



SHIRE OF EXMOUTH

# Attachments

SPECIAL Council Meeting – 21 October 2019

## 12. REPORTS OF OFFICERS

### EXECUTIVE SERVICES

#### 12.1.1 AUDIT COMMITTEE TERMS OF REFERENCE

File Reference:	GV.CM.0
Responsible Officer:	Chief Executive Officer
Date of Report:	19 February 2019
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	Nil

#### **PURPOSE**

For the Council to endorse the Audit Committee Terms of Reference.

#### **BACKGROUND**

The *Local Government Act 1995* Section 5.8, 5.9 and 5.10 empowers Council to establish committees and elect persons to serve on those committees.

Local Governments are to establish and operate an effective audit committee. Clear and comprehensive terms of reference, setting out the committee's roles and responsibilities, are essential. *'The Local Government Operational Guideline number 09-Revised September 2013, Audit in Local Government the appointment, function and responsibilities of audit committees'* guided the development of the Shire of Exmouth Audit Committee Terms of Reference.

The Audit Committee passed the following resolution at the 19 February 2019 Audit Committee meeting:

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#### **COMMITTEE'S RESOLUTION**

#### **ITEM 9.2**

**Res No:** 03-0219

**Mover:** Cr Mounsey

**Seconded:** Cr Lucas

**Cr Mounsey Mover to speak: No Comment**

**Cr Lucas Seconder to speak: No Comment**

**Members against the motion: Shire President spoke against the motion and moves the following amended motion:**

***That the committee request the CEO to update the Audit Terms of Reference reflecting the change in membership by removing external persons from the Committee and align the powers of the audit committee with the current Office of the Auditor General requirements for financial audits and prepare for the 28<sup>th</sup> February Ordinary Council Meeting.***

***Cr Mounsey Seconded the motion.***

***Mover to speak, then seconder: No Comment from either the mover or seconder.***

***Alternative speakers: Nil***

***Mover closed the debate.***

***Calls of Votes for the Motion: CARRIED 3/0***

***Calls for Votes against the motion: 0***

***Amended motion passed.***

## **COMMENT**

The *Local Government Act 1995* requires that all local governments establish an audit committee. An audit committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

The role of the audit committee is to support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.

## **CONSULTATION**

Government of Western Australia, Department of Local Government and Communities, Local Government Operational Guideline “*Number 09-Revised September 2013 Audit in Local Government-The appointment, function and responsibility of Audit Committees*”.

## **STATUTORY ENVIRONMENT**

All Committees are established under provisions of Sections 5.8 to 5.18 of the *Local Government Act 1995*.

## **POLICY IMPLICATIONS**

Nil

## **FINANCIAL IMPLICATIONS**

Nil

## **STRATEGIC IMPLICATIONS**

This item is relevant to the Councils approved Strategic Community Plan 2030 and Corporate Business Plan 2018-2022.

Leadership: To provide open transparent, accountable leadership working in collaboration with our community.  
4.1 To provide proactive, collaborative and transparent leadership  
4.2 A local government that is respected and accountable.

## **VOTING REQUIREMENTS**

Simple Majority

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### **OFFICER'S RECOMMENDATION**

**ITEM 12.1.1**

That Council endorse the Audit Committee Terms of Reference as follows:

#### ***Shire of Exmouth Audit Committee Terms of Reference***

##### *Objectives of Audit Committees*

*The primary objective of the Shire of Exmouth Audit Committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.*

*Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources.*

*The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.*

*The committee is to facilitate –*

- the enhancement of the credibility and objectivity of internal and external financial reporting;*
- effective management of financial and other risks and the protection of Council assets;*
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;*
- the coordination of the role of the external audit; and*
- the provision of an effective means of communication between the external auditor, the CEO and the Council*

##### *Powers of the Audit Committee*

*The Audit committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.*

*The committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.*

Membership

*The committee will consist of a minimum of three elected members. The presiding member of the Committee will be an elected member chosen by the elected members of the Committee.*

*The CEO and employees are not members of the committee.*

*The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the committee.*

*The local government shall provide secretarial and administrative support to the committee.*

*The Office of the Auditor General has been appointed by government to audit the financial operations of the Shire of Exmouth.*

Meetings

*The committee shall meet at least twice per year to review the annual draft audit and mid year audit opinion.*

*Additional meetings shall be convened at the discretion of the presiding person.*

Reporting

*Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.*

Duties and Responsibilities

*The duties and responsibilities of the committee will be –*

- a) *Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits and statutory compliance reporting.*
- b) *Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;*
- c) *Liaise with the CEO to ensure that the local government does everything in its power to –*
  - *assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and*
  - *ensure that audits and statutory compliance reviews are conducted successfully and expeditiously;*
- d) *Examine the reports of the auditor and reviews after receiving a report from the CEO on the matters to –*
  - *determine if any matters raised require action to be taken by the local government; and*
  - *ensure that appropriate action is taken in respect of those matters;*
- e) *Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;*

- f) Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;
- g) Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference;
- h) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council;
- i) Review the annual Compliance Audit Return and report to the council the results of that review, and
- j) Consider the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the council the results of those reviews.

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**COUNCIL RESOLUTION****ITEM 12.1.1****Res No: 05-0219****MOVED: Cr Lucas****SECONDED: Cr Lake**

**That Council endorse the Audit Committee Terms of Reference as follows:**

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**Objectives of Audit Committees**

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***Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources.***

***The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.***

***The committee is to facilitate –***

- ***the enhancement of the credibility and objectivity of internal and external financial reporting;***
- ***effective management of financial and other risks and the protection of Council assets;***
- ***compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;***
- ***the coordination of the role of the external audit; and***

- ***the provision of an effective means of communication between the external auditor, the CEO and the Council***

#### **Powers of the Audit Committee**

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#### **Membership**

***The committee will consist of a minimum of three elected members. The presiding member of the Committee will be an elected member chosen by the elected members of the Committee.***

***The CEO and employees are not members of the committee.***

***The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the committee.***

***The local government shall provide secretarial and administrative support to the committee.***

***The Office of the Auditor General has been appointed by government to audit the financial operations of the Shire of Exmouth.***

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***The committee shall meet at least twice per year to review the annual draft audit and mid year audit opinion.***

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***Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.***

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***The duties and responsibilities of the committee will be –***

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- Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;***

- c) ***Liaise with the CEO to ensure that the local government does everything in its power to –***
- ***assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and***
  - ***ensure that audits and statutory compliance reviews are conducted successfully and expeditiously;***
- d) ***Examine the reports of the auditor and reviews after receiving a report from the CEO on the matters to –***
- ***determine if any matters raised require action to be taken by the local government; and***
  - ***ensure that appropriate action is taken in respect of those matters;***
- e) ***Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;***
- f) ***Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;***
- g) ***Address issues brought to the attention of the committee, including responding of reference;***
- h) ***Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council;***
- i) ***Review the annual Compliance Audit Return and report to the council the results of that review, and***
- j) ***Consider the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the council the results of those reviews.***

**CARRIED 6/0**



# CEO PERFORMANCE REVIEW COMMITTEE

## TERMS OF REFERENCE

### 1. Name

The name of the Committee shall be the Shire of Exmouth CEO Performance Review Committee (CEOPRC).

### 2. Head of Power

The Committee is established by Council under Section 5.8 of the *Local Government Act 1995*.

### 3. Definitions

- **Act** means the *Local Government Act 1995*.
- **Committee** means the Shire of Exmouth CEO Performance Review Committee as stipulated in this document.
- **Council** means the Council of the Shire of Exmouth
- **Chief Executive Officer** (CEO) means the Chief Executive Officer of the Shire of Exmouth.
- **Elected Member** means a Councillor of the Shire of Exmouth.
- **Independent Facilitator** means the person appointed to assist with the performance review process and who is acceptable to both parties, i.e. CEO and Committee.
- **KPI's** means Key Performance Indicators as agreed between the CEO and Committee to deliver the key priorities of the Shire of Exmouth Corporate Business Plan.
- **Salaries and Allowances Determination** means the determination provided by the Salaries and Allowances Tribunal under Section 7A of the *Salaries and Allowances Act 1975* which requires the Tribunal at intervals of not more than 12 months, to "inquire into and determine, the amount of remuneration, or the minimum and maximum amounts of remuneration, to be paid or provided to chief executive officers of local governments".
- **Total Reward Package** refers to the remuneration payable to a Chief Executive Officer as defined by the Salaries and Allowances Tribunal.

### 4. Objectives

- 4.1 The Committee is established to fulfil the following functions:
- 4.1.1 Undertake an annual assessment of the CEO's performance in accordance with the provisions of the CEO's contract of employment as well as relevant statutory requirements;
  - 4.1.2 In conjunction with the CEO, develop key performance indicators deliver Council's key strategic priorities including those reflected in the Shire's Corporate Business Plan;
  - 4.1.3 Review the CEO's Total Reward Package annually and make recommendations to Council in relation to remuneration in accordance with the relevant terms of the contract of employment, taking into consideration the CEO's performance, the existing level of remuneration, and the applicable Salaries and Allowances Tribunal Determination.
  - 4.1.4 Provide positive communication opportunities between Council and the CEO; and
  - 4.1.5 Provide guidance to Council in assessing the CEO's performance.

### 5. Committee Structure

- 5.1 The Committee shall consist of the Shire President, and two elected members;
- 5.2 An independent facilitator, who is not a member of the Committee, may be appointed to assist the Committee by agreement between the CEO and Committee.
- 5.3 A quorum will be three members.

- 5.4 The Committee will be provided with secretariat support from the Shire of Exmouth Manager of Human Resources.

## **6. Terms of Appointment**

Appointment to the Committee shall be for a minimum term of two years and determined by the Council following ordinary local government elections, with the term to expire on the date of the subsequent ordinary local government elections.

If a member of the Committee resigns prior to an ordinary local government election, the Council will appoint a replacement.

## **7. Presiding Member**

- 7.1 The Presiding Member of the Committee will be the Shire President.
- 7.2 The role of the Presiding Member includes:
- 7.2.1 overseeing and facilitating the conduct of meetings in accordance with the Act and the Shire's Meeting Procedures Local Law (2016);
  - 7.2.2 ensuring all Committee members have an opportunity to participate in discussions in an open and encouraging manner; and
  - 7.2.3 where a matter has been debated significantly and no new information is being discussed, to call the meeting to order and ask for the debate to be finalized and the matter resolved.

## **8. Meetings of the Committee**

- 8.1 The Committee will meet as required to facilitate an annual assessment of the CEO's performance.
- 8.2 A meeting of the Committee is to be held:
- 8.2.1 if called for by either the Presiding Member or at least two Committee members in a notice to the CEO setting out the date and purpose of the proposed meeting; or
  - 8.2.2 if so decided by the Committee; or
  - 8.2.3 If called for by Council.
- 8.3 The Committee shall also meet with the CEO at least six monthly on such dates and at such times as the Committee determines to receive and discuss an update on the progress of KPI's or other matters.
- 8.4 The Committee may seek feedback from third parties by mutual agreement with the CEO to attend meetings and provide pertinent information, where necessary.

## **9. Powers of the Committee**

- 9.1 The Committee is a formally appointed committee of Council and is responsible to that body.
- 9.2 The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility.
- 9.3 The Committee does not have any delegated authority.
- 9.4 The Committee recommendations are to be referred to Council for consideration and decision before implementation.

## **10. Voting**

- 10.1 Each member of the Committee at a meeting will have one vote.

## **11. Review Process**

The review process and timelines will be determined by the Committee and CEO and aim to be completed by June 30<sup>th</sup> annually.

## **12. Completion of Process**

The performance review panel must deliver a report to Council that outlines:

- What worked in the process?
- The new KPI's for the next 12 months.
- The new remuneration package.
- Recommended changes to this process over the next 12 months.

### **13. Record Keeping**

The Shire President is to hold the record of the Performance review. All documents relating to the review process must be registered on the Shire of Exmouth records management system.

The Human Resource Manager will provide the administrative assistance to the Shire President.

### **14. Dispute**

Where the CEO and Performance Review Committee cannot agree with the review rating and / or the renegotiation of the TRP then the dispute resolution process as outlined in the CEO Employment Contract is to be invoked.

### **15. Reporting Requirements**

Recommendations arising from the Committee's deliberations shall be presented to the earliest available ordinary meeting of Council.

### **16. Alteration to Rules of Procedure**

The Committee is to conduct a review of its terms of reference providing Council with recommendations for any changes annually.

### **17. Termination of Committee**

Termination of the Committee shall be in accordance with the Act.



## **Ningaloo Tourism Advisory Group Terms of Reference (TOR)**

### **The Ningaloo Tourism Advisory Group (Advisory Group)**

This TOR document establishes the agreed roles and functions for the Advisory Group, both collectively and individually. It is utilised by the Advisory Group to ensure that its operation is governed responsibly.

The Advisory Group's Terms of Reference will be endorsed and approved by resolution of the Shire of Exmouth Council, who is ultimately responsible for the economic and social well being of the Exmouth community and Ningaloo destination. The Advisory Group will be established as per Part 5 Administration of the *Local Government Act 1995*.

### **Purpose**

The Ningaloo Tourism Advisory Group is established to provide:

- Advice and strategic oversight of the tourism development and marketing of the Ningaloo destination, and support the ongoing development and implementation of initiatives (infrastructure, marketing, events, tourism experiences) to achieve the strategic tourism and economic objectives of the Shire of Exmouth.
- Support the marketing success and financial sustainability of the Ningaloo Aquarium and Discovery Centre and ensure engagement with the broader region in driving the success of this important tourism asset.

### **Responsibility of the Ningaloo Tourism Advisory Group**

The Advisory Group is responsible for:

- Facilitating the exchange of information; providing advice and the development of relationships that assist in identifying potential pathways and synergies with National, State and Local Government organisations.
- Ensuring appropriate expertise is sourced on destination marketing; event; infrastructure and tourism product development initiatives and programs that support and promote the tourism, cultural and heritage values of the Ningaloo region.
- Identify and facilitate engagement and leverage opportunities with surrounding local government authorities and key partners to assist with the development of packages and promotional activities.
- Assist with identifying funding opportunities to enhance the product offering by providing new, and refreshing existing experiences.
- Raise the profile of the Ningaloo Centre and the broader Ningaloo destination brand as an iconic tourism asset and build upon its current success in increasing visitation to the region.
- Ensure the Ningaloo Aquarium and Discovery Centre interpretative component remains relevant, refreshed and consistent with a high quality contemporary museum standard.

### **Authority of the Advisory Group**

The Advisory Group will have delegated authority to approve strategic direction, appoint and apply resources deemed necessary including allocated funding for the effective marketing and promotion of the Ningaloo region.

The Shire of Exmouth will establish a dedicated "Tourism Development Fund" Reserve that will have funds allocated on an as needs basis. This Reserve will be designed to attract and hold any third party partner funds in trust where appropriate. Once held in the Shire of Exmouth "Tourism Development Fund" Reserve these funds cannot be used for any other purpose.

The Advisory Group will report regularly to the Shire Exmouth as per the requirements of a Committee of Council.

### **Structure and Composition of the Ningaloo Tourism Advisory Group**

Ningaloo Tourism Advisory Group Membership:

- The Advisory Group shall consist of a minimum of five (5) members and a maximum of nine (9) members, with the Shire of Exmouth President (or nominated Shire Councilor) being a permanent member representing the Shire of Exmouth.
- The term of appointment for membership will be 2 years, with the exception of the Shire President (or nominee) which will be ongoing.
- Group members may be nominated for re-appointment upon expiry of their term up to a maximum of a further two consecutive terms. Should a vacancy occur during the term of appointment, the appointment to fill the casual vacancy will be filled by an invitation from the Advisory Group and subsequently endorsed by the Shire representative (the CEO).
- Representatives have a responsibility to attend meetings of the Advisory Group, contribute to discussion and vote on matters. A member of the Advisory Group may resign at any time. The resignation must be in writing in the form of a letter or email addressed to the designated Executive Officer, stating the member's intention to resign from the Advisory Group. Resignations will be acknowledged by the designated Executive Officer and Shire CEO.
- The Advisory Group may invite one or more persons to join the advisory group "by invitation" where it is deemed by the group that a specific expertise is missing in other members. The person may be a regular "standing" invitee or simply an invitee for a particular item or items. The invitee is not a committee member and does not hold voting rights.

### **Industry Representation**

A maximum of four (4) industry members will be sought on the basis of expertise, interest, understanding and commitment to the Exmouth and Ningaloo tourism and business sector, and enhancing the marketability of the Ningaloo region. To ensure continuity from current approach the Ningaloo Visitor Centre Management Committee will be asked to seek nominations and make recommendations to fill two of the four "industry representative" positions from its current membership with one of these positions being the NVCMC Chair.

### **Stakeholder Representation**

The following agencies and groups will be invited to nominate an Advisory Group member which should be at CEO/Board level or similar:

- Department Biodiversity Conservation & Attractions (DBCA)
- Exmouth Chamber of Commerce and Industry (ECCI)
- Australia's Coral Coast / Tourism WA (ACC/TWA)
- Gascoyne Development Commission (GDC)

### Council Representation

The Shire President or their nominee will represent the interests of the Council.

### Chair

The Chair will be elected from the Advisory Group membership for a two year period.

### Deputy Chair

The Deputy Chair will also be elected from the Advisory Group membership for a two year period.

### Council Staff Involvement

The Shire Chief Executive Officer (CEO) and the designated Shire Executive Officer, from time to time, may nominate staff involvement on the Advisory Group. Council staff required to attend the Advisory Group will participate and contribute to the discussion and debate but will not have any voting rights.

### Advisory Group Support

The designated Shire Executive Officer will arrange for administrative support for the Advisory Group. Such support will include the preparation and distribution of the agenda, notice of meeting and business papers and recording of the minutes. The Advisory Group secretariat is also responsible for arranging meeting venue, refreshments and coordinating any presentations.

### Expertise

Membership of the Advisory Group is generally to consist of senior representatives from DBCA, ACC, ECCI and GDC.

The Industry representatives will be invited to nominate for a position on the Advisory Group based on their expertise or experience in the following areas.

- A significant and relevant understanding of the Tourism Industry.
- A significant relevant understanding of the marketing of iconic tourism assets.
- A significant relevant understanding of commercial business practices, including but not limited to business development and sponsorship.
- A significant interest in tourism related development of the region.

### Role of Chair

The Chair of the Advisory Group will be appointed from amongst the Advisory Group as elected by the voting members of the advisory group and endorsed by the Shire of Exmouth Council.

Should the Chair of the Advisory Group be absent from a meeting and no acting Chair has been appointed, the members of the Group present at the meeting have the authority to choose one of their number to Chair the meeting.

### Voting Members

All of the following have 1 voting right per position;

- Industry representatives (4 voting positions)
- Exmouth Chamber of Commerce and Industry (1 voting position)
- Shire of Exmouth Council representative (1 voting position)

Other members will not have voting rights. In the event of a split vote the Chair will cast the deciding vote.

### Operation of the Ningaloo Tourism Advisory Group Executive Officer

The Shire's designated Executive Officer is responsible for:

- Preparing the agendas for the Advisory Group, on behalf of, and in consultation with the Chair.
- Taking and writing the minutes of the Advisory Group meetings.
- Preparing the Advisory Group Reports and Recommendations for consideration and decision of the Group.

### Frequency and Location of meetings / minimum number of meetings

For the first year the Advisory Group will meet quarterly as a minimum and as frequently as is deemed necessary to undertake its role effectively. Meetings will be held at the most cost effective location.

A notice of each meeting confirming the date, time, venue and agenda will be forwarded to each member of the Advisory Group as soon as practicable prior to the meeting date. Advisory Group meetings are permitted to be held other than in person, by any technological means as consented to by all members of the Advisory Group.

### Attendees

Any elected member of the Shire of Exmouth Council may attend and speak at an Advisory Group Meeting.

### Quorum for meetings

The minimum quorum for an Advisory Group meeting is 50% or more of the voting members.

### Advisory Group Members out of pocket expenses

Advisory Group members are volunteers however are entitled to travel and out of pocket expenses for attendance at meetings and official functions.

### Advisory Group member interest

Members of the Advisory Group will not participate in discussions and will not vote on any issues in respect of which there is an actual or perceived conflict of interest. Members' interest in matters to be discussed at meeting are to be disclosed as prescribed under section 5.65 of the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996*. An interest is defined under regulation 34C of the *Local Government (Administration) Regulations 1996*, being:

"Interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

Where an interest must be disclosed, the disclosure is to be made at the meeting immediately before the matter is discussed or at the time the advice is given, and is to be recorded in the minutes of the meeting.

### Access to advice

The Advisory Group has the authority to investigate any matters within its terms of reference as set out in the Advisory Group's terms of reference, with the resources it needs to do so and with the right of access to information including external professional advice as necessary.



# **Elected Member Prospectus**

## **Becoming a Zone Delegate or State Councillor**



## About WALGA

WALGA is the Western Australian Local Government Association, formed in 2001 with the merging of the WA Municipal Association, Local Government Association of WA, Country Urban Councils Association, and Country Shire Councils Association.

WALGA is not a government department or agency; WALGA exists to advocate and negotiate on behalf of the WA Local Government sector in the best interests of its Member Councils.

## What Does WALGA Do

WALGA aims to provide value to Member Local Governments by:

- Enhancing the capacity of Local Governments to deliver services;
- Building a positive profile for Local Government;
- Providing effective advocacy and leadership on behalf of the sector; and,
- Ensuring representation in the interests of Local Government in WA.

## How Does WALGA Work

WALGA employs approximately 100 staff across the areas of:

- Policy portfolios including asset management, community, emergency management, environment, infrastructure, planning, roads and waste;
- Services and advice including governance, industrial relations, procurement, recruitment, supplier panels, tender management, and training for officers and Elected Members; and,
- Operational functions including events, finance, human resources, information technology, marketing and media management.

## How is WALGA Funded

A number of components contribute to the WALGA operational budget. As with most member-based organisations, WALGA has an annual Membership fee paid by all Member Councils. To ensure fairness, the annual Membership fee is indexed to the size and capacity of each Local Government. It contributes less than 10 per cent of WALGA total turnover.

WALGA secures additional funding through: charges to State and Federal departments and agencies for the administration of grants; fee-for-services selected for use by Member Local Governments; and returns from supplier contracts as part of group buying arrangements that guarantee lowest market rates for Members.

## Role of Zones

State Councillors are elected to State Council from one of 17 Zones, which are groupings of Local Governments convened together on the basis of population, commonalities of interest and geographical alignment.

The relationship between State Council and Zones within the Western Australian Local Government Association is a critical one in the political representation of Local Government at the State and Federal levels.

Zones have an integral role in shaping the political and strategic direction of WALGA. Not only are Zones responsible for bringing relevant local and regional issues to the State decision making table, they are a key player in developing policy and legislative initiatives for Local Government.

WALGA's Constitution outlines that the functions of Zones are to:

- Elect one or more State Councillors;
- Consider the State Council agenda;
- Provide direction and feedback to their State Councillor; and,
- Any other function deemed appropriate by the Zone.

Additional activities undertaken by Zones include:

- Developing and advocating on positions on regional issues affecting Local Government;
- Progressing regional Local Government initiatives;
- Identifying relevant issues for action by WALGA;
- Networking and information sharing; and,
- Contributing to policy development through policy forums and other channels.

Zones provide input into State Council's advocacy agenda in two critical ways: by passing resolutions on items contained in the State Council agenda, and by generating new agenda items for consideration by State Council.

## Zone Motions

To generate new agenda items for consideration by State Council, a Zone may pass a resolution requesting that WALGA take action. For example, a Zone motion may request WALGA to investigate an issue, undertake advocacy, or develop policy.

It is best practice that Zone motions are submitted with the backing of a resolution of Council; however, as Zones are self-governing and autonomous, individual Zone delegates may submit motions for the Zone to consider.

It is recommended that the Zone be advised whether a motion to be considered has been endorsed by Council, or has been submitted by an individual Zone delegate.

## **Role of Zone Delegates**

Zone delegates are elected or appointed to represent their Council on the Zone and make decisions on their Council's behalf at the regional level.

In fulfilling their role as Council's delegate, the Zone delegate should give regard to their Council's positions on policy issues.

There is also an expectation that Zone delegates will report back to their Council about decisions made by the Zone.

## **Role of State Council**

WALGA is governed by a President and a 24 member State Council, elected from the Local Government sector.

Each State Councillor represents a WALGA Zone. There are 12 metropolitan zones and 12 regional zones. All 139 WA Local Governments are invited to be Members of WALGA and a zone.

Elected Members are able to nominate to represent their Local Government on their zone and in turn, through the zone election process, to represent the zone on State Council.

State Council's primary role is to govern the successful operation of WALGA and broadly includes:

- i. Strategy formulation and policy making;
- ii. Development, evaluation and succession of the Chief Executive Officer;
- iii. Monitoring financial management and performance, including the annual budget;
- iv. Monitoring and controlling compliance and organisational performance;
- v. Ensuring effective identification, assessment and management of risk;
- vi. Promoting ethical and responsible decision making;

- vii. Ensuring effective communication and liaison with members and stakeholders; and;
- viii. Ensuring an effective governance framework and culture.

## **Role of State Councillor**

State Councillors have ultimate responsibility for the overall successful operations of WALGA.

The principal roles of State Councillors relate to:

- Policy positions and issues;
- The strategic direction of WALGA;
- Financial operations and solvency; and,
- All matters as prescribed by law.

State Councillors, as directors of a board, are required to act consistently in the “best interests of the organisation as a whole”. This effectively means that the duties of a State Councillor are owed to all Member Local Governments.

State Councillors are also expected to be ‘champions’ for WALGA and for the Local Government sector.

## **Commitment of the Role of State Councillor**

State Councillors are expected to attend State Council meetings, of which there are six per year. As State Councillors are elected to State Council by their Zone, State Councillors would also be expected to attend and play a prominent role in Zone meetings, including reporting back to their Zone about WALGA’s activities and advocacy.

State Councillors are also expected to attend WALGA events and functions and play an active role in representing the Local Government sector, and contributing to policy debates and other forums.

State Council operates a number of internal and external committees and policy forums. There is an expectation that State Councillors play a leading role in serving on State Council’s committees on behalf of WALGA and the Local Government sector.

State Councillors are paid a sitting fee of \$3,500 per annum and expenses incurred to attend State Council meetings are reimbursable.

## Opportunities for State Councillors

State Councillors, as board members of WALGA, are key leaders in the Local Government sector in Western Australia. Not only do State Councillors represent their community on their Council, they also have the opportunity to represent their region (Zone) and the Local Government sector at the state level.

All State Councillors will be appointed to a Policy Team or the Finance and Services Committee. Policy Teams provide State Councillors with hands-on exposure to development of policy positions and submissions to Government on behalf of the Local Government sector in WA. The Chair of the relevant Policy Team will also have the opportunity to attend meetings with Government Ministers to advocate on behalf of Local Government.

There is also the potential for State Councillors, as Local Government leaders in WA, to play a role in supporting and mentoring other Elected Members, either informally or through WALGA's Member Advisor Program.

## Become Involved

We hope that involvement in your Association – by representing your Council on the Zone, or representing your Zone on State Council – will be an enriching and rewarding experience.

Consider nominating for a position on the Zone or State Council and you play a role in shaping policy and advocacy on behalf of Local Government in Western Australia!

## Contacts

For more information contact:

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(08) 9213 2036 [mdegebrodt@walga.asn.au](mailto:mdegebrodt@walga.asn.au)

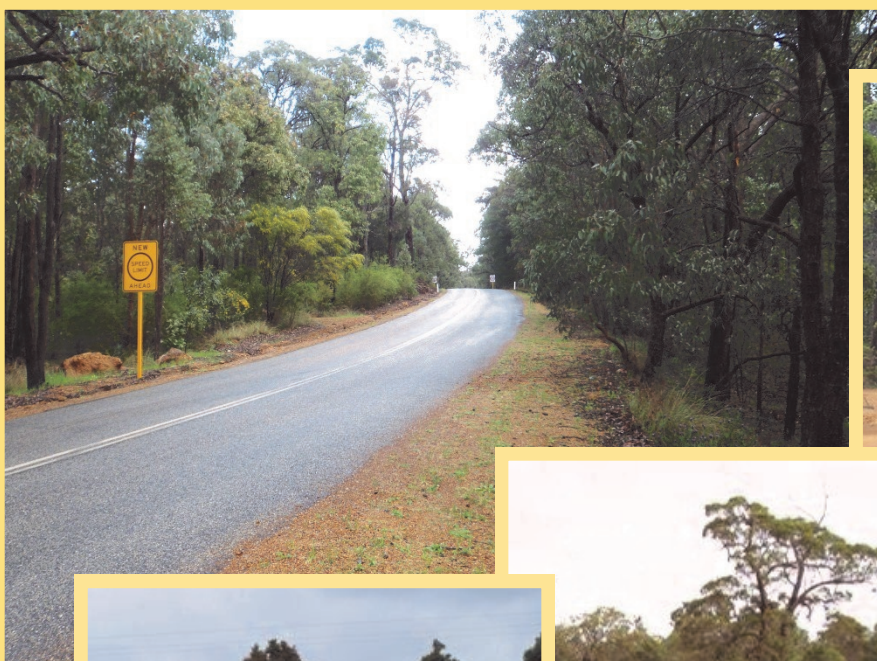
Tim Lane, Manager Strategy and Association Governance  
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Tony Brown, Executive Manager, Governance and Organisational Services  
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# State Road Funds to Local Government Agreement 2011/12 to 2015/16

## Roles and Responsibilities of Regional Road Group Members





## Introduction

This brochure is designed to guide and assist Local Government Elected Members to understand their roles and responsibilities as members of a Regional Road Group (RRG).

Through RRGs the State Government provides Local Government with a voice in how the State's contribution to local roads is spent. This organisational structure and regional framework recognises the understanding of the local community's road needs that Local Government elected representatives have.

The delegation of responsibility provided to RRGs should be seen in the context of the statutory powers of the Commissioner of Main Roads WA (MRWA) to provide local road funding, with the required recommendation to the Hon Minister for Transport, from a state-wide perspective.

With limited funding and ever increasing demands on road assets, there is a need for Elected Members of Local Government to think beyond local boundaries in order to maximize community benefits and preserve and improve the road system through co-operative arrangements with neighbouring communities.

Elected Members, through processes contained in this brochure, are able to influence road funding decisions and make recommendations that are of direct benefit to local communities and the Western Australian road user.

## State Road Funds to Local Government Agreement 2011/12 to 2015/16

The State Road Funds to Local Government Agreement 2011/12 to 2015/16, signed by the Premier of Western Australia, Minister for Transport, Western Australian Local Government Association (WALGA) President and Chief Executive Officer reinforces the partnership between State and Local Government and sets out funding levels and processes to meet the needs of the local road network.

The Agreement is projected to produce annual allocations, based on estimated licence fee revenue, for specific funding categories under an annual Local Roads Program. The Agreement is accompanied by a Procedures Manual which primarily outlines the Terms of Reference of the State Road Funds to Local Government Advisory Committee ("Advisory Committee"), RRGs and Sub-groups as well as detailing the requirements for administering, distributing and accounting for the funds provided under the Agreement.

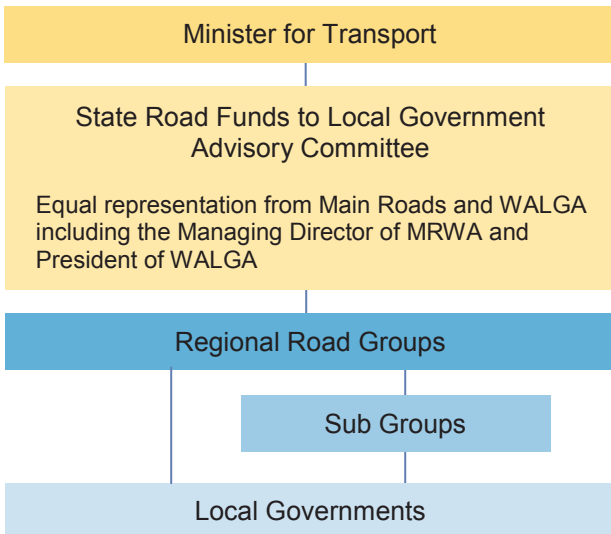
The Agreement also recognises ongoing issues that need long term solutions in cooperation by State and Local Government.

Under the Agreement there are procedures which detail the organisational structure for the allocation of State Government road expenditure on Local Government Roads. These procedures and the Agreement are accessible online at <http://www.mainroads.wa.gov.au>



*Signing of the State Road Funds to Local Government Agreement, June 2011  
Left to right: WALGA President, Mayor Troy Pickard, WALGA CEO Ricky Burges,  
Hon Minister for Transport, Troy Buswell, MLA and MRWA Managing Director Menno Henneveld*

## State Road Funds to Local Government Management Structure



## State Road Funds to Local Government Advisory Committee

The role of the Advisory Committee is to oversee, monitor and recommend the distribution of State funds for local roads to the Minister for Transport.

The Committee comprises of the Managing Director of MRWA (Chairman), the Chief Executive Officer of WALGA, four elected State Councillors (appointed by WALGA) and four senior MRWA officers appointed.

The Advisory Committee reports to the Minister for Transport through the Managing Director of MRWA.

Responsibilities include:

- Assessing Local Government road funding needs;
- Distribution of the State Road Funds to Local Government;
- The division of State funds between Regions and Program categories;
- Monitoring and reporting on the Local Roads Programs; and
- Development of performance indicators and an improved open and accountable process.

## Regional Road Groups

Within policies and guidelines established by the State Road Funds to Local Government Advisory Committee, the RRG is responsible for the assessment of road funding needs, the annual distribution of State funds to Local Government roads and monitoring and reporting on the effectiveness of the application of the State funds for Local Government roads in its region.

The RRG ensures that funds made available by the State are applied to the road network to:

- Maximise benefits to the community;
- Preserve, improve and extend the road system;
- Maximise capacity and resources through joint purchasing and resource sharing; and
- Comply with the obligations of the Managing Director of MRWA under legislation.

The role of RRGs is to recommend Local Government road funding priorities to the Advisory Committee and to monitor the implementation of the Local Roads Program in their own Regions.

At the Regional level RRGs are responsible for:

- Assessing Local Government road funding needs;
- Prioritising Road Projects, Black Spot and Commodity Route funded Projects;
- Development of a long term plan (5 years) to distribute Road Projects and Black Spot Grants;
- Developing and improving methodology for the prioritization of projects and the distribution of State funds;
- Monitoring and reporting on program effectiveness;
- Implementing Performance Indicators and open and accountable processes;
- Ensuring grants are expended in the year of allocation;
- Monitoring Local Government expenditure on approved local roads projects;
- Recommending improved procedures to the Advisory Committee;
- Raising relevant issues on the Local Roads Program and the overall road needs of the Region with the Advisory Committee; and Providing advice to member Local Governments.

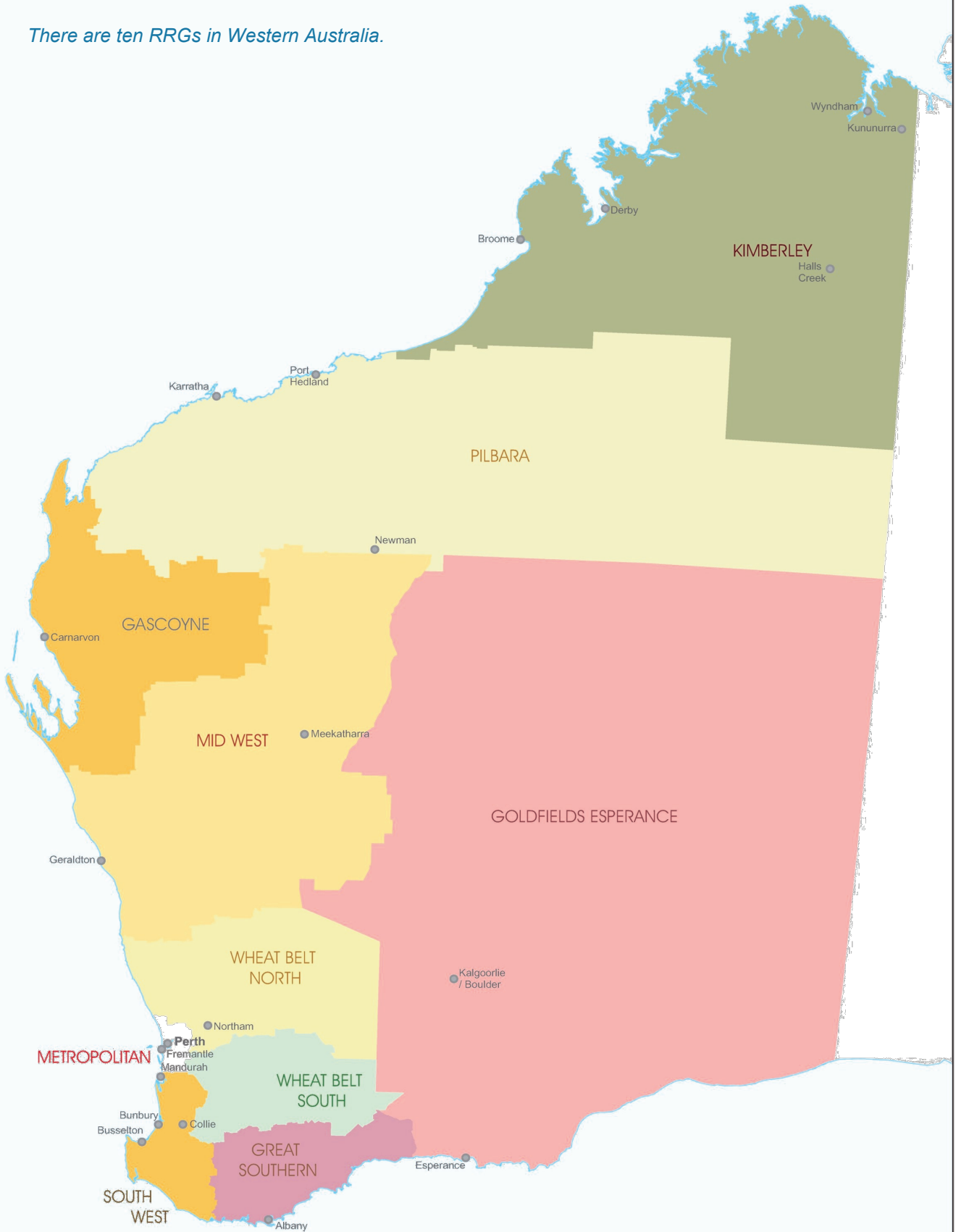
The RRG may delegate certain functions and tasks to Regional Sub Groups, provided that all Regional Sub Groups have the same delegated responsibilities, as outlined in the Procedures.



# Regional Road Group Areas



*There are ten RRGs in Western Australia.*



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## Funding through the State Road Funds to Local Government Agreement

The share of State Road Funds to be allocated to Local Government roads is 27% of the estimated vehicle licence fees for that year. Funding is distributed under three categories:

### Category 1

#### i. Direct Grants

Direct Grants are provided annually to all Local Governments. The Advisory Committee review the amount available for Direct Grants annually, using the Asset Preservation Model provided by the Western Australian Local Government Grants Commission.

Direct Grants are adjusted annually (positive only) by the movement in the Consumer Price Index to 31 December in the year preceding the budget year or the increase in Vehicle Licence Fee Revenue, whichever is greatest.

#### Timetable

Jun	Advisory Committee formally advises RRGs of annual Direct Grant allocations for the next financial year
Jul	Local Governments provide a Certificate of Completion for all Direct Grant distributions from previous financial year
Jul	MRWA Regional Managers arrange payment of Direct Grants to Local Governments on receipt of Certificate of Completion
Dec	RRGs monitor flow of funding to Local Governments and notify Advisory Committee of likely under-expenditure

#### ii. Road Project Grants

The Advisory Committee allocates funds for road projects to each RRG. Allocations are based on a five year program.

Road Project Grants may be used for road related works (e.g. street lighting) that the RRG wishes to undertake, provided it is assessed and prioritised against other road projects in the region and the State Road Funds to Local Government Advisory Committee approval is given.

#### Timetable

Mar	Projects recommended to Ministerial approval
Jun	Local Governments formally advised of approved applications for the financial year commencing July
Aug	Indicative Road Project Grants funding allocation for following financial years provided to RRGs
Sep	Local Governments apply to RRG for project funds for following financial year
Nov	RRGs provide project recommendations for following financial years to the Advisory Committee
Dec	Advisory Committee provides project recommendations for following financial year to the Managing Director of MRWA
Dec	RRGs advise Advisory Committee of likely under-expenditure of allocated project funds in the current financial year

#### iii. Supplementary Fund

The Advisory Committee ensures a minimum balance of \$4 million is in a supplementary fund at the commencement of each financial year. Funds are made available from the Rural RRG's Road Project Grant pool to ensure that this balance is maintained each year.

The Supplementary Fund is available to:

- Provide funds to assist Local Governments repairing roads affected by flood and fire damage; and
- Provide the State Road Funds to Local Government Advisory Committee with the flexibility to direct funds to strategic projects.

#### iv. Commodity Routes

\$2.5 million per year will be set aside from the total Road Project Grant allocation for a Commodity Route Fund. The Commodity Route Fund will be applied to projects not eligible or not prioritised for Road Project Grant Funding. The State Advisory Committee will review all applications for Commodity route funding and select successful projects for funding.

### Timetable

Mar	Projects recommended for funding subject to Ministerial approval
Jun	Local Governments formally advised of approved applications
Sep	Local Governments apply to RRG for Commodity Route Fund projects for following financial year
Nov	RRGs provide project recommendations for the following financial year to the Technical Assessment Committee
Dec	Technical Assessment Committee provides project recommendations to Advisory Committee. Advisory Committee endorses project recommendations to the Managing Director of MRWA.
Dec	RRGs advise Advisory Committee of likely under-expenditure of allocated Commodity Route funds in the current financial year

### v. Strategic and Technical Support

The Advisory Committee will annually determine funding for strategic and technical support projects. These funds are provided for activities such as Main Roads administrative and technical support to RRGs, Roads Forums, ROADS Foundation and funding to WALGA for the MINDER, RoadWise and ROMAN programs.

### Timetable

Oct	WA Local Government Association and Main Roads determine proposals for funding
Nov	WA Local Government Association and Main Roads submit proposals for funding with appropriate justification to the Advisory Committee
Nov	The Advisory Committee gives its recommendations to the Managing Director of Main Roads

### Category 2

Funding for State responsibilities on the Local Government road system is managed through Main Roads Western Australia programs. These include the following programs:

#### i. Traffic Management and Road Safety

This program includes funding for road marking and pavement markers, signing, traffic signals, railway crossings, safety and traffic improvements and the Black Spot program. The State Black Spot Program on Local Roads is intended to target improving the safety of roads with a proven crash history or high risk locations with the likelihood of crashes occurring.

#### ii. Bridgeworks and Inspections

Funding for bridge inspection and maintenance works. Funding is also provided for emerging bridge repair work.

#### iii. Remote Aboriginal Community Access Roads

Funding for access roads servicing remote Aboriginal communities.

### Category 3

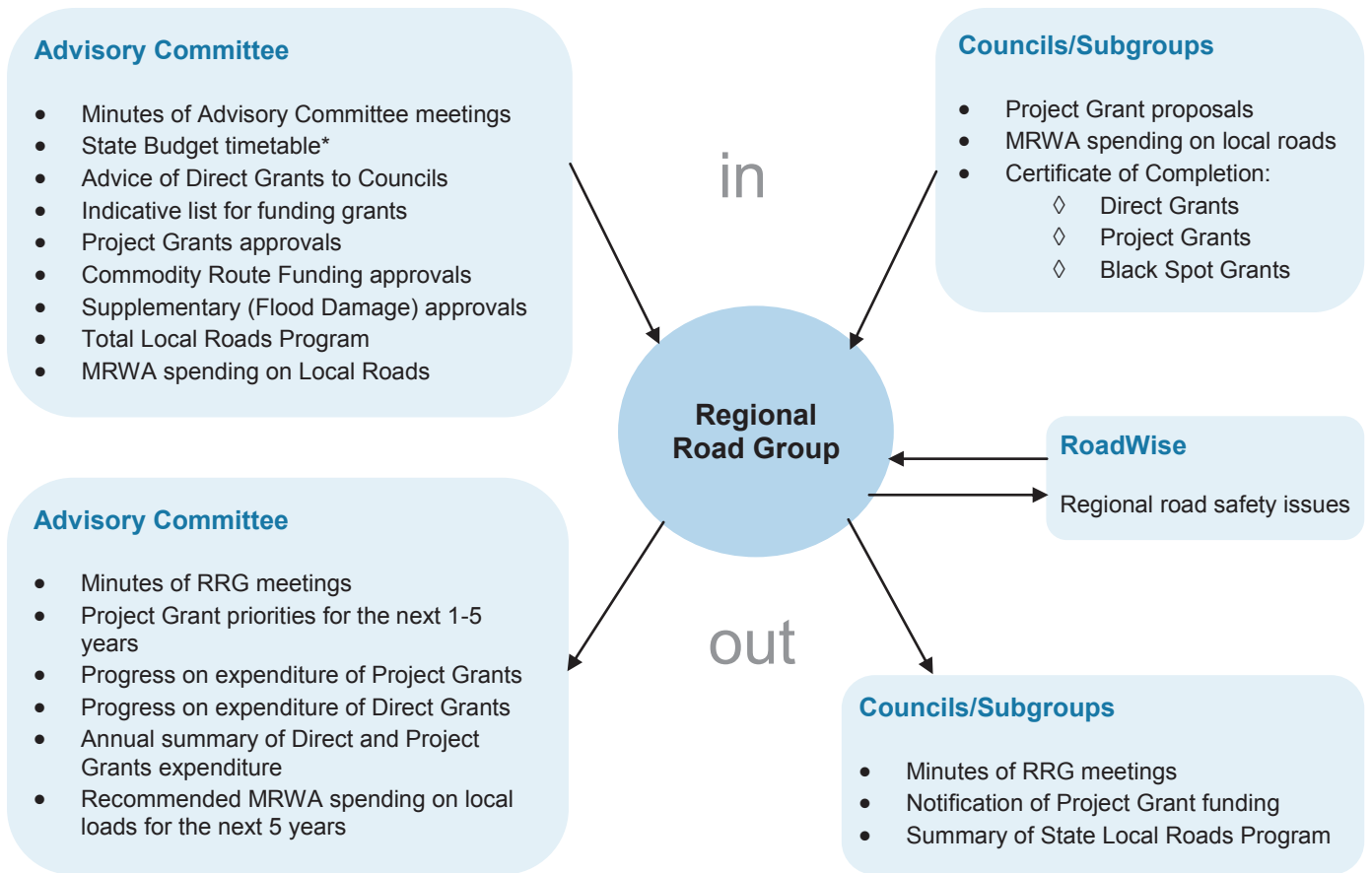
#### State Initiatives on Local Roads

Projects in this category are generally State-initiated projects. These projects can comprise both road and bridgeworks on urban and rural roads. As a result of their size and or complexity, projects are generally undertaken by Main Roads Western Australia on behalf of Local Governments.

### Timetable

Nov	Proposed program of works prepared
May	Funded projects included in State Budget announcements
June	Local Governments formally advised of approved funding allocations

## Communication Flows



\* Note: Timetables must be advised by the Advisory Committee and RRGs to dovetail with the State Budgetary process and State Treasury Requirements

### More Information

The *State Road Funds to Local Government Agreement* is available on WALGA's and Main Road's website. Contact your Local Government for copies of the following:

- Procedures Manual
- Road Projects Evaluation Guidelines

or contact

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