



Central Metropolitan Zone

Minutes

28 June 2018

Central Metropolitan Zone

Hosted by the Town of Cottesloe

109 Broome Street Cottesloe, phone 9285 5000

Thursday 28 June 2018 commenced at 6:00 pm

Minutes

MEMBERS

2 Voting Delegates from each Member Council

| | |
|------------------------|--|
| Town of Cambridge | Cr Rod Bradley Cr Jo McAllister |
| Town of Claremont | Cr Paul Kelly Cr Kate Main |
| Town of Cottesloe | Cr Sandra Boulter Mr Mat Humfrey, Chief Executive Officer non-voting delegate |
| Town of Mosman Park | Mayor Brett Pollock Cr Jenna Ledgerwood |
| Shire Peppermint Grove | Cr Charles Hohnen Cr Scott Fleay |
| City of Subiaco | Cr Julie Matheson Ms Rochelle Lavery, A/Chief Executive Officer - non-voting delegate |
| City of Vincent | Cr Alex Castle |
| WALGA Secretariat | Mr Tony Brown, Executive Manager Governance & Organisational Services Mr Chris Hossen, Senior Planner Ms Laura Simes, Environment Policy Officer |
| Guest Speakers | Ms Vilma Palacios, North Metropolitan Public Health Unit Ms Jessica Carter, North Metropolitan Public Health Unit |

APOLOGIES

| | |
|---------------------|---|
| Town of Cambridge | Mr John Giorgi JP, Acting Chief Executive Officer non-voting delegate |
| Town of Claremont | Ms Liz Ledger, Chief Executive Officer non-voting delegate |
| City of Perth | Mr Eric Lumsden |
| City of Vincent | Mr Len Kosova Chief Executive Officer |
| DLGC Representative | Apology |
| City of Perth | Mr Andrew Hammond |
| City of Perth | Mr Robert Mianich, Acting Chief Executive Officer |
| City of Subiaco | Mayor Penny Taylor |

ANNOUNCEMENTS

Confirmation of Attendance an attendance sheet was circulated prior to the commencement of the meeting. Please register your attendance by printing your name against your Council on the attendance sheet.

ATTACHMENTS WITHIN THE AGENDA

1. Draft Minutes Previous Meeting
2. Zone Status Report
3. Standing Orders

1. ELECTIONS

1.1 Extraordinary Vacancy on the WALGA State Council

Due to an extraordinary vacancy on the WALGA State Council an election for State Councillor will be held.

Pursuant to the WALGA Constitution, the Secretariat shall assume the Chair for conducting the election of office bearers.

Nominations for the position were called for on Wednesday 13 June, with closing date Wednesday 20 June.

The following written nomination was received for the position of State Council Representative:

- Cr Jenna Ledgerwood Town of Mosman Park

DECLARATION

There being one nomination, Cr Jenna Ledgerwood is elected as State Council representative for the Central Metropolitan Zone for the remainder of the current term ending on 4 December 2019.

1.2 Election – Zone Chair

Due to an extraordinary vacancy an election for Zone Chair was held.

Pursuant to the WALGA Constitution, the Secretariat shall assume the Chair for conducting the election of office bearers.

Nominations will be called from the floor.

The following two nominations were received from the floor for the position of Zone Chair:

- Cr Julie Matheson City of Subiaco
- Cr Jenna Ledgerwood Town of Mosman Park

As more than one nomination was received, ballot papers will be distributed and a secret ballot conducted.

Distribution of ballot papers and election process ensued.

DECLARATION:

That Cr Jenna Ledgerwood be elected as Zone Chair for the Central Metropolitan Zone for the remainder of the current term ending on 4 December 2019.

1.3 Election – Zone Deputy Chair

Due to election of Cr Jenna Ledgerwood to the position of Zone Chair an extraordinary election for Zone Deputy Chair was held.

Pursuant to the WALGA Constitution, the Secretariat shall assume the Chair for conducting the election of office bearers.

Nominations for Deputy Chair were called from the floor.

The following nomination was received from the floor for the position of Zone Deputy Chair.

- Cr Julie Matheson City of Subiaco

DECLARATION

There being one nomination, Cr Julie Matheson is elected as Zone Deputy Chair for the Central Metropolitan Zone for the remainder of the current term ending on 4 December 2019.

2. DEPUTATIONS

2.1 Presentation – Public Health and Ambulatory Care

Ms Vilma Palacios, Coordinator Health Promotion and Jessica Carter, Aboriginal Health Promotion Coordinator, presented to the Zone. The aim of the presentation is be to increase awareness of Elected Members about their local community profiles, issues and trends affecting the health and wellbeing of their local community. In summary the presentation will include:

1. Impact of social, economic, environmental factors on the health and well-being of their local community
2. Current trends and best practice.
3. How can we better support LGAs within NMHS with the development and implementation of tailored Public Health and Wellbeing plans.

Noted

3. CONFIRMATION OF MINUTES

RESOLUTION

**Moved Cr Julie Matheson
Seconded Cr Charles Hohnen**

That the Minutes of the meeting of the Central Metropolitan Zone held on 26 April 2018 be confirmed as a true and accurate record of the proceedings.

CARRIED

4. DECLARATION OF INTEREST

Cr Paul Kelly declared a conflict of interest in Item 6.2 of the State Council Agenda

5. BUSINESS ARISING

Nil

6. STATE COUNCIL AGENDA - MATTERS FOR DECISION

RESOLUTION

Moved Mayor Brett Pollock
Seconded Cr Jo McAllister

That the Central Metropolitan Zone supports all matters for decisions within the July 2018 State Council Agenda 'en-bloc' with the exception of item 6.5.

CARRIED

7. STATE COUNCIL AGENDA - MATTERS FOR NOTING

Item 6.5 Independent Planning Reform – Green Paper

Moved Cr Sandra Boulter
Seconded Cr Rod Bradley

1. That State Council Note the release of the Independent Planning Reform Green Paper and the consultation currently being undertaken with members;
2. That the WALGA interim submission should include that Third Party Appeal Rights should be addressed in the paper; and
3. That the WALGA interim submission should include that open and transparent Declarations of Interest should be addressed in the paper.

CARRIED

8. BUSINESS

7.1 LGIS Governance Report

LGIS Governance Report

At the April Central Metropolitan Zone Meeting the zone resolved as follows;

1. That the Central Metropolitan Zone request WALGA to advise all Member Councils that they may view the Deloitte Governance Review Report if they so desire, acknowledging that there are confidentiality issues addressed within the Report; and
2. That WALGA be requested to present to the next meeting of the Zone the key issues which will be considered by State Council as a result of any recommendations contained within the Report

Background

WALGA commissioned an internal governance review of the Local Government Insurance Service in 2017. The report has been listed as a confidential document due to the commercial nature of the insurance business. However WALGA is making the report available to be viewed if any CEO or Mayor/President would like to view the report.

The key issues from the report are as follows;

Summary observations

1 Concept

The insurance Scheme was created to provide Members of WALGA with a pooled fund and mutual scheme to manage various risks at a time when many Local Governments were experiencing difficulty obtaining affordable insurance cover. The report concludes the concept still to be sound.

The overriding feedback from Members is that they agree with the concept of the Scheme and understand the historical context in which it was established. Members have a common understanding of the cross subsidisation that occurs as part of a mutual scheme. However, in the current environment of budget cuts and a focus on value for money delivered to ratepayers, some members sought to test the market for insurance coverage outside the Scheme.

2 Design

Owing to the evolution over time from a Broking Agreement to a mutual Scheme managed by the Scheme Manager and overseen by WALGA and the LGIS Board, there are nuances in the relationships between various interested parties. Some of these nuances will benefit from re-assessment of roles, responsibilities and accountabilities.

3 Implementation

Members are complimentary of the services the Scheme provides and specifically call out the improvements since the introduction of a new Scheme CEO three years ago. LGIS Board members have also noted significant improvements and an added degree of professionalism in recent times.

The LGIS Board composition benefits from the inclusion of three independent members, including the Chair. The LGIS Board undertakes strategic planning initiatives and the Finance, Audit and Compliance Committee has been well served by its retiring Chair, who has overseen major improvements to the Scheme's financial reporting and initiated outsourced internal auditors to examine the Scheme Manager's activities.

However, some member's perception was of insufficient transparency around the ownership structures and remuneration of the Scheme Manager and the Trustee (WALGA).

Deloitte Report Recommendations

The governance framework of the Scheme is a product of history, including the evolution from the Broking Agreement to the Trust Deed. Owing to this history, there exists a complexity of relationships, roles and responsibilities, which in practice is not simple to govern. While the Scheme is a sound concept, Deloitte believe the design needs to be reassessed and some strengthening of implementation.

The overriding concern of Members is transparency, especially given the existence of a captive insurer scenario.

In relation to the recommendations, the following are the recommendation and responses:

Recommendation 1 - Improved transparency and consultation between LGIS Board and Members.

This recommendation provides WALGA with an opportunity to increase communication to the sector on the structure of LGIS and performance of LGIS.

Recommendation 2 - Clarification of ownership, accountability, delegations and responsibilities, including the update of relevant documentation.

Recommendation 3 - Active contract management of the Management Agreement, the Trust Deed and the Corporate Governance Charter.

Recommendations 2 and 3 provides the WALGA administration with clear direction on increasing its contract management role of LGIS and the operation of the Board.

WALGA staff have reviewed all of the contract documentation and put in place stronger contract management processes.

Recommendation 4 - LGIS Board to set appropriate performance targets for the Scheme and the Scheme Manager, including the external review and assessment of actual performance.

It is appropriate for the LGIS Board to recommend performance targets for the Scheme and then for WALGA to consider and endorse.

The external review and assessment needs to be carried out by WALGA as part of the performance review process.

Recommendation 5 - Demonstrate independence of mind by allowing the LGIS Board or Remuneration sub-committee to consider the appropriate remuneration of the Scheme Manager

In respect to Recommendation 5, the agreement between WALGA and the Scheme Manager places the responsibility with WALGA to review the performance of the scheme including remuneration.

Recommendation 6 - Consider testing the market regarding Scheme Manager Services

This recommendation is not supported at this stage, this could be considered in the future. The success of the LGIS Mutual has been the positive relationship that exists between WALGA and JLT/LGIS. This is based on working together and responding to each other's needs.

With the current measures in place for reviewing the scheme and updating the agreements and other documentation, WALGA is well placed to continue to have an effective insurance service for the sector.

A report on the progress of the implementation of the recommendations will be provided to a future State Council meeting.

RECOMMENDATION

**Moved Mayor Brett Pollock
Seconded Cr Charles Hohnen**

That the information on the LGIS Governance report be noted.

CARRIED

9. OTHER BUSINESS

Nil.

10. EXECUTIVE REPORTS

10.1 President's Report to the Zone

Tony Brown presented the President's Report.

Noted

10.2 State Councillor's report to the Zone

WALGA State Councillor Cr Paul Kelly provided a report on the previous State Council meeting.

Noted

10.3 Department of Local Government and Communities Representative Update Report.

Department of Local Government and Communities representative was an apology to the meeting.

Noted

11. DATE, TIME AND PLACE OF NEXT MEETING

The next ordinary meeting of the Central Metropolitan Zone will be held on Thursday 30 August 2018 at the Town of Mosman Park at 6:00 pm.

12. CLOSURE

There being no further business the Chair declared the meeting closed at 19:20.