

Shire of Lake Grace



Minutes

Special Council Meeting

29 September 2009

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SHIRE OF LAKE GRACE

Minutes of the Special Meeting of Council held in Council Chambers, 1 Bishop St Lake Grace on Tuesday 29 September 2009.

1.0 OPENING & ANNOUNCEMENT OF VISITORS

The Chairperson (President) opened the meeting at 10.50am, welcomed those present and advised the Special Meeting had been called to discuss Council's decision - Resolution No 10879 - regarding its Local Government Reform Submission.

Cr Walker advised the reasons behind calling this Special Meeting were as follows. Since last week's Council Meeting, he and the Chief Executive Officer, Mr Sean Fletcher attended the Central Country Zone Meeting in Wagin on Friday 25 September 2009.

Reports were given at that meeting from three Members of the Legislative Council for the Agricultural Region – Hon Brian Ellis, Hon Max Trenorden & Hon Nigel Hallett. In particular, Mr Trenorden and Mr Hallett had been on local government reform fact finding missions to South Australia and Queensland. Both reported major concerns over the way reform was conducted in those states. Mr Ellis had met with the Minister the previous day and discussed his concerns with him.

The Zone Meeting also provided the opportunity to have conversations with the neighbouring Shires of Dumbleyung and Kulin, both of whom expressed their disappointment in the Shire of Lake Grace's preferred options for reform and the lack of consultation.

The Zone Secretariat had provided a balanced view of the reform process.

In respect of all the reports from that meeting, Cr Walker considered that Council needed the opportunity to reflect on its decision regarding the Shire's submission, and to revoke the decision should it wish.

2.0 ATTENDANCE RECORD

2.2 PRESENT

Cr AJ Walker	Shire President
Cr IG Chamberlain	Deputy Shire President
Cr JF De Landgraft	
Cr OP Farrelly	
Cr AI Milton	
Cr WA Newman	
Cr DP Sinclair	
Mr SK Fletcher	Chief Executive Officer
Mrs J Bennett	Executive Assistant

2.3 APOLOGIES

Crs RP Taylor & AJ Dunkeld

3.0 PUBLIC QUESTION TIME

No members of the public present.

4.0 APPLICATIONS FOR LEAVE OF ABSENCE

None.

5.0 DECLARATIONS OF INTEREST

5.2 DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60A

5.3 DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60B

5.4 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATION SECTION 34C

6.0 MATTERS FOR CONSIDERATION

6.1 REVIEW OF COUNCIL RESOLUTION 10879 - LOCAL GOVERNMENT REFORM SUBMISSION

Cr Newman foreshadowed that if a Resolution to Rescind Motion 10879 was carried he would move a motion deleting Options 2 & 3 from the existing motion.

12.31 pm Mrs Bennett left the meeting.

Applicant:	Local Government Reform Update
File No.	0552
Attachments:	Revised Draft Submission
Author:	Mr Sean Fletcher Chief Executive Officer
Disclosure of Interest:	Nil
Date of Report:	29 September 2009
Senior Officer:	Mr Sean Fletcher Chief Executive Officer

Summary

The purpose of this report is for Council to discuss the resolution it made regarding its draft reform submission and whether there is a need to amend the resolution in light of further information provided at the Central Country Zone meeting held in Wagin on 25 September 2009.

Background

January 2009

The then CEO and Cr De Landgraft met with representatives from the Shires of Ravensthorpe, Kent and Jerramungup in Ravensthorpe to discuss resource sharing and the possible formation of a VROC. This was in response to WALGA's SSS report.

February 2009

The Minister for Local Government, the Hon John Castrilli MLA, at a combined Zone Meeting held in Exmouth on 5 February announced the need for Local Government Reform.

Guidelines were issued including the need to undertake a Sustainability Checklist, consultation with neighbours, community consultation and then prepare a report regarding the impacts of reform on the Shire. This was to include a number of resolutions on the reform process regarding regional councils, elected member numbers and whether it will undergo an amalgamation.

April 2009

The Shire of Jerramungup wrote to Council requesting consideration of a proposal to join with them in the preparation of a report into amalgamation.

Council, at its Ordinary Meeting held on Wednesday 22 April 2009 as per resolution 10 780 resolved as follows:

That Council continues to liaise with the Shires of Kent and Dumbleyung for the possible formation of a Voluntary Regional Organisation of Councils.

The former CEO subsequently submitted the Reform Checklist for Lake Grace.

May 2009

A proposal was received from Mr Tony Cooke regarding the community consultation phase.

The former CEO submitted an application to the Department of Local Government seeking funding of \$10 000 towards the development of a reform submission. Mr Tony Cooke was nominated as the consultant to undertake the report.

June 2009

Round One was subsequently conducted on 4 June 2009 with community members invited to meet Mr Cooke.

Under the outcome of the Checklist Assessment, the Shire received a rating of Category Three: significant structural reform including amalgamation and formalisation of regional groupings is required to

ensure long term community and organisational benefit in order that the needs of the current and future generations are met.

Particular strengths noted were identification of community areas of interest and high levels of participation at local elections. Areas of improvement required include greater evidence of financial viability and demonstrated organisational capacity to undertake services.

July 2009

Round Two of the community consultations were undertaken on 27 and 28 July including consideration of the following:

- No change (Status Quo)
- Community member ideas;
- Boundary realignments (Pingaring/Varley/Pingrup)
- Amalgamations (Shires of Kent and Dumbleyung plus boundary change for Pingaring and Varley).

The former CEO wrote to the Shire of Dumbleyung on 23 July 2009 advising of Council's resolution to enter into a memorandum of understanding which was subsequently signed on 19 August 2009.

The various Department of Local Government workshops held through WA emphasised the need for population centres of 5 000 and 10 000 to address the future funding requirements set by the Federal Government.

August 2009

At Local Government Week, Ministers Grylls, Castrilli and the Premier made it very clear that the "Status Quo" was not an option. The Premier spoke about there being a need to reduce the number of local governments in WA to well under 100 within the next five years. He also made comment that there was 37 local governments servicing districts of populations of 1 000 or less and another 45 of less than 2 000.

Minister Castrilli advised that submissions could be extended until 30 September 2009. The author subsequently wrote to the Department of Local Government seeking the extension of time.

The Shire as required advised the Department of Local Government by 1 September 2009 that the Lakes VROC was its preferred grouping to receive the Country Local Government Fund (Royalties for Regions) regional component. For 2009/10 this will be \$690 000 rising to \$980 000 in 2010/11.

September 2009

Council discussed in detail the draft submission prepared by Tony Meeting at its meeting on 23 September 2009. The tone of the discussion included the following:

- Being proactive and positive towards its neighbours regarding the reform process;
- Removal of the preferred option regarding the amendment to the northern boundary only;
- The merits of Alternative A including boundary adjustments to the north (Kulin – Karlgarin – Lake Grace Road and the Kulin Holt Rock

- Road), east (Dumbleyung - Kukerin bounded by the Rabbit Proof Fence Road) and south (Kent - Pingrup). This then became the preferred option;
- Council then discussed in order of preference a number of merger options in order of preference. Accordingly, Alternative A became an amalgamation with the Shires of Kent and Dumbelyung. Alternative B became an amalgamation with the Shires of Kent, Dumbleyung and Kulin, but only if it was financially viable to do so. This was the least favoured option;
 - Reworking of the information regarding specified area rating including its history and inclusion of a specific example regarding one of the Lake Grace communities. Also the importance of specified area rating to be included in the executive summary;
 - To include a definition of “social fall” and perhaps a clearer map or maps on what is being presented in the submission;
 - To provide a greater emphasis regarding the commercial activity of the shire including the introduction of an international bank and consistency of enterprise regarding agricultural including the type and size of production; and
 - To clarify further the post code data including the naming of the post code areas and the inclusion of a map that shows the post codes against the social fall of the shire and its neighbours.

Accordingly, Council resolved the following:

1. To advise the Minister for Local Government of its willingness for the Shire of Lake Grace to partially amalgamate in cooperation with other local governments on the basis of community of interest including social fall.

Preferred Option

2. To advise the Minister that, as its preferred option, the pursuit of partial amalgamation in cooperation with other local governments on the basis of community of interest including social fall would encapsulate a boundary adjustment as follows:
 - a. Expansion of the Shire of Lake Grace to the north of the existing shire boundary that includes annexing the portion of the Shire of Kulin bounded by the Lake Grace - Karlgarin Road and the Kulin - Holt Rock Road and includes the locality of Pingaring.
 - b. Expansion of the Shire of Lake Grace to the west of the existing shire boundary that includes annexing the portion of the existing Shire of Dumbleyung lying eastward of Rabbit Proof Fence Road and would incorporate the existing locality of Kukerin.
 - c. Expansion of the Shire of Lake Grace to the south of the existing shire boundary that includes annexing the portion of the existing Shire of Kent:
 - i. East of Rabbit Proof Fence Road;
 - ii. Then east of a line due south of the intersection of Chester Pass Road and the Nyabing – Pingrup Road extending to the existing southern boundary of the Shire of Kent; and
 - iii. Would incorporate the locality of Pingrup.

- d. This entails reductions of approximately 50% of the area of the existing Shire of Kulin; about 50% of the Shire of Dumbleyung; and, 50% of the Shire of Kent. It represents about a 50% increase in the size of the Shire of Lake Grace. A name change to the expanded Shire would be required.

Option Two

3. To advise the Minister for Local Government that the Shire of Lake Grace is prepared to amalgamate with the Shires of Kent and Dumbleyung as well as annexing the portion of the Shire of Kulin bounded by the Lake Grace - Karlgarin Road and the Kulin – Holt Rock Road. This annexure includes the locality of Pingaring. This resolution should only be considered if the proposed boundary adjustment in Resolution 2 does not meet the local government reform requirements.

Option Three

4. To advise the Minister for Local Government that it would be prepared to consider an amalgamation with the Shires of Kent, Dumbleyung and Kulin as the option of last resort providing:

- a. it is viable to do so; and
- b. If Resolution 2 and Resolution 3 do not meet the local government reform requirements.

5. To advise the Minister of its intention not to seek an adjustment to the number of elected members currently in the Shire of Lake Grace.

6. To advise the Minister that it is willing to work collaboratively within a regional grouping consisting of other local governments once the final form of these other local governments is known.

7. To endorse the submission prepared by Mr Tony Cooke with the following amendments:

- a. To reflect resolutions 1-4;
- b. Reworking of the information regarding specified area rating including its history and benefits regarding the preservation of local identity and inclusion of a specific example regarding one of the Lake Grace communities. Also the importance of specified area rating to be included in the executive summary;
- c. To include a definition of “social fall” as it relates to community of interest and a map or maps that show this;
- d. To provide a greater emphasis regarding the commercial activity of the shire including the introduction of an international bank and consistency of enterprise regarding agricultural including the type and size of production; and
- e. To clarify further the post code data including the naming of the post code areas and the inclusion of a map that shows the post codes against the social fall of the shire and its neighbours.

Comment

Zone Discussions 25 September 2009

The Shire President has called a special meeting to further discuss the merits of Council's resolution 10879 in light of further information

provided at the Central Country Zone meeting at Wagin on 25 September 2009. This included discussions held with the Shire President of Kulin and the Shire President and the CEO of the Shire of Dumbleyung. The tone of these discussions was one of disappointment from Kulin and Dumbleyung regarding Alternative A. The Shire President of Kulin also said he was disappointed at the level of consultation by Lake Grace. He believes that the Pingaring situation is not a problem and that this community and others will not support a boundary adjustment.

The Shire President and author then participated in the Zone discussions. This included presentations by Max Trenorden MLC, Nigel Hallet MLC and Brian Ellis MLC along with Bruce Wittber and Ricky Burgess (WALGA CEO). In particular Max Trenorden gave a summary of his findings from his trip to Queensland and South Australia. In short his findings were:

- There have been no savings. Cost has been \$2.1m per new Council to be established.
- Not enough staff to do the normal day to day work;
- The restructure in Queensland still has a long way to go. It would appear many local governments are a long way from having the new structures in place;
- That this was the second worst handling of an issue by a Minister that he has seen;
- He will make his report available soon.

Mr Trenorden also stressed that in the South Australian case that there had been some ill fitting together of dissimilar communities. South Australia now has a collaborative process in place and this is a much better way to go.

Nigel Hallet stressed the merits of cost pressure and who is going to pay i.e. in other words the local communities. The Queensland Government handed out \$27M to local governments. The reality is that it has cost in the order of \$200M. Brian Ellis made the comment that he met with the Minister on Tuesday 22 September 2009. From that meeting the Minister made it yet again very clear that VROC's are not acceptable. There must be a binding arrangement in place. Mr Ellis also commented that he did say to the Minister that his handling of the reform process was far from ideal. However, he stressed it was folly not to put in a meaningful submission.

Bruce Wittber spoke about the merits and downside of amalgamations including the creation of new thinking, bringing in new blood and creation of opportunities. Mr Wittber also stressed that local government has not previously had a serious look at itself and that this is perhaps the time to do this. Out of the meetings he attended in Queensland, one of the issues to perhaps be considered is the impact of a Shire losing part of its revenue base in the shake up. He also made comment that if there is a rationalisation of shires then there may be a rationalisation of government services e.g. health services.

Ricky Burgess stressed to the meeting that next year the Minister will

release his plan if inadequate action has been taken. Ms Burgess was also supportive of the collaborative process.

Chris Berry spoke on behalf of the Department of Local Government. He said that 25% of submissions had been received with one proposal for amalgamation (Midwest) and a number of others were under consideration. The Department is developing a manual to assist those local governments undergoing amalgamation. The interim report will go to the Minister in mid October 2009. The first tranche of amalgamations will be in place by 1 July 2010. He also said there will be some financial assistance for the process and an implementation group established to oversee the amalgamation process. In terms of the Country Local Government Fund, the new guidelines will be out shortly. There will be some flexibility regarding fixed plant and equipment e.g. weighbridges.

In terms of the mood of the meeting, many members were of the opinion that the Minister has/will back off. Also, the credibility and knowledge of the Minister's Chief of Staff was attacked. The Shire President of Dumbleyung expressed his disappointment regarding the status of VROCs as he believed that the Nationals supported these. It would be fair to say that the Town of Narrogin did not support the mood of the meeting.

After the meeting the Shire President and the author spoke to the Zone Executive Officer's regarding their view. Mr Wittber and Ms Westcott made the comment that in their opinion there will be a number of tranches regarding the reform process.

Revised Reform Submission

A copy of Mr Cooke's redrafting is attached. He has included Appendix 2 re SAR at the end of the main body and attached with this message is the intended Appendix 3 re Varley Hall. Appendix 1 is intended to be the last Annual Report for Kent which is not available on the web.

He has put a Key in the post code Chart but would strongly advise against trying to play with this data too much. He has also included/nominated the postcodes for the towns and localities to be affected in the alternatives but he believes we should not take this too far otherwise he considers that Council will be making a case for amalgamation with Ravensthorpe and/or Narrogin and/or Wagin because their postcodes appear. Similarly he sees no point whatever in trying to comply with the Council request for a map showing the social fall. This is impossible to draw and would dissolve into meaninglessness. Getting carried away here will expose the very limited methodology at this point. Much better than nothing but really only Lake Grace businesses and even then only a small total sample size and widely spread.

He has yet to include the Kulin-Holt Rock Road boundary adjustment.

Concluding Comments

There is merit in Council reviewing resolution 10879. Matters raised at the Zone meeting are valid. However, there is a lack of balance apart from Mr Wittber's statements and those of Ms Burgess. The view of the

author is that the Minister will not back off. The other matter to bear in mind is that the voluntary process effectively ends 31 December 2009. Next year will be a different ball game. In particular, do not be surprised that if in light of inadequate reform submissions that a plan will be rolled out. The reform process is still an opportunity to move forward. It is unfortunate that it is not about savings to the communities. However, for Lake Grace it is about addressing a number of inequities and taking into account the communities on the Shire's borders and using the Specified Area Rate model to help address this inequity.

Legal Implications

As per s. 5.25(1)(e) of the Local Government Act 1995, and Regulation 10 of the Local Government Administration Regulations 1996; should Council choose to rescind resolution 10879 then it must be supported by one third of the elected members inclusive of the mover.

An absolute majority will then be required i.e. 50% inclusive of vacancies or absences. For Lake Grace this means a vote of at least five members in favour.

Policy Implications

Nil

Consultation

External: CEO of Dumbleyung
CEO of Kent
CEO of Koorda
Mr Tony Cooke
Mr Bruce Whittber and Helen Westcott Executive Officer
Central Country Zone
Shire Presidents of Kulin and Dumbleyung

Internal: Shire President
Deputy Shire President - Cr Ian Chamberlain, Council
Manager Corporate Services
Executive Assistant

Financial Implications

Nil

Strategic Implications

Shire of Lake Grace Strategic Plan

Goal 3 Financial Sustainability

3.2.6 Investigate sources of funding that could support resource sharing.

Goal 6 Leadership

6.1 Develop and implement through collaboration with other local state and federal government agencies resource sharing and regional service delivery.

Recommendation

For discussion.

Voting Requirements

Absolute majority (5) required.

Resolution

Notice of Motion to Revoke or Change a Decision Form signed by Crs Newman, Sinclair & Farrelly was tabled.

MOTION 10883

Moved Cr Newman
Seconded Cr Sinclair

That Motion 10879 of the September 2009 Ordinary Meeting is rescinded.

VOTE 4/3 – MOTION UNSUCCESSFUL

NOTE: Motion is unsuccessful as it does not meet the requirements of an Absolute Majority of Council (5) as per Section 1.4 of the Local Government Act 1995

Voting for the Motion: Crs Walker, Sinclair, Newman & Farrelly
Voting against the Motion: Crs Chamberlain, Milton & De Landgraftt

7.0 CLOSURE

There being no further business, the Chairperson closed the meeting at 1.02pm.

8.0 CERTIFICATION

I Andrew James Walker certify that the minutes of the Special Meeting held on the 29 September 2009 as shown were confirmed as a true record at the meeting held on the 28 October 2009.

Chairman

Date