



Avon Regional Organisation of Councils

AROC Governance Group Meeting

8 May 2023

MINUTES

To: AROC Members

Here within are the Minutes of the AROC Governance Group (President's & CEO's) meeting, held on the abovementioned date in Council Chambers at the Shire of Toodyay.

Suzie Haslehurst

CHIEF EXECUTIVE OFFICER

AROC Secretariat

10 May 2023

Preface

These Minutes will remain "Unconfirmed" until the next AROC Meeting, where the Minutes will be tabled and confirmed subject to any amendments.

The "Confirmed" Minutes are then signed off by the Chairperson.

Attachments that formed part of the Agenda, in addition to those tabled at the Meeting are incorporated into a separate attachment to these Minutes

Distribution

These minutes were approved for distribution on 10 May 2023.


Suzie Haslehurst
CHIEF EXECUTIVE OFFICER

Confirmation

These minutes of meeting were confirmed at a meeting held on
..... 2023.

Signed:

Note: The Presiding Member at the meeting at which the minutes were confirmed is the person who signs above.

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ATTACHMENTS with separate index follows item 5.

1. DECLARATION OF OPENING

The AROC in-person meeting will commence at 11.05 am.

1.1. Announcement of Visitors

1.2. Record of Attendance and Apologies

Cr R Madacsi	Chair, Shire of Toodyay
Cr P Bantock	Shire of Victoria Plains
Mr S Fletcher	CEO, Shire of Victoria Plains
Mr J Whiteaker	CEO, Shire of Northam
Cr C Antonio	Shire of Northam (via Zoom)
Mr P Bentley	CEO, Shire of Goomalling
Cr B Haywood	Shire of Goomalling
Cr D Smythe	Shire of York (via Zoom)
Mrs K Murray	Executive Officer, AROC
Cr B Ruthven	Shire of Toodyay (via Zoom)

Apologies

Ms S Haslehurst	CEO, Shire of Toodyay
Mr C Linnell	CEO, Shire of York

2. MINUTES AND ADDITIONAL INFORMATION

2.1 Confirmation of Minutes

Cr Antonio requested an amendment to the minutes to reflect his presence (via Zoom) until 11.46 am.

RECOMMENDATION/AROC RES. NO.01/05/23

MOVED Cr Bantock

SECONDED Cr Madacsi

That the Unconfirmed Minutes of the Avon Regional Organisation of Councils meeting held on 13 March 2023 be amended to include Cr Antonio's attendance and accepted as a true and correct record.

MOTION CARRIED

2.2 Review of Status Report

Review of actions and progress arising from previous meetings and decisions.

Points raised as follows:

Climate change initiatives

- Cr Smythe, Cr Madacsi and the EO have registered to attend the State Government Climate Action Information Session hosted by WALGA on 18 May 2023.

Corella management

- EO has not yet received an update on other stakeholder/funding commitments from the CEO at Wheatbelt NRM.
- J Whiteaker advised that Karl O'Callaghan has requested a meeting with him this week, and that he'd seek an update on the proposal.
- Members reiterated the imperative of taking regional action to reduce the negative impacts of corellas; Cr Smythe mentioned an approach from a local using drones as a way of moving on corellas; Northam is using sonic noise successfully to deter corellas from Shire facilities.

Water sustainability

- No further progress at this stage.

Road reserve clearing permits

- Cr Madacsi referred to the notes of the meeting with DWER which were circulated to members by email on 8 May.

Housing

- EO reported that Alex MacKenzie (WDC) advised that a request to State Government seeking funding for a state-wide regional workforce accommodation and housing project has been submitted.

2.3 Inward / Outward Correspondence

2.3.1 Financial Report

EO advised the financial report had not been received prior to the meeting and would be forwarded to members as soon as it is available.

3. OTHER BUSINESS / NEW BUSINESS OF AN URGENT NATURE

3.1 Submissions, presentations or representations from third parties;

3.2 Matters referred by the Officer's Group for consideration or decision;

3.2.1 Motion to Avon Zone Meeting – native vegetation clearing permits

Purpose

To request that the Governance Group submit a motion to the WALGA Avon Zone meeting to advocate for specific changes to the native vegetation clearing permit system.

Background

AROC members met with representatives from the DWER's Native Vegetation Protection, Regulation and Strategy and Performance areas on 13 March to advocate for changes to the native vegetation clearing permit system.

Following the meeting, officers discussed the merits of referring a motion to the WALGA Avon Zone meeting to continue advocacy for changes to the native vegetation clearing permit (NVCP) system.

Officer comment

Changes to the native vegetation clearing permit (NVCP) system must include outcomes for Local Government that allow for approvals to be granted within reasonable timeframes (maximum three months).

Many of the current delays in spending Regional Road Group funding (State) are due to extended timeframes in receiving approvals. The current NVCP is also a significant reason for project cost escalation, for example, a forceful approach to studies (botanists) and mitigation requirements (offset planting).

Meeting discussion

Members supported an amendment to the recommendation to the Avon Zone meeting to focus on permits for clearing within existing road reserves, which have been cleared or approved for clearing in the past.

Cr Haywood and P Bentley offered to speak to the motion at the next zone meeting on 23 June, should Cr Smythe and Cr Madacsi not be available.

RECOMMENDATION/AROC RESOLUTION NO.
02/05/23

MOVED Cr Bantock **SECONDED** Cr Haywood

That the Zone requests that WALGA continues to advocate for specific changes to the native vegetation clearing permit system for clearing within existing road reserves, with a particular focus on the following areas:

1. Timeframes: The timeframe is too long and that includes the 'fast track' system. Currently there is a window of months to years for receiving a clearing permit.
2. Safety: More emphasis needs to be given to road safety/road users (large machinery) outcomes during assessment of applications.
3. Communication: Improved inter department communication and aligned philosophy for clearing permits e.g., DoT, DWER and DBCA.
4. Data: A state (DBCA) managed data assessments and storage system to inform threatened flora locations and fauna habitats (e.g., Black Cockatoo), so data can be easily accessed by LG.
5. Financial: Understanding of the financial implications being picked up Local Government because of the environmental assessment requirements and the approval conditions included for the road project.
6. Note: Regional Road Group Funding is not being spent in the required time period due to delays in receiving native vegetation clearing permits.

MOTION CARRIED

3.3 Matters raised by individual member local governments for consideration;

3.3.1 Western Power price increases for street lighting

Purpose

To request that Governance Group members contact the Economic Regulation Authority (ERA) and Local Member of Parliament, to highlight the financial impact of, and

object to the proposed increases in Western Power's prices for street lighting.

Background

Nick Sloan, CEO of WALGA, wrote to LG CEOs on 3 May 2023 regarding the Economic Regulation Authority's (ERA) recently published draft Western Power price list for 2023/24, which proposed to increase prices for street lighting by an average of 43.85% from 1 July 2023.

WALGA has written to the Chair of the ERA to express the Local Government sector's strong concerns regarding the proposed increase. A copy of this letter is included in the agenda attachments.

WALGA is collecting information from affected Local Governments on the significant financial impact of this proposed increase and will provide this to the ERA to inform their decision-making process.

WALGA urges all Local Governments that will be significantly impacted by the proposed price increases to contact the ERA and Local Member of Parliament to report these impacts.

Meeting discussion

P Bentley reported that the Shire of Goomalling has written to the ERA.

S Fletcher advised that the Shire of Victoria Plains has also written to the ERA and that Shane Love, MLA, member for Moore, will raise the issue at budget estimates.

RECOMMENDATION/AROC RESOLUTION NO. 03/05/23

MOVED Cr Antonio

SECONDED Cr Madacsi

That AROC members individually and collectively, write to the Economic Regulation Authority and Local Member of Parliament to highlight the financial impacts of and object to the proposed increases in Western Power's prices for street lighting.

MOTION CARRIED

4. CONFIRMATION OF NEXT MEETING

The 2023 meeting schedule is provided:

2023	Officer's Group (CEO) Meetings	Governance Group (President's) Meetings
	11.00 am	11.00 am
	Zoom Meetings	Council Chambers
JAN	No meeting	No meeting
FEB	6/02/2023	
MAR		13/03/2023
APR	3/04/2023	
MAY		8/05/2023
JUNE	12/06/2023	
JULY		10/07/2023
AUG	14/08/2023	
SEPT		11/09/2023
OCT	16/10/2023	
NOV		13/11/2023
DEC	No meeting	No meeting

5. CLOSURE OF MEETING

The meeting closed at 11.34 am.



AROC Governance Group Meeting

Attachments to Minutes – Monday 8 May 2023

Minutes and additional information

2.2 Status report

Other business / new business of an urgent nature

3.3.1 WALGA letter to ERA regarding proposed Wester Power price list increases

AROC STATUS REPORT

Avon Regional Organisation of Councils

Secretariat
CEO - Shire of Toodyay

Purpose	Meeting Date	Resolution	Target date for completion	Actioned by	Completion Date	Meeting Commentary
2.1 Confirmation of Minutes	08/05/2023	That the Unconfirmed Minutes of the Avon Regional Organisation of Councils meeting held on 8 May 2023 be accepted as a true and correct record.	10 July 2023	EO		8.5.23: Minutes to be confirmed and signed at the 10 July 2023 meeting.
Climate Change Initiative	12/07/2021	AROC CEOs to work together to identify a project we could apply for funding on a regional level.	Ongoing	ALL		8.5.23: EO, Cr Smythe and Cr Madacsi registered to attend WALGA State Government Climate Action Information Session on 18 May.
Corella Management	13/03/2023	AROC RES. NO.02/03/23: That AROC members individually commit \$5,000 per annum in 2023, 2024 and 2025, and commit \$25,000 pa from AROC funds for three years, towards corella management activities.		ALL		8.5.23: EO advised WNRM on 27.3.23 of AROC's funding commitment (\$50,000 pa/3years) and requested an update on other stakeholder/funding commitments; followed up request for update again on 3.5.23. J Whiteaker is meeting with Karl O'Callaghan and will request update.
Water sustainability	10/05/2021	Workshop on water issues is required to identify local/regional project priorities and opportunities for local/regional funding.	12/09/2022	EO		8.5.23: EO forwarded feedback about funding for river health projects to the Officer's Group. No further progress.

Purpose	Meeting Date	Resolution	Target date for completion	Actioned by	Completion Date	Meeting Commentary
Road clearing permits and pre-funding for road projects.	16/05/2022	AROC to write to the relevant Ministers and Director Generals to outline and address issues associated with road clearing permits and funding for road projects.	30/09/22	EO	Complete	8.5.23: Cr Madacsi referred to the EO's notes circulated from the meeting on 16 March 2023 with DWER.
	08/05/2023	That AROC submit a motion to the WALGA Avon Zone meeting to advocate for specific changes to the native vegetation clearing permit system.	23/06/2023	C Linnell Cr Haywood Cr Smythe		8.5.23: Cr Haywood and P Bentley to advocate for the motion at the next Avon Zone meeting on 23 June.
Housing shortage	16/05/2022	AROC to advocate to relevant Ministers and Shadow Ministers (Housing & Local Government) to address a critical shortage of housing in the Avon Region.	Ongoing	EO	Ongoing	8.5.23: EO reported that Alex MacKenzie (WDC) has advised that a request to State Government seeking funding for a state-wide regional workforce accommodation and housing project has been submitted.
Electricity Charges	08/05/2023	AROC RES. NO. 03/05/23 AROC members individually and collectively write to the Economic Regulation Authority and Local Member of Parliament to highlight the financial impacts of and object	31/05/23	ALL EO	31 May 2023	

Location: \\sot-fil01\adminidata\AROC\Agendas & Minutes - AROC\01 AROC Status Report\Current Status Report (Action List) AROC for GG meeting minutes 8 May 2023.doc **Modified:** 18/05/2023 1:12 PM

Purpose	Meeting Date	Resolution	Target date for completion	Actioned by	Completion Date	Meeting Commentary
		to the proposed increases in Western Power's prices for street lighting.				

2 May 2023

Via email: info@erawa.com.au
CC: elizabeth.walters@erawa.com.au
Danielle.asarpota@erawa.com.au

Mr Steve Edwell
Chair
Economic Regulation Authority of WA
Level 4, Albert Facey House
469 Wellington Street
Perth WA 6000

Dear Mr Edwell

PROPOSED WESTERN POWER PRICE LIST 2023-24

I am writing to express the Local Government sector's strong concerns regarding the increase to the street lighting exit service set out in Western Power's proposed 2023-24 Price List.

The proposed 44% average price change is significantly higher than the 2.81% assumed change for 2023-24 that was set out in the 2022-23 Budget Papers for customers in the South West Interconnected System, which at the time was stated to be set at cost reflective levels.

WALGA recognises that since the tariff price path was published in the 2022-23 Budget Papers, the Economic Regulation Authority (ERA) has made its final decision on the Western Power Access Arrangement for the period 2022 to 2027 (AA5). It is acknowledged that AA5 has been determined during a period of significant change for the energy sector, and in a high inflation environment, which has added to costs faced by Western Power compared to the previous Access Arrangement (AA4).

However, the magnitude of the proposed increase in Fixed Asset Charges for street lighting exit services will have a significant financial impact on Local Governments and must be justified by Western Power. The scale of this increase was not foreshadowed by Western Power, and as a result has not been factored into Local Governments' budgets for 2023-24, which have been set on the basis of the 2.81% increase set out in the Budget Papers. The actual increase in tariffs paid by Local Governments will be even higher once Synergy applies its retail margin.

WALGA members are currently working to quantify the impact of the proposed increase on their budgets. Early feedback from Local Governments is that absorbing this unexpected increase will require community services to be cut, or a higher than budgeted increase to rates – costs that will ultimately be borne by the community. WALGA will provide further information on the estimated financial impact to Local Governments in coming days.

The process for approval for the Access Arrangement does not provide any transparency to customers about the price implications and cumulative impacts of each of the factors that have contributed to the proposed increase. In reviewing Western Power's proposed 2023-24

Price List, WALGA urges the ERA not to approve such a significant tariff increase unless it can be clearly justified.

WALGA makes the following comments in response to the justification that has recently been provided to the Association by Western Power for the ERA's consideration:

- *Increase in the Regulated Asset Base (RAB)* – No explanation has been provided for the increase in the RAB with respect to street lighting. Developer and Local Government capital should not be captured in the RAB, including lighting as part of the State Underground Power Project where the majority of costs are being borne by Local Governments.
- *Increase in Operating Expenditure for maintenance and fault repair* – WALGA questions the “step change” - \$4.5 million - in operating expenditure, given that service standards have not changed, and the shift towards LED luminaires is expected to see reductions in operating expenditure due to longer operating life and lower maintenance requirements. Consider whether this expenditure is cost efficient when benchmarked against other jurisdictions, given that current prices are similar.
- *Timing of proposed increase* – Customers' preferences for any increases in tariffs to be smoothed across the forward estimates – which was expressed to Western Power during the AA5 consultation period – has not been reflected in the Price List. This approach has been adopted in previous years for street lighting in order to minimise the impact of the move to cost reflectivity on customers. A similar approach in 2023-24 would help Local Governments to manage an unexpected increase of such magnitude.

WALGA recognises that the ERA performs an important role to protect consumers and ensure the efficient operation of markets. Consideration of the customer is particularly important in the context of street lighting given that this is a non-contestable service.

For enquiries, please contact Dana Mason, Manager Economics on 9213 2020 or dmason@walga.asn.au

Yours sincerely



Nick Sloan
CEO