



# Regional Capitals Alliance

WESTERN AUSTRALIA

## Regional Capitals Alliance Western Australian Meeting

# Minutes 10 December 2020

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# Agenda

## 1 OFFICIAL OPENING

Meeting opened at: 2:25pm

## 2 RECORD OF ATTENDANCE

### Attendees:

Dennis Wellington	Mayor City of Albany (Chair)
Andrew Sharpe	CEO City of Albany
Grant Henley	Mayor City of Busselton
Mike Archer	CEO City of Busselton
Shane van Styn	Mayor City of Greater-Geraldton
John Bowler	Mayor City of Kalgoorlie-Boulder
John Walker	CEO City of Kalgoorlie-Boulder
Peter Long	Mayor City of Karratha
Alex Wiese	Observer City of Kalgoorlie-Boulder
Chris Adams	CEO City of Karratha
Chris Antonio	Shire President Shire of Northam
Jason Whiteaker	CEO Shire of Northam
Peter Carter	Mayor Town of Port Hedland
Carl Askew	CEO Town of Port Hedland
Paul Rosair	Executive Officer, RCAWA
Jane Lewis	Executive Assistant, RCAWA

### Dial in:

Ross McKim	CEO City of Greater Geraldton
Ian Mickel	Shire President of Esperance
Shane Burge	CEO Shire of Esperance
Malcolm Osborne	CEO City of Bunbury

### Guests:

Alannah MacTiernan	Minister for Regional Development; Agriculture and Food; Ports; Minister Assisting the Minister for State Development, Jobs and Trade
Hon Stephen Dawson	Minister for Environment; Disability Services; Electoral Affairs
Niegel Grazia	Deputy Director General Department of Primary Industries and Regional Development
Louis Holding	Chief of Staff, Minister Dawson's office
Patrick Seares	Executive Director Strategy and Engagement, Department of Water and Environmental Regulation

**Apologies:**

Gary Brennan	Mayor City of Bunbury
Harold Tracey Shire	President of Broome
Sam Mastrolembo	CEO Shire of Broome

### **3 DECLARATIONS OF INTEREST**

Nil

### **4 CONFIRMATION OF MINUTES AND BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETINGS**

**Attachment: 1. Outstanding Business Arising Items and Actions Sheet**

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**Resolution :**

**That the Minutes of the Western Australian Regional Capitals Alliance Meeting held on Thursday, 16<sup>th</sup> October 2020, be confirmed as a true and correct record of proceedings.**

**Moved: Andrew Sharpe**

**Second: Peter Long**

## 5 CORRESPONDENCE

<b>Date of Report:</b>	<b>10 December 2020</b>
<b>Report Author:</b>	<b>Executive Officer – Paul Rosair</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s)</b>	<b>2. Josh Nyman – Regional Capitals Announcement</b>

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Note, there has been numerous email correspondence between the Executive Officer, Executive Assistant and Ministerial offices, departmental staff and industry bodies which do not form part of this formal correspondence item as they are considered administrative in nature.

Correspondence In:

Date: 17<sup>th</sup> October 2020  
From: Josh Nyman  
Title: Regional Capitals Announcement

**Resolution:**

- **That the correspondence be received.**

**Moved: Peter Carter**

**Second: Carl Askew**

## 6 TREASURER’S REPORT JULY 2020

<b>Date of Report:</b>	<b>10 December 2020</b>
<b>Author</b>	<b>Mayor – City of Greater Geraldton</b>
<b>Disclosure of Interests:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>3. RCAWA October Balance Sheet</b>
	<b>4. RCAWA October Profit and Loss Statement</b>
	<b>5. RCAWA November Balance Sheet</b>
	<b>6. RCAWA November Profit and Loss Statement</b>

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**Purpose:**

To inform the Alliance members of the RCAWA financial situation.

**The following notes are provided an explanation to the attached statements:**

Nil

**Discussion:**

As required

**Resolution:**

- **That the members receive and note the Treasurer’s Report for the period ending 30<sup>th</sup> November 2020 and the accompanying financial documents.**

**Moved: Shane Van Styn**

**Second: John Walker**

## 7 RCA UPDATE

<b>Date of Report:</b>	<b>10 December 2020</b>
<b>Report Author:</b>	<b>Grant Henley, Mayor City of Busselton</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s)</b>	<b>7. RCA Information</b>

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### **Purpose:**

To provide an overview of items and issues from RCA which pertain to RCAWA business and to canvass Alliance members as to matters which they believe warranted to raise with RCA.

### **Discussion:**

Due to the WA RCAWA meeting time constraints, Rachael Sweeney was unable to attend this meeting. It was noted that Cr Kevin Mack, Mayor, Albury City Council has been elected as the new Chair for 2021, with Cr Grant Henley, Mayor, City of Busselton as Deputy Chair. EO to send

### **Link to Strategic Directions:**

Partnership and collaboration  
Representation

### **Budget Implications:**

Nil

### **Resolution:**

Nil

## 8 EXECUTIVE OFFICER BI-MONTHLY REPORT (OCTOBER - NOVEMBER 2020)

<b>Date of Report:</b>	<b>10 December 2020</b>
<b>Report Author:</b>	<b>Executive Officer – Paul Rosair</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s):</b>	<b>8. Executive Officer Bi-Monthly Report – October 2020 - November 2020</b>

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### **Purpose:**

To update RCAWA on the Executive Officer services provided for the period October 2020 to November 2020 inclusive.

### **Background:**

The attached report provides information about the services provided, activities undertaken and time allocation over the past two months. The Chair, Secretariat, Executive Officer and Assistant met in Albany in November to prioritise the Executive’s work program in light of the Strategic Planning Workshop held in August.

### **Discussion:**

As required.

### **Link to Strategic Directions:**

Advocacy and policy Influence  
Partnership and collaboration  
Representation

### **Budget Implications:**

As per 2020/21 approved RCAWA budget.

### **Resolution:**

- **That the information be received.**

**Moved: John Walker**

**Second: John Bowler**

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## 9 FORMAL PRESENTATIONS

<b>Date of Report:</b>	<b>10 October 2020</b>
<b>Report Author:</b>	<b>Executive Officer, Paul Rosair</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s)</b>	<b>9. Letter to Minister Dawson – LG Elections</b>

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### **Purpose:**

The Alliance to receive presentations from:

- **Hon. Alannah MacTiernan MLC;** *Minister for Regional Development; Agriculture and Food; Ports; Minister Assisting the Minister for State Development, Jobs and Trade*  
**Ralph Addis;** *Director General Department of Primary Industries and Regional Development*
- **Hon. Stephen Dawson;** *Minister for Environment; Disability Services; Electoral Affairs*  
**Ms Louise Holding;** *Chief of Staff*

### **Background:**

Leading up to this meeting, Alliance members were canvassed about issues pertinent to the portfolios of the presenters: a consolidated list is provided in the discussion and has been forwarded to the relevant presenters as appropriate.

### **Discussion:**

#### **2.30 – 3.30 Presentation:**

- **Hon. Alannah MacTiernan MLC;** *Minister for Regional Development; Agriculture and Food; Ports; Minister Assisting the Minister for State Development, Jobs and Trade*  
**Ralph Addis;** *Director General Department of Primary Industries and Regional Development*

## Agenda

AGENDA	
ITEM	RESPONSIBLE
<b>2.30 INTRODUCTIONS</b>	RCAWA Chair Dennis Wellington
<b>2.35 RCAWA’S Regional Investment Framework</b> <b>Attachment 1 – Regional Investment Framework</b>	Paul Rosair and Alliance Members
<b>2.55 Stakeholder Engagement</b>	RCAWA Chair Dennis Wellington
<b>3.00 State Priorities:</b> <b>Overview of key priorities as they relate to regional WA</b>	Minister MacTiernan
<b>3.15 Questions from the floor:</b> Update regarding ongoing and future support for State Government Employees being based in the regions i.e. Department of Agriculture and the potential for a State Government Department being relocated to regional WA. Does the State have a contingency strategy for ongoing workforce shortfalls in hospitality and agriculture? Is there any process for LG for forward planning or application for funding for projects? Further questions from the members may be asked as a result of the Ministers address to the Members	Alliance Members

**3.35 Presentation:**

- **Hon. Stephen Dawson;** *Minister for Environment; Disability Services; Electoral Affairs*  
**Ms Louise Holding;** *Chief of Staff*

## Agenda

AGENDA	
ITEM	RESPONSIBLE
<b>3.35 Introductions</b>	RCAWA Chair Dennis Wellington
<b>3.40 MACWA Update</b>	Paul Rosair
<b>3.42 Key priorities of the Ministers portfolio as they relate to the regions, particularly in the areas of environment, red and green tape, waste, and the WA Recovery Plan</b>	Minister Dawson
<b>4.05 – 4.15 Questions, and response from the Minister regarding the letter sent regarding the 2019 Local Government elections.</b>	All

**Link to Strategic Directions:**

Advocacy and Policy Influence  
Representation  
Partnership and Collaboration

**Budget Implications:**

Nil

**Resolution:**

Nil

## 10 RCAWA BENCHMARKING FRAMEWORK

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<b>Date of Report:</b>	<b>10 December 2020</b>
<b>Report Author:</b>	<b>Executive officer, Paul Rosair and Brian Sharp</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s)</b>	<b>Nil</b>

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### **Purpose:**

To update the Alliance on the Benchmarking Framework that has been developed, in order to provide meaningful information that can be used to inform and improve the performance of all participants.

### **Background:**

At the February 2020 Alliance meeting the initial WA Regional Capitals Alliance Corporate Benchmarking Report was presented following work led by the City of Albany. This included graphs on a number of financial and non-financial indicators for the 2018-2019 financial year.

To advance this work further Brian Sharp was engaged until September 2021 to:

- Update the indicators to include the 2019-2020 financial year;
- Look for opportunities to value add to the model and align it with members' needs;
- Provide regular updates and reports to Alliance members bi-monthly meetings;
- Analyse the data and providing key insights into the results;
- Focus on opportunities to improve service delivery based on learnings from others.

Brian has eight years' experience in local government with the City of Canning and has the requisite data and Excel modelling skills to update and extend the benchmarking analysis.

### **Discussion**

Since the October 2020 report Brian has completed the following:

- Modified the existing master Excel file to enable time-series data across multiple years;
- Added Esperance and Port Hedland to all outputs including their data for 2018-2019;
- Reviewed the 2018-2019 financial data and found and corrected several inconsistencies, including
  - Council's including different totals for Total Revenue
  - Council's including non-rateable properties in Total Ratepayers
  - Incorrect totals for Total Capital Expenditure

All 2018-2019 financial values have been updated to match those in each Council's published 2018-2019 Annual Report.

- Included the published 2020-2021 financial budget data for each council into the data template and master Excel file.

- Distributed updated data templates to each council for updating 2019-2020 data; Where possible this includes total formulas to ensure consistency across councils.

Brian also contacted each Alliance member to introduce himself to the key contacts. During these discussions, the delay in sign off for the 2019-2020 Annual Reports due to changes in the Local Government Regulations was raised. It is not yet clear when the final information for 2019-2020 will be available. However, draft data has been requested from each member by 8 December 2020. Final data can be updated when each audit is signed off. It is expected that a full report for the 2019-2020 year will be made to the February 2021 Alliance meeting.

### **Insurance Comparison**

Brian was requested to consider how Alliance members' insurance costs could be benchmarked, in order to assess any cost saving potential for members.

Because all members currently use LGIS for their insurance this is hard to assess without receiving competitive quotes from alternate providers. However, the following two step process has been begun.

#### **1. Compare each member to a similar interstate council.**

The purpose of this is to see if the cost of insurance provided by LGIS is significantly more or less than comparative interstate providers. It is noted that it is difficult to find exact comparative councils across states, because of:

- different services e.g. water and sewerage in Queensland,
- different reporting requirements, e.g. Victoria does not require insurance expenditure to be reported separately
- unknown differences in excess levels for insurance claims

However, to begin this analysis the following tables have been created to provide some overall context on which further discussion can be had. The results in each table have been shaded from lowest (green) to highest (red).

Table 1 compares the actual insurance expenditure for each Alliance member, then computes the cost per resident and cost as a percentage of total fixed assets (infrastructure, property, investment property and plant).

Table 2 provides the same information for 10 interstate councils and indicates what the comparative Alliance member is. Should any member have a better comparative council, please let Brian know, so he can update the table. The comparative councils have been chosen to try and reasonably match location i.e. tropical, coastal, etc and main economic drivers e.g. port, mining, tourism.

Key points to note are:

- a. The average cost per resident for all Alliance members is \$31 per annum. This compares to \$28 across the 10 interstate councils.
- b. The average percentage of assets is 0.15% for Alliance members and 0.10% for the 10 interstate councils. While this is higher for WA councils, the interstate totals seem to be weighed lower by those councils with much higher asset values due to providing water and sewerage services.

**Table 1: 2018-2019 Insurance costs by Alliance member**

Council	Insurance Expenditure	Residents		Total Assets	
	2019	2019	\$ / Resident	2019	% Assets
	\$	Count	\$	\$000s	%
Albany	676,304	37,826	18	568,505	0.12
Broome	657,408	16,952	39	385,774	0.17
Bunbury	589,906	31,776	19	549,357	0.11
Busselton	713,980	38,926	18	709,050	0.10
Esperance	988,354	14,236	69	494,139	0.20
Geraldton	720,300	38,738	19	918,711	0.08
Kalgoorlie	776,747	29,998	26	537,034	0.14
Karratha	1,573,650	22,375	70	690,864	0.23
Northam	504,551	11,190	45	220,519	0.23
Port Hedland	773,000	14,971	52	285,907	0.27
Weighted Average			31		0.15
High			70		0.27
Low			18		0.08

**Table 2: Indicative interstate comparison for each Alliance Member**

Council	Comparison	Insurance Expenditure	Residents		Total Assets	
		2019	2019	\$ / Resident	2019	% Assets
		\$	Count	\$	\$	
Kiama (NSW)	Albany	571,000	22,000	26	514,513	0.11
Port Douglas (QLD)	Broome	670,081	12,000	56	377,164	0.18
Victor Harbour (SA)	Bunbury	512,000	15,465	33	267,033	0.19
Torquay / Surf Coast (VIC)	Busselton	695,000	32,651	21	792,817	0.09
Mt Gambier (SA)	Esperance	276,000	27,839	10	244,752	0.11
Coffs Harbour (NSW)	Geraldton	1,556,000	77,520	20	2,096,782	0.07
Broken Hill (NSW)	Kalgoorlie	477,000	17,190	28	218,410	0.22
Mackay (QLD)	Karratha	3,676,000	125,000	29	3,478,103	0.11
Macedon Ranges (VIC)	Northam	547,000	49,388	11	1,098,215	0.05
Gladstone (QLD)	Port Hedland	2,237,000	24,520	91	2,087,985	0.11
Weighted Average				28		0.10
High				91		0.22
Low				10		0.05

## 2. Develop a process to enable each Alliance member to assess their insurance costs by adjusting levels of cover and excess levels.

It is possible to assess the effectiveness of each Alliance member's current insurance levels using claim data from previous financial years and requesting a quote from LGIS for alternative cover and/or excess levels.

An indicative process would be:

- a) Collate historical data for each insurance policy:
  - Number of Claims per policy
  - Excess per claim
  - Cost and income per claim
  - Annual Cost per Policy
- b) Request a quote to change excess per policy or level of cover from LGIS
- c) Compare the current and quoted policies by
  - Modelling past claims under the quoted policy
  - Calculating the breakeven number of claims between the current and quoted policies.

Once complete a decision can be made as to whether the existing cover and excess levels are appropriate or should be changed. Further, decisions could be made as to whether any savings are placed in reserve to cover any future spikes in claims or one-off larger claims.

It is recommended that Brian work with one Alliance member initially to go through this process and see whether any benefit can be identified, and to develop any templates required for the financial modelling component of the process. Once complete this can be rolled out to other Alliance members.

### **3. Meeting with Ron Back**

Brian met with Ron Back on 26 November 2020 to discuss his thoughts on what benchmarking opportunities existed for Alliance members. He raised the following topics, some of which may be worth further investigation:

- Insurance – Ron agreed that the approach outlined above to compare different excess levels for different policies would be useful, if members haven't done this already.
- Airports – do these affect the other operations of the applicable council?
- Leisure services – how to quantify the benefit to the state health system of local governments operating leisure facilities?
- Waste services – likely impact of FOGO; what future contingent liabilities does each member face?
- Governance – administration costs as a percentage of total operating costs. Ron suggested a reasonable benchmark is about 10% of total operating costs.

#### **Link to strategic Direction:**

Partnership and collaboration

#### **Resolution:**

Nil

## 11 RCAWA STRATEGIC PLANNING

<b>Date of Report:</b>	<b>10 December 2020</b>
<b>Report Author:</b>	<b>Executive Officer, Paul Rosair</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s)</b>	<b>10. Investment Framework Letter</b>

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### **Purpose:**

Alliance members to continue with the implementation of the RCAWA Strategic Planning Workshop. This item will be dealt with at the completion of the meeting as part of an open forum workshop if time permits.

### **Background:**

In 2017 a high-level Strategic Plan was developed to guide the Alliance actions from 2017/18 -2021/22. It outlined the vision, focus and priorities and explained “what we do” and “how we work”. This Strategic Plan has been circulated to nearly every Minister and Director General in WA, a number of Federal Ministers and Politicians and has been discussed with a myriad of Government Agencies, industry bodies and associations.

Following on from this, a Strategic Planning workshop was held on 7<sup>th</sup> August 2020 in which members made decisions regarding key stakeholders and focus areas going forward.

### **Discussion:**

As a result of the workshop, key focus areas and stakeholders were identified. It is suggested that in order to set and progress initiatives and resulting actions, the following Strategic Planning Document (page 17) be updated on a regular basis and used to assist discussion and delegation of actions at strategic planning meetings.

It should be recognised that key stakeholders should be aligned with the focus areas chosen by the members and that the list may evolve in line with project priorities. It should also be acknowledged that government department DG’s or ED’s may sometimes be appropriate and that this should be considered in the stakeholder plan for each theme. Possible priorities for today’s strategic planning session include:

- Development of a strategic approach for WALGA engagement
- Research project(s), some suggestions include
  - Statistical research on the Capitals capability/ Prospectivity justification
  - Metro vs regional local government – where is the level playing field
  - Governance
  - Covid-19 – impacts and opportunities
  - UWA ABS census data program
- Regional Investment Framework/ State Election Strategy



Table 1 Strategic Planning Document

<b>FOCUS AREAS</b>	<b>ACTION TAKEN/REQUIRED</b>		<b>NOTES/ KEY STAKEHOLDERS</b>
State election strategy			
Regional Investment Framework	Letter to key stakeholders to go out with flyer (in hand) Framework report on RCAWA Website		
Federal election strategy			
State aviation strategy			
Advocacy and communications strategy	Alliance needs to develop a strategic approach to its future engagement with WALGA		
Strategic planning	Ongoing at each meeting		
Benchmarking and baselining	Brian Sharp – ongoing. Obtaining information from Capitals is proving difficult but should improve after the new year		
Research	Topics to be chosen		
Annual Report	Draft report presented at Dec meeting as part of 2019/20AGM		
MACWA	EA to devise new program and roll out in January		
<b>MINISTERIAL STAKEHOLDERS</b>	<b>CONTACT</b>	<b>NOTES</b>	
Mark McGowan	3 Dec 2020	EO spoke with the Premier and invited him to attend Alliance meeting and he informally accepted. Email with 2021 meeting dates to follow	
Alannah MacTiernan	Nov 2020	Attending 10 Dec 2020	
Mia Davies	15 Oct 2020	Email sent and phone call received regarding Infrastructure Framework announcement	
Zak Kirkup	2 Dec 2020	Email and text sent. EO to follow up	
Roger Cook	3 Dec 2020	EO spoke with the Minister and invited him to attend Alliance meeting and he informally accepted. Email with 2021 meeting dates to follow	
Ben Wyatt	November 2020	Resigning – replacement to be contacted	
Michael Barnes			
David Templeman	In progress	EO in regular contact to endeavour to get the Minister to future meeting	
Nola Marino	In progress	EO in regular contact to endeavour to get the Minister to future meeting	
Rita Saffioti	3 Dec 2020	EO spoke with the Minister and invited her to attend Alliance meeting and she informally accepted. Email with 2021 meeting dates to follow	

Paul Papalia	In progress	EO in regular contact to endeavour to get the Minister to future meeting
Peter Tinley	In progress	EO in regular contact to endeavour to get the Minister to future meeting
<b>INDUSTRY/ASSOC. STAKEHOLDERS</b>	<b>CONTACT</b>	<b>NOTES</b>
Regional Chamber of Commerce and Industry - Kitty Prodonovich	Sep 2020	Attended October 2020 meeting
Chamber of Minerals and Energy	4 Dec 2020	EO met with Warren Pearce, CEO Association of Mining and Exploration Companies ( AMEC)
WALGA		Alliance needs to develop a strategic approach to its future engagement with WALGA
Brendon Hammond		
Mining companies – Rio, FMG, Hancock Prospecting	EO - 4 Dec	EO zoom meeting with Katherine Savage Hancock Prospecting. Now booked meeting at Pivot 14 Dec EO met with FMG CIO Tattarang
CBH		
Airlines – Qantas, Virgin and Rex		

**Link to strategic Direction:**

Partnership and collaboration  
 Advocacy  
 Representation

**Resolution:**

- **That the members adopt the Strategic Planning Document as a living document for strategic planning discussions and workshops**

**Moved: Dennis Wellington**

**Seconded: Andrew Sharp**

## 12 OTHER BUSINESS

ITEM	RESPONSIBLE
Proposed next year’s meeting dates 18 <sup>th</sup> and 19 <sup>th</sup> February (note change from 4 <sup>th</sup> and 5 <sup>th</sup> February) 22 <sup>nd</sup> and 23 <sup>rd</sup> April 17 <sup>th</sup> and 18 <sup>th</sup> June - Broome 5 <sup>th</sup> August – one day only 14 <sup>th</sup> October – Zoom meeting only 9 <sup>th</sup> December AGM	Executive Assistant to send invites out with December Minutes
Workers compensation and insurance	CEO Albany
Alliance staff secondment opportunities	CEO Kalgoorlie
Future research project	Executive Officer

**Discussion:** Secondment opportunities – deemed as a valuable idea. Formalisation is an administrative issue between Capitals.

**Resolution:**

- **That representatives from the Board of LGIS are invited to attend the February RCAWA meeting and that an RCAWA delegation of Chris Adams, John Walker and Andrew Sharpe meet with LGIS before the 18<sup>th</sup> February 2021 meeting.**

**Moved: John Walker**

**Seconded: John Bowler**

**MEETING CLOSED: 5:35 PM**