

MINUTES

SEARTG

BOARD MEETING 11 DECEMBER 2012

**SOUTH EAST AVON REGIONAL TRANSITION GROUP
(S E A R T G)**

MINUTES

MEETING OF BOARD MEMBERS

SHIRE OF QUAIRADING – LESSER HALL
10:00AM TUESDAY, 11 DECEMBER 2012

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

1.1 Opening

The Chairman welcomed Attendees, in particular Ms Caroline Tuthill from the Department of Local Government, and Mr Tony Brown from the Western Australian Local Government Association.

1.2 Announcement of Visitors

Invitations were extended to:

- Ms Caroline Tuthill - Senior Project Officer - Department of Local Government.
- Mr Tony Brown – Executive Manager, Governance and Strategy – Western Australian Local Government Association.
- Ms Joanne Burges – Regional Co-Operation Manager – Western Australian Local Government Association.

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

2.1 Present

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| Shire of Cunderdin | - Cr R Carter | - President (Chairman) |
| Shire of Cunderdin | - Cr G Cooper | - Councillor |
| Shire of Cunderdin | - Mr P Naylor | - Chief Executive Officer |
| Shire of Quairading | - Cr G Anderson | - Deputy President |

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| Shire of Tammin | - Cr S Uppill | - President |
| Shire of Tammin | - Mr G Stanley | - Chief Executive Officer |
| Shire of York | - Cr T Boyle | - President |
| Shire of York | - Cr R Scott | - Deputy President |
| Shire of York | - Cr P Hooper | - Councillor |
| Shire of York | - Mr R Hooper | - Chief Executive Officer |
| Shire of York | - Ms T Cochrane | - Deputy Chief Executive Officer |
| Western Australian Local Government Association | - Mr T Brown | - Manager – Governance and Strategy |
| Department of Local Government | - Ms C Tuthill | - Manager Local Government Reform |
| Dominic Carbone and Associates (DCA) | - Mr D Carbone | - Executive Officer |
| Dominic Carbone and Associates (DCA) | - Mr D Long | - Consultant |

2.2 Apologies

| | | |
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| Shire of Quairading | - Cr D Richards | - President |
| Shire of Quairading | - Mr G Fardon | - Chief Executive Officer |
| Western Australian Local Government Association | - Ms J Burges | - Regional Cooperation Manager |

2.3 Leave of Absence

Nil.

3. DEPUTATIONS/PRESENTATIONS

3.1 Deputations

Nil.

3.2 Presentations

Nil.

4. CONFIRMATION OF MINUTES

- 4.1 South East Avon Regional Transition Group Board Meeting held at the Shire of Cunderdin Council Chambers, Civic and Administration Centre, on Friday, 19 October 2012.

MOVED Cr S Uppill, Seconded Cr T Boyle, that the Minutes of the South East Avon Regional Transition Group Board Meeting, held at the Shire Cunderdin Council Chambers, Civic and Administration Centre, on Friday, 19 October 2012, be received.

CARRIED UNANIMOUSLY

Business Arising from Minutes

The Chairman called for any business arising from the Minutes, with no items being raised.

5. ANNOUNCEMENT BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

6. REPORTS

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| RTG-023-12 | STATUS REPORT – OUTSTANDING BUSINESS FROM THE SOUTH EAST AVON REGIONAL TRANSITION GROUP (SEARTG) BOARD MEETINGS (File: rtg023-12) |
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The Executive Officer drew attention to this item of business, advising that all matters detailed had been included in the revised Regional Business Plan. Further, confirming with Ms C Tuthill that associated funding had been approved.

It was then:

MOVED Cr G Cooper, Seconded Cr G Anderson, that Report RTG-023-12 – Status Report – Outstanding Business from South East Avon Regional Transition Group Board Meetings, be received.

CARRIED UNANIMOUSLY

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| RTG-024-12 | PRESENTATION OF THE REVIEW OF THE REGIONAL BUSINESS PLAN BASED ON A FOUR LOCAL GOVERNMENT AMALGAMATION PROPOSAL (File: rtg024-12) |
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The Executive Officer drew attention to Report RTG-024-12, commenting on the following:

- Regional Business Plan has been reviewed in relation to four local governments.
- Mr D Long will provide presentation on revised document.
- Service Delivery Plans reviewed in detail in order to achieve outcomes.
- Capacity generated in relation to service delivery.
- Potential savings.
- Prime consideration to deliver local government and services to a much bigger organisation and community, based on retaining local identity and ensuring service delivery.

Following the Executive Officer's invitation, Mr D Long advised that the presentation will focus on changes rather than information already delivered to the Group.

Mr D Long commenced his presentation, summarised as follows:

- Population in the vicinity of 7,500 people.
- Changes in the population age groups, with a slight lowering of the ageing population, and minor increase in the young and middle aged sectors.
- Small decrease in the agricultural base to 28.5%, and total workforce from 3,600 to 2,800, based on ABS statistics.
- 0.1% change in full time, part time and unemployed.
- Need to focus on employment creation and coordinated economic development.
- Little change to the organisational structure.

Following a query from the floor, Mr D Long confirmed that statistics utilised are those utilised for the original Regional Business Plan prior to revision, in order to retain integrity of the initial compilation.

Mr D Long then continued with his presentation, detailing:

- Organisational structure remains as a hybrid matrix management model.
- Positions are reflective of Service Delivery Plans.

The Executive Officer provided comment in relation to the following:

- One tier of management removed.
- Beverley's withdrawal provided for a smaller organisation.
- Executive organisational structure proved too heavy for the organisation.

Mr D Long continued:

- Simpler to go with a structure of five managers.
- Service delivery areas have been adjusted as a result, providing improved balance.

Following a query from the floor, Mr D Long advised that the review determines Place Coordinators in each town site, with certain managers based in particular areas given the type of work and demands placed on those roles. Further, that:

- No recommendations made at this point as to location of managers.
- Work load and activities will dictate where specific managers are located.
- Locations to be determined by the new council.
- Local coordination of services recommended.

Following Cr D Richards' query regarding removal of positions as a result of the review, Mr D Long advised that three senior executive positions and two beneath this level had been removed; bearing in mind Beverley's withdrawal had resulted in their costs and positions being removed overall. Further, that the review resulted in a reduction to 117 full time equivalents, whilst incorporating ten new positions.

Cr G Cooper provided comment, detailing:

- Key issue is "sell-ability" to the public.
- Should all key positions be located in one town centre, the poll will go against the process.
- Spread of responsibilities across all areas.

Mr D Long advised that the Executive Officer and Consultants had removed themselves from the political process, in the sense that no recommendation has been made on staff locations at this point, believing this to be a decision for the new entity.

The Executive Officer conferred with Mr D Long's statement, reiterating that such a decision would be for the new entity.

Ms C Tuthill provided comment in relation to:

- Mobility of managers across the area.
- 'Hot desk' concept within the business sector providing for mobility.
- IT support in this regard.
- Industry is moving in this direction.
- Envisages new entity to pursue this practice.

The Executive Officer provided the following input:

- Suggested that such mobility would be required to promote services.
- Perception that service delivery continued as presently provided.

Cr P Hooper provided input on the following:

- Agreement with Cr G Cooper's comments.
- Obvious from last meetings that those managerial positions will naturally fall into place.
- Dependency on attracting good quality candidates for each role.
- Not good governance to determine specifics of managerial locations at this point.
- Sees engineering as a Quairading fit, IT as a Cunderdin fit.
- Group can express desirability on location.

The Chairman conferred with Cr P Hooper's comments that desirable locations cannot be written into the Business Plan.

Mr R Hooper provided comment on the following:

- Suggested that logistics will determine the scenario, giving an example of housing.
- Supports requirement for someone senior to be available at each centre.
- Transitional costs.

The Executive Officer reiterated that where people are stationed is for the new entity to determine.

Mr D Long continued to provide his presentation, detailing:

- Space is an issue.
- Logic and resources will determine staff locations.
- Available facilities will add to determinations.
- Plan does not allow for the extension of any administration centres or construction of new.

Mr R Hooper commented on the following:

- Questioned the Roman II requirement being a consultant's role or that of a 0.6 full time equivalent under Asset Management.
- Advice from the Chairman of the Grants Commission in relation to grant reduction if data not up to date.
- Outsourcing of IT.

Comment provided by the Executive Officer, covered:

- Review provides for a fully costed, full time Asset Management person.
- Budget to allow for additional consultancy.
- Service measured as ongoing operational cost, not a once only cost.
- Review allows for one more person than required, providing capacity to resource share.
- Work backlog to be undertaken by Asset Management resource and consultants if required.
- Buy in service best option at this point in time.
- Little difference between in house and external costs.

Mr R Hooper provided comment on:

- New bridge regime, and lack of future funding.
- York affected more than other Participants in this regard.
- Unaware of requirements until two weeks ago.
- New items being added in that cannot be planned for.
- Detailing of such matters for the new council.

The Executive Officer advised that the Service Delivery Plans can be extended to be long term financial plans for each service, with the removal of once only costs. Further, once only costs are included and excluded as required, whilst ensuring the service is delivered to the community.

The Chairman advised that the new council will deal with changes as they occur, with the existing Group setting up a template that provides a starting point for the new entity.

Cr G Cooper offered comment on the following:

- Need for this Group to progress to the first stage, with the new entity and staff making decisions about such issues.
- Given priorities, the first budget will not look good.
- “Sale-ability” and cost needs to be right for community acceptance.
- Common sense in relation to available resources, namely spreading services over existing facilities without the need to build new offices or housing.
- Important to sell community based service delivery as a priority.
- Spread of positions and roles, not based on one management area.
- Importance of Mr R Hooper’s suggested listing of matters for the new entity.
- WALGA to provide back up support and expertise for Roman II.

The Executive Officer commented on provision for an Asset Management Officer and the lack of experienced people in this area, with Cr G Cooper commenting on appropriate evaluation. Participants were advised that the review had built in capacity, with the view that the Group would develop the resource and its marketability in the sector.

Mr T Brown suggested that the Group include a general spread of senior managers across the four location centres within its general principles, with the Executive Officer conferring that this be detailed as the view of the Board. Further, that the intent was for people to be able to attend service centres with appropriate staff in each location.

Cr P Hooper advised that he was prepared to move in this regard, therefore allowing the Executive Officer to prepare appropriate wording, with Cr T Boyle suggesting that this cover the first term at least, with adjustment as required.

The Executive Officer suggested inclusion of the word “initially”, with the Chairman suggesting that careful wording was required given South Australian advice.

Cr P Hooper advised his agreement on using the word “initially”, with consensus reached on formalising this.

Following Mr G Stanley’s query on Youth Services, Mr D Long advised that the allowance of 1.2 full time equivalent Youth Officers equates to 0.3 full time equivalent Youth Officers across each place based on current demand. Further, that the relevant Service Delivery Plan provides a breakdown in this regard.

The Chairman drew attention to Cr P Hooper's suggested motion, it was then:

MOVED Cr P Hooper, Seconded Cr G Cooper, that the South East Avon Regional Transition Group Principles detail the Board's preference to have at least one Manager based in each centre initially.

CARRIED UNANIMOUSLY

Mr D Long continued with his presentation, covering:

- No change to operational requirements of the new council.
- No standing committees.
- Shared Services – the new entity will need to determine continuation of shared services to Beverley and Brookton.
- Model provides for continuation of Environmental Services.
- Income streams from Beverley and Brookton.
- Interim arrangements provide for four wards.
- Transitional representation unchanged with 9 Elected Members.
- 48% over representation and 28% under representation, to be reviewed with possible boundary changes; or moving to a no ward arrangement to reach one vote one value.
- Minor representation ratio change with grouping of four.
- Governor's Orders required in relation to such matters.
- Community consultative committees remain unchanged other than cost reduction from 5 to 4.
- Cunderdin and Quairading's current committees will become working groups.
- Ordinary meetings to remain on rotational basis.
- Management team to report to the Chief Executive Officer.
- Proposal for new entity to be formed on 1 July 2014, with elections and timeframes not permitting a 1 July 2013 commencement.

The Executive Officer advised that a 2014 start was in contradiction to the Group's resolution for 1 July 2013, with Ms C Tuthill further advising that the Advisory Board would not be able to achieve a 2013 commencement date.

Mr R Hooper raised concerns with the holding of elections in 2013, and appointing elected members for a short period before they are stood down to allow the appointment of commissioners. Further, suggesting that current appointments should be extended until the appointment of commissioners.

Ms C Tuthill suggested that this matter be raised with the Western Australian Electoral Commission, with the Executive Officer seeking clarifying that Mr R Hooper was suggesting Commissioners be in place for a longer period. Mr R Hooper advised that elections for the district be deferred, although this in itself has issues given electoral timings for current seats.

Cr G Cooper suggested that on appointment of commissioners, there would be a “full spill” of all elected seats. Mr R Hooper then drew attention to the 2013 elections and associated costs being for an 8 month period, suggesting a simpler option would be to extend elected member appointments for that short period.

The Executive Officer sought confirmation on provisions under the Act, with Ms C Tuthill advising that there must be an election within 12 months of a commissioner being appointed, however clarification would be required in relation to extending current terms.

General discussion followed, with input on:

- The new entity to commence with new people.
- 2013 elections being of concern, with appointments for a short period before being stood down.
- Two elections twelve months apart, with appointment of commissioners in between.
- Cost of elections.
- Business as usual until 30 June 2014.
- This matter be put to the Advisory Board for advice on options available.
- Makes sense to extend current terms until the appointment of commissioners.

Following discussion, the Chairman sought formalisation of a 1 July 2014 commencement date for the new entity, with the Executive Officer suggesting that this include seeking clarification on the ability to extend current terms until the appointment of commissioners.

It was then:

MOVED Cr P Hooper, Seconded Cr S Uppill, that the South East Avon Regional Transition Group Board formalise a 1 July 2014 commencement date for the new entity, and seek clarification on the ability to extend current terms until the appointment of commissioners.

CARRIED UNANIMOUSLY

Mr D Long continued his presentation, detailing:

- Corporate branding remains unchanged, is significantly important to the organisation, and included in Transitional Costs.
- Community Engagement Strategy also included in Transitional Costs.
- Documents to be included on the “Securing Our Future” website.

- Confirmation required that cost of website design provided for 12 months posting of documents.
- Elected Member costs, reduction in the interim period.
- 23 Service Delivery Plans, being a reduction of 1.
- Chief Executive Officer and five managers.
- Staff to be placed according to accommodation available.
- Some refurbishment and alterations for place centres to allow “fit for purpose”.
- Financial forecasts reviewed, including Rate Setting Statement and service analysis.
- Maintained and increased existing services, with inclusion of five new.
- Little change to IT systems, with the removal of Beverley from the equation.
- Annual operation costs.
- Cost reductions due to buying power through the State Government.
- Determination needed on operating platforms.
- Recommendation for electronic document management system, providing security and confidentiality.

General discussion followed, with input by the Executive Officer, Ms C Tuthill, Mr D Long, Cr P Hooper, and Mr R Hooper, in relation to:

- Suitability.
- Standards.
- Use of “Cloud” environment.
- System upgrades; ie hardware and software.
- Location of systems and support.
- Independent operation.
- Ministerial and Departmental feedback on IT matters.
- Conversion of proposal to “Cloud” arrangement.
- Proposal for York to be central data repository.
- In the instance of an ADSL failure, Cloud based operation will not allow anyone to have system access.
- New South Wales solutions.
- Infrastructure reliability.
- Response times.
- Transfer of old records into electronic format and associated costs.

Mr D Long continued:

- Need for corporate web site.
- Accessibility of documents and systems.
- Operational costs for IT and Records Management, with provision for contracting in IT support services.
- Ensuring that the new entity can reach its obligations and functions.
- Rating Study - total analysis and review undertaken.
- Uniform rating to occur over a five year period.

- Tammin refuse site.
- Financial Assistance Grants – review and preservation.
- Grants trending up for some country local governments.
- Current modelling indicates two to three years before this Group reaches maximum grant level.

Cr P Hooper advised that a paper was before the Grants Commission which indicates that grants will be preserved for this Group on amalgamation for a period of five years.

Mr D Long continued:

- Suggested that Grants Commission information needs further confirmation given current modelling indications.
- General Purpose Grant reduction.
- National review raising concerns in relation to Grants, with a proposed reduction in the road component.
- Little control on national aspect.
- Query five year preservation from local Grants Commission allocations.
- Current methodology and Grants Commission figures.
- Little change with the Regional Road Group, with proposal for Wheatbelt North.
- Youth Grants – unchanged.
- Community Services – initial indications being a transition to a 60/40 split on funding arrangements.
- Sharing between York and Beverley, proposal for the new entity to take over administration and coordination of the service (subject to negotiation with Beverley).
- LGIS – difficulty in obtaining current data, concerns in relation to insurance premiums, with indications that insurance will increase rather than reduce.
- Need to look at excess levels.
- Importance for retention of local banking services.
- Need to work on purpose and protection of Reserve Funds.
- Cooperative shares to transition to new entity.

- Council and self supporting loans.
- Provision of a Human Resource Officer within the organisation, with this position being warranted given 120 employees.
- Access to human resource procedures and policies provided by consultant.
- Recruitment and staff communication being important issues.
- Service Delivery Plans – moving from 106 to 117.2 full time equivalents.
- Salary and remuneration data used indicates little change in modelling.
- Procedures and processes to be documented before amalgamation.
- Advice from Department.
- Written advice required from the Australian Taxation Officer in relation to potential exemptions.
- Decision on amalgamation should provide access to transitional funds.
- Advisory Board yet to finalise Transitional Costs.
- Allocation made for Project Officer to assist new entity with such matters.

Ms C Tuthill advised that pre release funds may be allocated to provide for planning on moving forward, however the bulk of the funding would be released once polling was complete.

Mr D Long continued:

- Vehicle Fleet - analysis based on available information, with proposed model determining a need for ten additional vehicles.
- Proposal being for additional vehicles to be included in Transitional Costs.
- Engineering and road service area to come together as service teams for delivery throughout each of the wards, with this area being addressed by the new entity.

Cr G Cooper stressed the importance of not touching this area at this point, as funding and other areas will be affected.

Mr D Long continued:

- Current Depot facilities – adequate and fit for service.
- Short term renewal gap sits at \$62,000 per annum, beyond five years this increases to \$790,000.
- These figures will change given any decision to alter or improve the assets concerned.

Ms T Cochrane provided comment in relation to maintenance costs for the York Swinging Bridge in order to extend the useful life of this asset.

Mr D Long continued:

- Roads, bridges and footpaths – insufficient funding available to maintain required level of maintenance.
- No change to internal base line comments.
- Proposal for a bigger, stronger, more capable organisation to undertake functions and obligations required.
- Transitional Costs – changed marginally due to change in number of members.
- Five commissioners; four being the current Shire Presidents, and one independent Chair to be appointed by the Minister.
- Detailed costs allow for a six month period, with costs to increase should this timeframe change.
- Reduced Elected Member costs will assist in offsetting additional costs.
- Existing Elected Members be appointed to each of the Community Consultative Committees to provide advice to the Commissioners.
- Suggestion that current Chief Executive Officers continue in their current positions.
- Commissioners have the right to appoint an Acting Chief Executive Officer for a transitional period, or to appoint a new Chief Executive Officer.
- Reduced allowance for termination payments.

Mr R Hooper raised concerns in relation to the allocation for termination payments, suggesting problems will occur should all current Chief Executive Officers decide to not continue.

The Executive Officer drew attention to Chief Executive Officers having the same rights as all other employees, with the ability to be retained by the organisation until their respective contract expires. Mr D Long provided comment on discretion sitting with the new entity, with the Executive Officer commenting further on discussions held with the Department in this regard.

Mr D Long continued:

- Provision for a Project Management Officer remains unchanged.
- Corporate branding.
- IT inclusion, hardware, software, and optic fibre inclusion.
- Cost of community satisfaction survey included.
- Purchase of ten light vehicles.
- Refurbishment costs – remain the same for each of the four place centres.
- Rate Setting Statement sits at Section 12 – reconciliation and net adjustments.
- Preparation of long term plan for new entity.

Mr R Hooper raised concerns in relation to local laws, with discussion by Mr R Hooper, Mr D Long, the Executive Officer, Mr T Brown, Ms C Tuthill and Cr G Cooper, covering the following aspects:

- Transitional cost allocation to review all local laws.
- New entity will operate under four sets of laws if not brought up to date.
- Northam experiencing difficulty in this regard.
- Allocation of \$25,000 for local law review.
- New entity to undertake a blanket review and replace each local law with one adopted model for immediate implementation.
- Review Committee's involvement in local law review.
- Issues with Waste and Health local laws.
- Government guarantee that the Review Committee will expedite its review by the commencement date of 1 July 2014.

- SEAVROC review cost of \$40,000.
- Group determined that local laws be amended, which is more intensive and difficult to get through the Review Committee than repealing and adopting new.
- WALGA assistance in expediting local law review process.
- Managing within allocations provided; allocations provided on best “guesstimates”.
- Flexibility within allocations made.
- Allocation of \$5.5M for Geraldton/Greenough.
- Ministerial review of budget.
- Negotiation on figures submitted.
- One off opportunity to “get it right”.
- Need to deliver on time.
- Suggestion to make such matters conditional to the amalgamation.
- Assistance to be provided by the State Government and Planning Commission.
- New Town Planning Scheme required, linked to the Wheatbelt Planning Strategy, State Planning Policy, etc.

Following the Chairman seeking clarification on how the Group wishes to deal with the concerns raised, further discussion covered the following:

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| Mr R Hooper | <ul style="list-style-type: none">• Local laws and planning.• Suggestion that feedback be provided to the Executive Officer and Mr D Long by Friday, 14 December 2012, on those items considered to be over or under.• Concern that Mr T Fowler wants a definitive figure with no margin for error, and this not being possible.• Flexibility and surplus to be built in. |
| Cr G Cooper | <ul style="list-style-type: none">• Believes the Minister will dismiss such a claim.• Figures must “stack up”. |

- Dom
- Some \$0.735M per Council requested at this point, totalling approximately of \$2.94M.
- Mr T Brown
- Believes that the structure of Transitional Costs is correct.
 - Need to ensure sufficient funding is sought.
- Cr P Hooper
- Queried basis of refurbishment figures.
- Executive Officer
- Need to accommodate Officers, including furniture, painting, partitions, etc.
- Cr P Hooper
- Confers with Cr G Cooper's comment that the Minister will dismiss any unsubstantiated claims.
 - Contingency of 10% to be built in, given time to implement.
- Ms C Tuthill
- Minister looking for structure.
 - 7.5 – 10% contingency.
- Mr T Brown
- Include the recognised contingency and look at specific items requiring additional funds.
- Mr P Naylor
- Increase the local law component to \$50,000, and add 10% contingency to other items.
- Ms C Tuthill
- Advice that 7.5% contingency was provided by the Cuballing group.
- Cr P Hooper
- Believes the proposal to be fair and equitable given that the process is being conducted by the Participants giving of their own time to progress the structural reform.
 - 10% contingency is a fair figure.
- Mr P Naylor
- Suggests a foot note that 10% contingency built in to cover disparity of distances etc.
 - Providing example of the two Narrogin offices being in close proximity to each other, whereas this Group is dealing with offices in each respective town site.

- Cr P Hooper
- Each Board Meeting takes the four Chief Executive Officers out of the office for the day.
- Ms C Tuthill
- Such matters are taken into consideration.
 - Need Ministerial agreement in principle, followed by the provision of firm figures.
 - This process needs to be in place before the parliamentary caretaker periods commences.
- Cr P Hooper
- Suggest the Executive Officer and Mr D Long look at increasing the allocation for local laws to \$50,000, and including a 10% contingency factory for the remainder of the items.
- Executive Officer
- There are certain costs that must be met by each respective Local Government, eg Commissioner's cost.
- Mr D Long
- A contingency of 10% will increase the Transitional Cost request to \$3.2M from \$2.94M.
- Executive Officer
- This equates to \$800,000 per Council, which is not considered high.

Following the Chairman's request, it was agreed that the Executive Officer and Mr D Long revise the request for Transitional Costs to \$3.2M overall, equating to \$800,000 per Council. The Executive Officer advised that he and Mr D Long were in agreement with the revised request.

Mr D Long then confirmed that he had concluded his presentation.

Following Cr P Hooper's query on the fallback position should the Minister decline the request for ten additional vehicles, Mr T Brown suggested that the Group needs to request \$3.2M. Further, stressing that estimated values may vary given the unknowns as the process unfolds.

A query from Cr P Hooper followed, with the Executive Officer reiterating that the additional vehicles were required given the distance between town sites, and the need for services to be provided across the entire region, not just within current individual boundaries.

Ms C Tuthill suggested that the Minister may question how the existing fleet may be more effectively utilised, with the Executive Officer advising that the determination had been made on the need to deliver the services required across the grouping.

Ms C Tuthill reaffirmed the Minister's support of the Group; however there is a need for him to justify the request to Parliament and therefore requiring the full facts of the request.

Following the Executive Officer's query, Ms C Tuthill advised that vehicles and IT are stand out items, suggesting the Group provide a disclaimer in relation to these matters. Further, that the Department may offer potential innovative solutions for savings in these areas.

General discussion followed in relation to these matters, with input by Ms C Tuthill, Mr D Long, and the Executive Officer, with the suggestion that certain components may require negotiation with the Minister, and the importance of getting IT and service delivery correct in the first instance.

Mr R Hooper provided comment, detailing:

- Suggested that the four Participating Local Governments will vote to move forward with the process.
- Quairading resolution on the books stating "subject to all identified Transition Costs being met by the Government".
- Assumption that all four Participating Local Governments will resolve in accord with Quairading.
- Should the Transition Costs not be met by the Government, there is a risk that the four Participating Local Governments will withdraw from the process.
- Bargaining power required by the Group.
- If it is considered that community protection comes at a cost of \$3.2M, then that should be what the Group is bound by.

- Consideration of phased in costs over a given period being more palatable than all costs up front on day one.
- Understood that the Minister needs to defend his budget to Parliament.
- Need to ensure that the community is not penalised by additional costs as part of this process.
- Understating required funding at this point could be detrimental.

Ms C Tuthill advised that the Government's principle centred on the direct cost of amalgamation and management of expectations, suggesting that the Group put forward a strong case, bearing in mind there will be negotiation.

Cr G Cooper then provided comment on the following points:

- Agreement on the IT system specific for this Group.
- Centralised Committee may have ideas relating to the Group.
- It is essential that there is no "skimping" on the IT aspect, as this is fundamental to the success of this Group.
- IT system needs to be operational as soon as possible.
- Fibre optic cable has been removed from costing.
- The agreed system is the one the Group believes is needed to make the process work.
- Fundamental to this process is local laws and the town planning scheme, being direct costed changes.
- The three matters of IT, local laws and town planning scheme are fundamental and non negotiable.

The Executive Officer drew attention to Narrogin which equates to the merging of 1.5 councils, as opposed to this Group where four independent and totally separate Councils are coming together.

The Chairman sought direction from the Group on formalising the concerns raised, with comment by the Executive Officer that Part 4(a) of the recommendation covers this requirement.

Following Cr S Uppill's query, Ms C Tuthill advised that upon reaching an agreed budget with the Minister, funding will be progressively available to the Group. Further, suggesting that a request be made for pre release funding to permit works to commence, with the understanding that offsets will be utilised where possible.

Mr R Hooper drew attention to the need for recommendations to participating Councils to move to the next stage. Further, that the recommendations are to detail Transitional Costs in order to allay community fears that they will be burdened with the cost to progress the reform process.

The Executive Officer advised that the Narrogin/Cuballing resolution detailed the formalisation of amalgamation on the basis that the Minister funded the full cost of doing so.

General discussion followed, summarised as follows:

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| Mr R Hooper | <ul style="list-style-type: none">• Situation is nebulous, with unknown aspects.• IT, local laws and town planning raised as not negotiable.• All aspects are open to negotiation, with budget variances.• Add on costs as opposed to traditional operational costs. |
| Executive Officer | <ul style="list-style-type: none">• Queried if Mr R Hooper was seeking an amended recommendation. |
| Mr R Hooper | <ul style="list-style-type: none">• Transitional Costs as listed. |
| Cr P Hooper | <ul style="list-style-type: none">• Part 2(iv) of the recommendation states “Transitional Costs as detailed in the Regional Business Plan in context of four local governments”. |
| Mr R Hooper | <ul style="list-style-type: none">• Queried how many people will work through the Securing Our Future website to find that detail. |
| Cr P Hooper | <ul style="list-style-type: none">• Need to advise residents that we are seeking \$3.2M to move forward, without the finer detail. |
| Chairman | <ul style="list-style-type: none">• Concurs with Cr P Hooper that \$3.2M to cover matters raised at this meeting.• Should the Government or Advisory Board fall short to any extent, Participating Local Governments have the ability to vote against the amalgamation. |

- Cr G Cooper
- On acceptance of this report, information can be used.
 - Advise people of the items being looked at.
 - Do not see this as an issue.
- Executive Officer
- It is on the record that “Transitional Costs will be met”.
 - Acceptance that this is the case.
 - No cost to the community.
- Cr P Hooper
- Community expectation is that they will not be burdened with the cost.
- Executive Officer
- Sought confirmation from the Group that they were happy with a 10% contingency for variances in costs.
- Ms C Tuthill
- Advised the Group to submit their requested budget for consideration by the Minister.
 - Reiterated costings to be directly related to the amalgamation process.
- Executive Officer
- Clarity of Transitional Costs, as opposed to operational costs.
- Cr P Hooper
- Seeks confirmation that the Regional Business Plan is to be put to the Advisory Board, who in turn advise the Minister.
- Ms C Tuthill
- States that the Advisory Board makes recommendations to the Minister.
- Executive Officer
- The Advisory Board will refer to the revised Regional Business Plan in order to assist.
- Cr P Hooper
- Confirms that the Advisory Board will come to each Council, who are behoved to stress that this budget is put forward in good faith and costed properly.

- Ms C Tuthill
- This step constitutes peace of mind for the Group.
 - You would not want to put a proposal to the Advisory Board without obtaining some in principle support on how much the Minister will fund.
 - The Transitional Costs sit outside of the Advisory Board's jurisdiction.
- Mr D Long
- Needs to be some process where the Group agree on the Transitional Costs to be put to the Minister.
 - Agreement on appointment of Commissioners prior to making a submission to the Advisory Board.
- Executive Officer
- Draws attention to Part 3 of the recommendation, namely a meeting be held with the Minister in order to communicate the Group's point of view in relation to such matters.
- Cr G Cooper
- Regardless of what the Group puts forward, there will be some trimming.
 - It is what the Group is prepared to take in the trimming that will determine the final outcome.
 - There is a need to be realistic, if the difference is only \$200,000 for example; it is not worth walking away from.

The Chairman sought confirmation from the Group that they had read and understood the recommendation put forward.

In relation to the naming of the new entity, Ms C Tuthill suggested that the Group acknowledge the need to do so by adding the words "in due course" to the proposal.

The Executive Officer sought confirmation that a Part 5 is to be added to the recommendation to accommodate this suggestion.

General discussion followed, covering the following points:

- Ms C Tuthill
- Reference to phasing in of rating.
- Executive Officer
- Queries the inclusion of a Part 5 to the recommendation to cover Ms C Tuthill's suggestions.

- Cr G Cooper • Queries the need to retain the Transitional Costs statement.
- Executive Officer • Draws attention to Part 2 of the recommendation, which calls for formalising matters such as transitional representation, appointment of commissioners, naming of the new entity, implementation of phased rating, establishment date being 1 July 2014, and funding as per the transitional details.
- Mr D Long • Queries the inclusion of pre release funding in the recommendation or the Regional Business Plan.
- Ms C Tuthill • Following a query by the Executive Officer, advises that pre release funding may be used for appointing the Project Manager to do some pre planning, eg corresponding with the Australian Taxation Office, local laws, town planning, etc.
• Advice to not state an amount, but include in Part 4 that pre release funding be made available to assist with pre planning.
• The Department will work with the Group in relation to transitional cost and pre release funding budgets.
- Executive Officer • Following a query by Cr P Hooper, advises that Part 2 of the recommendation will include the naming of the new entity, phased rating, and pre release funding to be made available.
• Suggests inclusion as a separate point or part of (iv).
- Chairman • Suggested that the Executive Officer and Mr D Long understood the intent of the suggested wording changes to the recommendation.
- Mr R Hooper • Queried putting Part 4 to Council after Parts 2 and 3 have been answered.
- Executive Officer • Questioned Council being able to make a decision with consideration of Parts 2 and 3, suggesting that this was required to follow a logical process.

- Ms C Tuthill • Suggested that the wording be amended to read “subject to”.
- Executive Officer • Queried the ability for Council to make a decision on Part 4 if it does not know the answer to 2 and 3.
- Mr R Hooper • Provided comment on the recommendation, and the required timing and sequence.
- Cr G Cooper • The intent was to move things forward because the Group wanted the recommendation lodged before parliamentary recess.
- Mr R Hooper • Suggested change to the sequence of the recommendation, namely that Part 4 becomes Part 1, subject to 1, 2 and 3.
- Executive Officer • Confirms that Mr R Hooper’s suggestion is that the recommendation be amended to read 4, subject to 2 and 3.
- Mr R Hooper • Agrees that Part 1 remains as is, with Part 4 second, and subject to Parts 2 and 3.
- Cr P Hooper • Clarifies that Part 1 remain as is, with Part 4 second, subject to Parts 2 and 3.
- Executive Officer • Suggests Part 1 remains as is, followed by Part 4 to read “subject to the following conditions”, namely Parts 2 and 3.
- Mr R Hooper • Provided general comment on the amended wording.
- Chairman • Amendments will allow presentation to each Council in December 2012.

Following general discussion in relation to the requested amendments, the Chairman sought a mover for the amended recommendation, as discussed and agreed.

It was then:

MOVED Cr T Boyle, Seconded Cr S Uppill, that:

- 1. The Revised Regional Business Plan, based on a four Local Government Amalgamation Proposal, be received.***
- 2. The Revised Regional Business Plan be referred to each South East Avon Regional Transition Group Participating Local Government for consideration with the view of adopting the following resolution:***

“(a) That the Shire of _____, resolves to amalgamate with the Local Governments of _____, _____, and _____, and submit a proposal for amalgamation to the Local Government Advisory Board for implementation in accordance with the provisions of Clause 2 of Schedule 2.1 of the Local Government Act 1995.

(b) That the attached supporting documents (noted that this will be the Regional Business Plan), which set out the nature of the proposal, reasons for making the proposal, the effects of the proposal on the Local Governments, and accompanying Plan illustrating the new Local Government boundary, be submitted to the Local Government Advisory Board.”

- 3. Subject to (2) above, the Executive Officer make arrangements for the South East Avon Regional Transition Group Board Members to meet with the Minister for Local Government, in order to reach agreement on the following:***

- Transitional Representation.***
- Appointment of Commissioners.***
- Establishment Date of 1 July 2014.***
- Funding of Transitional Costs detailed in the Regional Business Plan in context of four Local Governments; and pre release funding be made available to assist with pre planning.***
- Name of the proposed Local Government to be advised in due course.***
- Rating implementation to obtain uniformity over a period of time.***

CARRIED UNANIMOUSLY

General discussion ensued on the adopted resolution with agreement on the following:

- Resolution will be detailed on the “Securing Our Future” web site.
- Out of date documents to be removed from the web site.

7. BOARD MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

8. NEW BUSINESS OF AN URGENT NATURE

Nil.

9. NEXT SOUTH EAST AVON REGIONAL TRANSITION BOARD MEETING

At the discretion of the Executive Officer.

10. CLOSURE OF MEETING

The Chairman took the opportunity of thanking all Attendees for their presence and input, with particular thanks extended to the Shire of Quairading for hosting the Meeting.

There being no further business, the Chairman declared the Meeting closed at 12:38pm.
