (iii) Regulation 17B's purpose is unclear if the asset is written off and therefore active audit is not required.
 - (iv) Theft of portable assets is not considered a widespread problem and where concerns arise regarding theft Local Governments will address those risks, therefore additional red-tape should not be created for the whole sector.
 - (v) If Regulation 17B is proposed to retained, then its retention should be justified by a cost benefit analysis evidencing that sector wide benefit will be achieved i.e. the actual cost of implementing proposed Regulation 17B versus the actual cost of 'lost' portable assets. If no such benefit is evidenced, then Regulation 17B should not be implemented.

EXECUTIVE OFFICER COMMENT:

In considering this recommendation it should be noted that due to the time frame local governments only had a limited time to respond to WALGA over the Christmas/New Year period.

The draft amendments to *Local Government (Audit) Regulations 1996* and *Local Government (Financial Management) Regulations 1996* were circulated to the sector for comment in an Infopage dated 23 January 2018 requesting Local Government's comments to be provided to WALGA by 9 February.

This timeframe was structured to enable this report to the March 2018 State Council meeting and enable further consideration through the Zone meetings. WALGA's comment on behalf of Local Government is due to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 29 March 2018.

As the reported provided in the State Council Agenda notes, WALGA received comment from a number of Councils.

The Executive Officer is unaware if any of GVROC's Member Councils provided feedback to WALGA on the DLGSC's proposed amendments. Furthermore, the Executive Officer has not received any adverse comment on the proposed amendments from GVROC's Member Councils.

The WALGA recommendation has regard for the concerns raised by Councils who responded to the Infopage on the proposed amendments and unless there are additional concerns that Member Councils wish to be raised the Executive Officer believes the WALGA recommendation be supported as presented.

Notwithstanding the above, the changes proposed by the amendment to the Audit and Financial Management Regulations could be seen to have significant consequential change to the manner in which the audit and management of assets is undertaken.

For example, currently the compliance audits are carried out on a calendar year basis and the regulations propose that this would continue. However, WALGA is proposing that the compliance audit be aligned with the financial year.

It may be prudent for GVROC Council to review this proposal to enable them to express any views contrary to the WALGA recommendation.

ZONE COMMENT:

Zone support

5.3 Interim Submission - Review of the State Industrial Relations System (05-034-01-001 KP)**WALGA Recommendation**

That the interim submission in response to the Review of the State Industrial Relations System be endorsed.

ZONE COMMENT:

Zone support

5.4 Interim Submission – State Planning Policy 5.4 Road and Rail Noise – Residential Subdivision (05-036-03-0060 CH)**WALGA Recommendation**

That the interim submission to the WA Planning Commission on State Planning Policy 5.4 Road and Rail Noise be endorsed.

ZONE COMMENT:

Zone support

5.5 Interim Submission – Planned or Managed Retreat Guidelines (05-01-0703-0002 CH)**WALGA Recommendation**

That the interim submission to the WA Planning Commission on the Planned or Managed Retreat Guidelines be endorsed.

EXECUTIVE OFFICER COMMENT:

In preparing its interim submission, WALGA incorporated feedback from its members was incorporated into the interim submission. Comments on the proposed guidelines were received from the Shires of Esperance and Murray, and the Cities of Cockburn, and Rockingham. Discussion was also had with the City of Busselton on the alternative model for mapping proposed in the Association's Interim Submission.

The Shire of Esperance may wish to provide comment on the feedback it provided to WALGA.

ZONE COMMENT:

Zone support

5.6 Clearance of subdivision conditions relating to Bushfire Management Plans (05-024-02-0056 VJ)**WALGA Recommendation**

That WALGA request that the State Government formally consult with the sector in regard to -

1. The Department of Fire and Emergency Services' (DFES) transferring of responsibility to the Local Government sector for the clearance of a subdivision condition for Bush Fire Management Plans, when the condition has been requested by DFES.
2. Any possible review of the model subdivision condition relating to clearance of Bush Fire Management Plans.

EXECUTIVE OFFICER COMMENT:

The Executive Officer believes the ad hoc and incremental transferring of responsibility to the Local Government sector, such as for the clearance of a subdivision condition for Bush Fire Management Plans, when the condition has been requested by the Department of Fire and Emergency Services (DFES), is one that should be viewed with concern.

It is essential that the State Government formally discuss this issue with the Local Government sector, to ensure that the roles and responsibilities between DFES, Department of Planning and Local Government are formally discussed. It is also important that the Local Government sector be consulted in any possible review of the model subdivision condition relating to Bush Fire Management Plans.

On the information available it would appear that DFES has unilaterally determined to change a process seemingly without any effective consultation and to then deal with the issue on a Council by Council basis rather than through the appropriate channel of WALGA.

In addition to the cost shifting this transfer of policy will have, many local governments will not have the necessary staff resources to effectively manage this process. Whilst recognising the Partnership Agreement currently in place between WALGA and LG Professionals WA, the Executive Officer believes WALGA should voice its concern more strongly and apply "pushback" with regard to this decision to demonstrate that this is an unacceptable process.

In broad terms, if DFES is not challenged on this then it is possible other agencies will follow which will place even more pressure on local governments.

This concern is clearly outlined in the WALGA State Council report which reads in part as follows:

If all referral agencies, including Local Governments followed this DFES approach, the entire subdivision referral process would be severely undermined and result in an inefficient subdivision process, with the WAPC having to clear all subdivision conditions rather than relying on the technical advisors within each of the referral agencies.

In practice it should be the responsibility of the "referral" agency to be responsible for clearing any subdivisional conditions that it may include on an approval process.

ZONE COMMENT:

Need to included comment from Member Councils.

RECOMMENDATION:

That WALGA advise the State Government the Local Government sector:

1. Will not agree to the Department of Fire and Emergency Services' (DFES) transferring of responsibility to the Local Government sector for the clearance of a subdivision condition for Bush Fire Management Plans, when the condition has been requested by DFES;
2. Requires adequate and effective consultation on any review of the model subdivision condition relating to clearance, including relating to Bush Fire Management Plans that would result in the transfer of responsibility from any agency for the clearance of a subdivision condition when that condition has been requested by that agency.

RESOLUTION:**Moved: Cr Rathbone****Seconded: Cr Hill**

That WALGA advise the State Government the Local Government sector:

1. **Will not agree to the Department of Fire and Emergency Services' (DFES) transferring of responsibility to the Local Government sector for the clearance of a subdivision condition for Bush Fire Management Plans, when the condition has been requested by DFES;**
2. **Requires adequate and effective consultation on any review of the model subdivision condition relating to clearance, including relating to Bush Fire Management Plans**

that would result in the transfer of responsibility from any agency for the clearance of a subdivision condition when that condition has been requested by that agency.

CARRIED

5.7 Review of the Administrative Road Classification Methodology (05-001-03-0033 MM)

WALGA Recommendation

That WALGA supports the revised Administrative Road Classification methodology used to designate whether a road should be managed by Main Roads WA or Local Governments.

ZONE COMMENT:

Zone support

5.8 Interim Submission - Inquiry into Progress under the National Road Safety Strategy 2011-2020 (05-009-03-0014 TAP)

WALGA Recommendation

That the Interim Submission to the Inquiry into progress under the National Road Safety Strategy 2011-2020 be endorsed.

ZONE COMMENT:

Zone support

5.9 Interim Submission - Proposed listing of the 'Tuart Woodlands and Forests of the Swan Coastal Plain' as a Threatened Ecological Community (05-038-01-001MD)

WALGA Recommendation

That the Interim Submission to the Department of the Environment and Energy supporting the listing of the 'Tuart (*Eucalyptus gomphocephala*) Woodlands and Forests of the Swan Coastal Plain' as a Threatened Ecological Community be endorsed.

ZONE COMMENT:

Zone support

RECOMMENDATION:

That the Goldfields Voluntary Regional Organisation of Councils endorses all recommendations contained in the WALGA State Council Agenda other than those recommendations separately considered.

RESOLUTION: Moved: Cr Rathbone Seconded: Cr Smith

That the Goldfields Voluntary Regional Organisation of Councils endorses all recommendations contained in the WALGA State Council Agenda other than those recommendations separately considered.

CARRIED

4.4 Review of WALGA State Council Agenda - Matters for Noting/Information

6.1 Heritage Bill 2017 (05-036-03-022 NH)

6.2 2016-17 Fuel Reduction Activities in Western Australia (05-024-03-0035 MP)

6.3 Proposed State Road Funds to Local Government Agreement 2017/18 - 2022/23 (05-001-03-0001 MB)

6.4 Report Municipal Waste Advisory Council (MWAC) (01-006-03-0008 RNB)**6.5 Replacement agreements for Local Governments in regional and remote areas to provide licensing services under the Road Traffic (Administration) Act 2008 (05-001-03-0004 MS)**

Item 6.5 was not included in the State Council Agenda supplied to all Councils but provided as a late item by WALGA to all Zone Executive Officers. It is provided below in order that Member Councils are across the issue.

The information is presented as provided by WALGA.

In Brief

- From 1 January 2008 under the provisions of the *Road Traffic Act 1974*, the (then) Director General of the Department of Planning and Infrastructure entered into agreements with 71 Local Governments in regional and remote areas to provide licensing services prescribed in the *Road Traffic Act 1974*. This agreement expired on 31 December 2017.
- The Department of Transport now seeks to have those same Local Governments continue to provide licensing services and has granted a three month extension for the expired agreement to the end of March 2018.
- The Department of Transport has provided and invited the affected Local Governments to sign replacement agreements so they can continue to provide licensing services. The replacement agreements are for a three year or five year term. The different terms of the agreements are based on transaction volumes.
- The circumstances of the replacement agreements was raised as an emerging issue at State Council at its December 2017 meeting.
- On 8 January 2018 WALGA met with senior representatives of the Department of Transport who provided specific advice addressing the matters raised about the replacement agreements.

Background

From 1 January 2008 under the provisions of section 6B of the *Road Traffic Act 1974*, the (then) Director General of the Department for Planning and Infrastructure entered into agreements with 71 Local Governments to provide licensing services prescribed in the *Road Traffic Act 1974*. This agreement expired on 31 December 2017.

Knowing the agreement with Local Governments was to expire in December 2017 and on the basis the Department of Transport (the Department) desired regional and remote Local Governments to continue to provide licensing services, in June 2017 the Department surveyed the CEOs of affected Local Governments seeking the following advice:

- Did the Local Government want to continue to provide licensing services?
- What are the issues encountered with the current agreement?
- What suggested improvements could be incorporated into the new agreements?

The Department received 56 (of 71) responses from affected Local Governments and all but one indicated a willingness to continue to provide licensing services. The common issues raised included:

- Commission payments did not cover the cost of providing the service.
- Merchant fee costs to the Local Government had increased.
- There was an increase in complex transactions compared to simple payment processing.
- There was a need for more training.

According to the Department the replacement agreements were drafted to incorporate feedback from affected Local Governments and the changes to the agreements are minimal.

The Department advises that a restructure of the *Road Traffic Act 1974* has necessitated that two replacement agreements be offered to Local Governments:

1. A main agreement known as the Road Law Agreement.
This agreements covers driver and vehicle licensing transactions under legislation that includes the *Road Traffic (Authorisation to Drive) Act 2008* and *Road Traffic Act 1974*.

2. A subsidiary agreement known as the Non-Road Law Agreement. This agreement covers transactions under legislation that includes the licensing of vessels (*WA Marine Act 1982*), photo cards (*WA Photo Card Act 2014*), motor vehicle driving instructor fees (*Motor Vehicles Drivers Instructors Act 1963*), and licensing and renewal of licenses for off road vehicles (*Control of Vehicles (Off Road Areas) Act 1978*).

The two replacement agreements contain no services additional to those in the expired agreement.

Under the provisions of section 11 of the *Road Traffic (Administration) Act 2008* in late 2017 the Department provided affected Local Governments with the replacement agreements for signing. In response some Local Governments raised the following matters:

- The timeframe for signing and returning the agreements to the Department did not allow sufficient time for them to be formally put to Councils for consideration.
- Local Governments were offered agreements for either a three year or five year term rather than a ten year term as was done previously.
- There was no remarkable increase in commission payment rates except for CPI increase; and generally it is a cost burden for Local Governments to provide the services.

This matter was considered as an emerging issue at the WALGA State Council meeting in December 2017 resulting in a resolution that WALGA engage with the Department of Transport to further investigate the issue of vehicle licencing contracts.

Comment

WALGA met with senior Department of Transport representatives who provided the following advice in relation to the matters raised by some affected Local Governments.

Review of expired agreement

The Department reviewed the ten year agreement prior to its expiration with the aim to more clearly detail service provision requirements and levels; and process requirements. The replacement agreements were drafted to incorporate feedback from affected Local Governments. Key changes are summarized in Attachment 1.

Timeframe for signing replacement agreements

The current ten year agreement for Local Governments to provide licensing services expired on 31 December 2017. A restructure of the *Road Traffic Act 1974* necessitated that two replacement agreements be drafted, which were offered to Local Governments for signing in late 2017. The timeframe nominated by the Department to sign and return the agreements did not allow sufficient time for Local Government CEOs to put them to their Councils for consideration. Acknowledging the timeframe was insufficient, the Department granted a three month extension of the expired agreement to the end of March 2018.

Three year or five year replacement agreements

In line with community demands the Department is actively seeking to shift transaction processing to on-line methods. A number of transactions can now be processed and/or paid via on-line modes. Over the coming years the Department plans to implement additional on-line transactions and other initiatives such as e-billing and direct debits that will accelerate the shift from face-to-face processing to on-line processing. These initiatives will have consequences for Local Government as simple transactions will move on-line leaving more complex and time consuming transactions to be processed face-to-face.

Sixty three percent (63%) of the Department's payments are currently processed online (representing 4.6 million payments) compared with 46% in 2013-2014 (3.4 million transactions).

Transactions processed at Local Governments have fallen 12% since 2011-2012 with a significant portion of the reduction occurring in the last two years. The reduction is due to the shift to on-line payment processing; changed economic conditions; and a move by the WA Police Force to process firearm transactions on-line through its website.

Local Governments were offered replacement agreements for terms of either three or five years. The terms were determined by the Department changing its business practices and processes, the general

shift to on-line processing, external factors including current economic conditions, and face-to-face transaction volumes. These factors combined could create situations in the future where it is uneconomical for a Local Government to continue providing the services; therefore the Department considered a ten year agreement term too long to afford sufficient flexibility for effective management by both parties. Shorter agreement terms will allow for regular review of the economic viability and service quality. As a consequence:

- Three year terms were offered to Local Governments with low transaction volumes located in close proximity (less than 50 kilometres) to other Local Governments providing the services.
- Five year terms were offered to Local Governments with higher transaction volumes; and Local Governments in remote areas.

Fees and costs

The fees and costs incurred by Driver and Vehicle Services (Department of Transport) are reflected in the fees and charges to customers. The Department advised it has an obligation to promote and support lower cost delivery methods because supporting more expensive service delivery methods comes at a cost to customers.

The Department acknowledged that feedback from the June 2017 survey of CEOs indicated commission payments do not fully meet the costs incurred by their Local Governments to provide licensing services. Contributing factors included increased merchant fees, increasing volume of complex transactions, and processing variations of the same transaction requiring additional time investment by staff.

According to the Department, the expired agreement provided for an increase in commission values paid to Local Governments based on CPI increases and became effective from 1 July each year. The replacement agreements continue this practice.

The Department has scheduled a commission increase of 3% effective from 1 January 2018. The cost is expected to be offset by falling transaction volumes. The Department also made a decision to provide additional funding to support Local Governments processing higher volumes of transactions above 3,000 per annum (12 per work day).

Executive Officer Comment:

Member Councils may wish to discuss this matter before voting on the recommendation provided by WALGA.

RECOMMENDATION:

That the GVROC Council note the advice provided by the Department of Transport on the two replacement agreements being offered to Local Governments in regional and remote areas to continue to provide licensing services under the *Road Traffic (Administration) Act 2008*.

RESOLUTION: **Moved: Cr Bonza** **Seconded: Mr Epis**

That the GVROC Council note the advice provided by the Department of Transport on the two replacement agreements being offered to Local Governments in regional and remote areas to continue to provide licensing services under the *Road Traffic (Administration) Act 2008*.

CARRIED

Attachment 1 to WALGA State Council Agenda Item 6.5**Summary of key changes to replacement agreements as provided by the Department of Transport**

Clause change	Reason
Definition of "Database"	Clarify that the agreement relates to DoTs vehicle and driver licensing databases.
Definition of "KPI" removed	KPI considered outdated and replaced by a compliance concept that focusses on no errors and correction if errors are identified during daily audit. Further <i>please explain</i> if errors continue or are significant – see amended Schedule H.
Definition of "PCIDSS Annual Statement" removed	Not required from Shires.
Definition of "Physical stock point" (h)	Referenced to Schedule M for clarity.
Definition of "Principal's Property"	Expanded to include physical stock and equipment provided by the Principal.
Event of Default (g) - wording change	Amended to clarify Principal to be advised and may give consent if Agents personnel have a criminal history. Otherwise it is a default event.
6.3 Agents undertakings	Now includes returning plates through approved couriers.
6.5 Conflict of interest	Better define the Department's understanding of the term.
7.1 Supply by Principal	Remove EFTPOS from (b) (i) - Shires use own systems to process payments.
8.1 Training	(e) Added to recoup taxi fares to and from training - evidence/receipts required.
8.3 Telecommunications	Ongoing rental not covered - originally introduced in infancy of the internet, now all business have internet connection, and DoT upload traffic is small.
10.3 Use of the Principal's Systems and Database	(b) Amended to provide for the Principal to request signing of a confidentiality agreement on demand - providing greater flexibility to ensure Agent personnel are aware of their responsibility. (d) Require personnel to log off when not using the PC so as not to enable unauthorized staff to access data to reduce unauthorized access and release of personal customer information.
10.5 Return of Confidential information	(b) Provide for more regular return of paperwork or other confidential information to the Department.
15.1 Audit and Review and 15.2 Performance and Compliance review meetings	Include the concept of compliance with business rules (error reduction) as well as performance which relates to quality of service.
16 Disputes	(b) Clarify that the Agents and Principals representatives must resolve disputes.
Schedule A	Minor wording changes: - Definition – Transport Service Centre - Scope of Services – now Road Law due to restructure of legislation - Physical Stock Requirements (c) - Timeliness of Service – (i), (iii) and (b)(iii) - Quality of Service (b) - Auditing by Transport Service Centres
Schedule B	Increased by 3% for selected sites performing over 3,000 transactions per annum. Non driver or vehicle transactions (maritime, photo card and taxi) removed and placed in the Non Road Rules Agreement
Schedule E	Changes to allow for directives to be issued by email.
Schedule F	Wording changes to reflect changes to DoT operations.
Schedule H	Changes to focus on error correction and prevention.
Schedule L	Removal of term from main contract to this schedule for flexibility. Contracts either for 3 or 5 years depending on volumes.

4.5 Review of WALGA State Council Agenda - Organisational Reports**7.1 Key Activity Reports**

- 7.1.1 Report on Key Activities, Environment and Waste Unit (01-006-03-0017 MJB)
- 7.1.2 Report on Key Activities, Governance and Organisational Services (01-006-03-0007 TB)
- 7.1.3 Report on Key Activities, Infrastructure (05-001-02-0003 ID)
- 7.1.4 Report on Key Activities, People and Place (01-006-03-0014 JB)

4.6 Review of WALGA State Council Agenda - Policy Forum Reports**7.2 Policy Forum Reports**

- 7.2.1 Mayors/Presidents Policy Forum
- 7.2.2 Mining Community Policy Forum
- 7.2.3 Container Deposit Legislation Policy Forum
- 7.2.4 Freight Policy Forum

4.7 WALGA President's Report

Presenting the WALGA President's Report (not yet received)

RECOMMENDATION:

That the Goldfields Voluntary Regional Organisation of Councils notes the following reports, either provided separately or as contained in the WALGA State Council Agenda:

- State Councillor Report;
- WALGA Status Report;
- Matters for noting/information;
- Organisational reports;
- Policy Forum reports; and
- WALGA President's Report.

RESOLUTION:**Moved: Cr Rathbone****Seconded: Cr Hill**

That the Goldfields Voluntary Regional Organisation of Councils notes the following reports, either provided separately or as contained in the WALGA State Council Agenda:

- State Councillor Report;
- WALGA Status Report;
- Matters for noting/information;
- Organisational reports;
- Policy Forum reports; and
- WALGA President's Report.

CARRIED

5. URGENT BUSINESS as permitted by the Chair

5.1 Introduction of the “cashless welfare card” in the Goldfields Region

Reporting Officer: Cr Cullen, President Shire of Coolgardie
Helen Westcott, Executive Officer

Disclosure of Interest: Nil

Date: 21 February 2018

Attachments: Nil

Background:

Cr Cullen, President Shire of Coolgardie and GVROC Chair has requested that the matter of the introduction of the “cashless welfare card” be listed for discussion.

RECOMMENDATION:

That discussion on the introduction of the “cashless welfare card” be permitted.

RESOLUTION: **Moved: Mayor Bowler** **Seconded: Cr Rathbone**

That discussion on the introduction of the “cashless welfare card” be permitted.

CARRIED

Executive Officer Comment:

The information for this item has been provided by the Cr Cullen, President Shire of Coolgardie.

During the campaign for a trial of the “cashless welfare card” in the Goldfields, which with the full support of the Member for O’Connor, Mr Rick Wilson MP, included a petition to all Federal Government backbenchers and a survey to all residents, three members of the Coolgardie and Kalgoorlie/Boulder communities were invited by the Minderoo Foundation to travel to Canberra to canvass various Senators in an effort to encourage them to support the introduction of the trial into the Goldfields Region.

Cr Cullen believes that the outcome of the vote by the Senate, including support from the Nick Xenophon Team who had previously opposed the trial, was assisted in a big way due to the presence of the delegation, as they actively engaged with many Senators during their four day visit to Canberra.

Since the announcement that a trial would take place within the Goldfields the group who travelled to Canberra have been subjected to threats and accusations that they do not represent the whole Goldfields Region. Cr Cullen does not believe this to be the case. In the case of the two people from Coolgardie, he believes they travelled to Canberra to represent their community striving for a better life for the families living in their community.

It should also be noted that during their visit to Kalgoorlie/Boulder by the Prime Minister, then Minister for Human Services Hon Alan Tudge MP and the Member for O’Connor all Shires included in the latest trial were given support from both indigenous leaders and other community members support for the trial within their respective Shires.

Support for a media release from GVROC supporting the trial is sought, as well support for GVROC meeting with the region’s senior police officers and representatives from the Goldfields Land and Sea Council to provide information and gain support for the trialling of the “cashless welfare card” in the Region.

Cr Cullen may wish to provide further comment.

Additional Meeting Comment:

Need to include meeting comment.

RECOMMENDATION:

That GVROC:

1. Issue a media release supporting the trial of the “cashless welfare card” within selected communities across the Goldfields Region; and
2. Seek meetings with the region’s senior police officers and representatives from the Goldfields Land and Sea Council to provide information and gain support for the trialling of the “cashless welfare card” within selected communities across the Goldfields Region.

RESOLUTION:

Moved: Cr Hill

Seconded: Mr Epis

That GVROC:

1. Issue a media release supporting the trial of the “cashless welfare card” within selected communities across the Goldfields Region;
2. Seek meetings with the region’s senior police officers and representatives from the Goldfields Land and Sea Council to provide information and gain support for the trialling of the “cashless welfare card” within selected communities across the Goldfields Region; and
3. Request Member Councils to monitor the outcome of the trial once it commences.

CARRIED

WALGA DRAFT

6. FUTURE MEETINGS

- Friday 9 March 2018 – in-person meeting of the GVROC CEOs Group (in Kalgoorlie unless otherwise determined);
- Friday 27 April 2018 - an in-person meeting of the GVROC Council at which the WALGA State Council Agenda for the State Council meeting to be held Thursday 3 and Friday 4 May 2018 will also be considered (in Kalgoorlie unless otherwise determined);
- Friday 25 May 2018 – in-person meeting of the GVROC CEOs Group (in Kalgoorlie unless otherwise determined);
- Friday 29 June 2018 – an in-person meeting of the GVROC Council at which the WALGA State Council Agenda for the State Council meeting to be held Wednesday 4 July 2018 will also be considered (in Kalgoorlie unless otherwise determined);
- Friday 13 July 2018 – an in-person meeting of the GVROC CEOs Group (in Kalgoorlie unless otherwise determined);
- Wednesday 1 August 2018 – an in-person meeting of the GVROC Council in Perth during Local Government Week (venue to be determined);
- Friday 24 August 2018 – a teleconference to consider the WALGA State Council agenda for the State Council meeting to be held on Thursday 6 and Friday 7 September 2018;
- Friday 14 September 2018 – an in-person meeting of the GVROC CEOs Group (in Kalgoorlie unless otherwise determined);
- Thursday 11 and Friday 12 October 2018 – a regional meeting of the GVROC Council hosted by the Shire of Ravensthorpe. Arrangements have commenced for this regional meeting;
- Friday 30 November 2018 – an in-person meeting of the GVROC Council to consider the WALGA State Council agenda for the State Council meeting to be held Wednesday 5 December 2018 (in Kalgoorlie unless otherwise determined);
- Friday 7 December 2018 an in-person meeting of the GVROC CEOs Group (in Kalgoorlie unless otherwise determined); and
- Friday 1 February 2019 – an in-person meeting of the GVROC Council in Esperance.

7. CLOSURE

There being no further business the Chair closed the meeting at 9.57am

DECLARATION

These minutes were confirmed by the Goldfields Voluntary Regional Organisation of Councils at the meeting held on 27 April 2018

Signed _____

Person presiding at the meeting at which these minutes were confirmed