

11.2 WALGA Best Practice Governance Review

Location	Town-wide
Reporting officer	Coordinator Governance and Strategy
Responsible officer	Manager Governance and Strategy
Voting requirement	Simple majority
Attachments	<ol style="list-style-type: none"> 1. WALGA Governance Model Background Paper [11.2.1 - 20 pages] 2. WALGA Governance Model Consultation Paper [11.2.2 - 22 pages]

Recommendation	
<p>That Council endorses the below order of preference for the five options presented at attachment 2 for it preferred governance model for the West Australian Local Government Association.</p> <ol style="list-style-type: none"> 1. Option ____ 2. Option ____ 3. Option ____ 4. Option ____ 5. Option ____ 	

Purpose

To consider options in relation to WALGA’s Best Practice Governance Review to shape the future representation structure for WALGA.

In brief

- WALGA have started a Best Practice Governance Review process as identified in their Corporate Strategy 2020-2025 and resolved by its State Council in March 2022.
- Consultation is currently underway with member local governments, with Council resolutions required to put forward each Council’s order of preference for the Governance model for WALGA.
- The deadline for each Council’s resolutions is 23 December 2022.

Background

1. WALGA is a body that is constituted under section 9.58 of the *Local Government Act 1995* with its objects and functions set out in its constitution.
2. At a WALGA State Council Meeting in March 2022, the WALGA State Council resolved to commence a Best Practice Governance Review Process. This process was identified in WALGA’s Corporate Strategy 2020-2025.
3. To assist local governments with its deliberations on the preferred Governance model for WALGA, WALGA developed a background paper and consultation paper.

Strategic alignment

Civic Leadership	
Community priority	Intended public value outcome or impact
CL3 - Accountability and good governance.	Implementing a new Governance model at WALGA

	can result in more positive advocacy outcomes for the Town.
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Engagement

Internal engagement	
Stakeholder	Comments
Elected Members	Elected Members were given the opportunity to provide feedback to assist in the development of this report.

Legal compliance

Not applicable.

Risk management consideration

Risk impact category	Risk event description	Consequence rating	Likelihood rating	Overall risk level score	Council’s risk appetite	Risk treatment option and rationale for actions
Financial	Not applicable.				Low	
Environmental	Not applicable.				Medium	
Health and safety	Not applicable.				Low	
Infrastructure/ ICT systems/ utilities	Not applicable.				Medium	
Legislative compliance	Not applicable.				Low	
Reputation	Not applicable.				Low	
Service delivery	Not applicable.				Medium	

Financial implications

Current budget impact	Sufficient funds exist within the annual budget to address this recommendation.
Future budget impact	Not applicable.

Analysis

4. WALGA have undertaken research from other municipal associations in Australia and New Zealand to come up with options for how WALGA's Governance model is structured.
5. WALGA have come up with 5 options for local governments to consider which are explained in the Consultation Paper at **attachment 2** with background information included at **attachment 1**.
6. The Governance review is based on the following governance principles:
 - (a) WALGA unites and represents the entire local government sector in WA and understands the diverse nature and needs of members, regional communities and economies.
 - (b) WALGA is an agile association which acts quickly to respond to the needs of Local Government members and stakeholders.
 - (c) WALGA dedicates resources and efforts to secure the best outcomes for Local Government members and supports the delivery of high-quality projects, programs and services.
7. Council is requested to list its order of preference for the governance model of WALGA into the future.
8. Following member Council's feedback, the results of the review will be presented to the March 2023 WALGA State Council meeting.
9. The Governance review is also in response to the fact that, in the new local government reforms being introduced to Parliament next year, it is expected that WALGA will no longer be constituted under the *Local Government Act 1995*.
10. To assist Council in its deliberations on the matter, a summary of each of the options and the alignment of those options to the Governance principles, as provided in attachment 2, is provided below.

Option 1 – Two tier model and keeping existing zones

11. Option 1 proposes to establish a WALGA Board with 11 members, 8 are elected from and by the Policy Council including a Board elected president and up to three independent members. Four will be from metropolitan local governments and four will be from country local governments.
12. A Policy Council is proposed to be established in Option 1 which will consist of 25 members (24 plus the President). The 24 members will be elected by the Zones. 12 members will be elected from the 5 metropolitan zones and 12 members will be elected from the 12 regional zones.
13. The existing WALGA Zones will be retained.

Option 2 – Board and Regional Bodies

14. Option 2 proposes to establish a WALGA Board identical to Option 1.
15. Option 2 proposes eight Regional Bodies be established to replace the Zones, four in the metropolitan area (North, South, East and Central) and four in the country areas (Mining and Pastoral, Agricultural, Peel/South West/Great Southern and Regional Capitals). These Regional Bodies will elect one representative to the Board. Local governments would be given the opportunity to nominate their preferred regional body, with Board having a final say.
16. Option 2 also proposes policy teams, forums and committees that are responsible for specific functions of WALGA which are set up by the Board.

Option 3 – Board with amalgamated Zones

17. Option 3 proposes to establish a WALGA Board in a similar way to Options 1 and 2. However, under Option 3, the Board is proposed to consist of 15 members, six from the metropolitan and Peel local governments and 6 from country local governments. A president would be elected at large by the Board. The Board would also appoint up to two independent skills or constituency directors to make up 15 members.

18. Option 3 proposes that the existing Zone structure would be amended to have six metropolitan Zones and six country Zones. The country Zones would need to be redrawn and the names are subject to change.
19. Similar to Option 2, Option 3 also proposes to establish policy teams, forums and committees.

Option 4 – Member Elected Board and Regional Groups

20. Option 4 proposes the establishment of a WALGA Board, with 11 members. Eight representatives would be elected via a direct election of member local government, with four elected by metropolitan local governments and four elected by country local governments. The President would be elected within the representative members elected. The Board would also appoint up to three independent members.
21. Option 4 also proposes policy teams, forms and committees similar to Options 2 and 3.
22. Option 4 also proposes regional groups which will be determined by members to suit needs. Examples given include regional capitals, GAPP, VROCs, CEO Group and the existing Zones.

Option 5 – Current Model

23. Option 5 is the current WALGA Model.
24. 24 members plus the President constitute a State Council. 12 members of State Council are elected by the five metropolitan Zones and 12 members elected by the 12 country Zones, with the existing Zones retained to consider the State Council agenda, elect State Councillors and undertake regional advocacy and projects as directed by the Zone.

Alignment to Governance Model

25. In attachment 2, the options are assessed for their alignment to the Governance principles.
26. From WALGA's assessment, Option 1 most closely aligns to the principles set by State Council in relation to the Governance Review.
27. All of the options establish a 50/50 split in representation of metropolitan and country members, ensuring the Board and regional groups (however constituted) have a balanced representation on issues that affect metropolitan and country local governments.
28. Option 2 is potentially problematic as it provides for four regional bodies for country areas, which can cause meeting logistics challenges as well as potentially conflicting issues for the vast areas that are covered (e.g. issues affecting a regional capital like the City of Albany could be vastly different to the issues affecting the Town of Port Hedland or the Shire of Broome as part of the Regional Capital regional body).
29. All five options present challenges on ensuring prioritisation of issues and defining roles and responsibilities of regional bodies.
30. All of the options that are not the status quo (option 5) propose reducing the size of the Board from its equivalent in the current model. There will be a reduced number of people involved in the oversight of governance and finance in WALGA's operation and the employment of WALGA's Chief Executive Officer.
31. Options 2, 3 and 4 propose changing Zone boundaries or composition somehow will present challenges to WALGA.
32. With the constitution of WALGA coming out of the *Local Government Act 1995*, Options 1, 2, 3 and 4 proposing a Board would ensure best practice in bodies of a similar nature.
33. Option 5 is not recommended as it struggles to meet most of the governance principles that State Council agreed to as part of the review and is not best practice following the reforms, which are proposing that WALGA be no longer being constituted under the *Local Government Act 1995*.

Relevant documents

Not applicable.