



## Special Council Meeting

### 31 August 2022

# Minutes

To: The President and Councillors.

Here within are the Minutes of the Special Council Meeting of the Shire of Toodyay held on the above-mentioned date in the Shire of Toodyay Council Chambers, 15 Fiennes Street, Toodyay WA 6566.

The Special Meeting was convened in accordance with section 5.4(a)(i) of the *Local Government Act 1995* for the purpose of considering the following report:

6.1.1 Sustainability of the Toodyay Community Resource Centre

and other matters related thereto.

Suzie Haslehurst

**CHIEF EXECUTIVE OFFICER**

**Our Vision, Purpose and Values**

The Shire of Toodyay works together with the community to obtain the best possible social, economic, and environmental outcomes for the people of Toodyay.

**Vision:** We are a vibrant rural community that respects our environment, celebrates our past and embraces a sustainable future.

**Purpose:** Local Government and community working together to obtain the best possible social, economic, and environmental outcomes for the people of Toodyay.

**Community Values:** We value highly:

- Our sense of community support and spirit;
- Our natural environment and healthy ecosystems;
- Our rural lifestyle;
- Our historic town; and
- Our local economy built on agriculture and emerging tourism, arts and cultural opportunities.

**Shire Values:** To progress the community's aspirations, the Shire is guided by:

*Integrity:* We behave honestly to the highest ethical standard.

*Accountability:* We are transparent in our actions and accountable to the community.

*Inclusiveness:* We are responsive to the community and we encourage involvement by all people.

*Commitment:* We translate our plans into actions and demonstrate the persistence that produces results.

**Disclaimer**

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any member or officer of the Shire of Toodyay during the course of any meeting is not intended to be and is not to be taken as notice of approval from Council. No action should be taken on any item discussed at a Council Meeting prior to written advice on the resolution of the Council being received. Any plans or documents contained in this document may be subject to copyright law provisions (*Copyright Act 1998*, as amended) and the express permission of the copyright owner(s) should be sought prior to reproduction.

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## Preface

When the Chief Executive Officer approves these Minutes for distribution they are in essence "Unconfirmed" until the following a Special Meeting of Council, where the Minutes will be confirmed subject to any amendments made by the Council.

The "Confirmed" Minutes are then signed off by the Presiding Person.

Attachments that formed part of the Agenda, in addition to those tabled at the Council Meeting are put together as a separate attachment to these Minutes with the exception of Confidential Items.

Confidential Items or attachments that are confidential are compiled as separate Confidential Minuted Agenda Items.

## Unconfirmed Minutes

These minutes were approved for distribution on 2 September 2022.

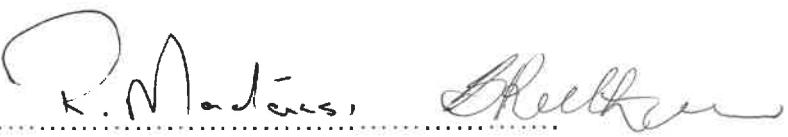


Suzie Haslehurst

**CHIEF EXECUTIVE OFFICER**

## Confirmed Minutes

These minutes were confirmed at a meeting held on 28 September 2022.

Signed: ..... 

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



**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

Cr R Madacsi, Shire President, declared the meeting open at 6.49pm and read aloud an Acknowledgement of Country:

*"I acknowledge the Ballardong Noongar people, the traditional custodians of the land where we meet today and the Yued and Whadjuk people, who are traditional custodians of respective lands within the wider Shire of Toodyay. I pay my respect to their Elders, past, present and emerging."*

**2 RECORDS OF ATTENDANCE****Members**

|                |                                   |
|----------------|-----------------------------------|
| Cr R Madacsi   | Shire President                   |
| Cr B Ruthven   | Deputy Shire President (via zoom) |
| Cr C Duri      | Councillor                        |
| Cr S McCormick | Councillor                        |
| Cr M McKeown   | Councillor                        |
| Cr S Pearce    | Councillor (via zoom)             |
| Cr D Wrench    | Councillor (via zoom)             |

**Staff**

|                 |  |
|-----------------|--|
| Ms S Haslehurst | Chief Executive Officer                  |
| Mr W Sutton     | Community Development Officer            |
| Mrs K Hardie    | Economic Development Coordinator         |
| Ms T Bateman    | Manager Corporate and Community Services |
| Mrs M Rebane    | Executive Assistant                      |

**Visitors**

Nil.

**2.1 APOLOGIES**

Nil

**2.2 APPROVED LEAVE OF ABSENCE**

Cr P Hart – 27 August 2022 to 5 September 2022 inclusive;

**3 DISCLOSURE OF INTEREST**

The Chief Executive Officer advised that no disclosures of interest in the form of a written notice had been received prior to the commencement of the meeting.

***Cr Duri declared an Impartiality Interest pursuant to Regulation 22 of the Local Government (Model Code of Conduct) Regulations 2021 in regard to Agenda Item 6.1.1 Sustainability of the Toodyay Community Resource Centre, as she is a Council Representative on the Committee with no voting rights.***

***Cr Pearce declared an Impartiality Interest pursuant to Regulation 22 of the Local Government (Model Code of Conduct) Regulations 2021 in regard to Agenda Item 6.1.1 Sustainability of the Toodyay Community Resource Centre, as she is a financial member of the TCRC, and will exercise her voting rights to determine the best interests of the community.***

**4 PUBLIC QUESTIONS**

**4.1 PUBLIC QUESTION TIME**

Nil.

**5 PUBLIC SUBMISSIONS**

Nil.

## 6 OFFICER REPORTS

### 6.1 EXECUTIVE SERVICES

#### 6.1.1 Sustainability of the Toodyay Community Resource Centre

|                                  |  |
|----------------------------------|--|
| Date of Report:                  | 30 August 2022                         |
| Applicant or Proponent:          | Shire of Toodyay                       |
| File Reference:                  | COM22                                  |
| Author:                          | S Haslehurst – Chief Executive Officer |
| Responsible Officer:             | S Haslehurst – Chief Executive Officer |
| Previously Before Council:       | N/A                                    |
| Author's Disclosure of Interest: | Nil                                    |
| Council's Role in the matter:    | Executive                              |
| Attachments:                     | Nil                                    |

#### PURPOSE OF THE REPORT

To inform Council of the current situation facing the Toodyay Community Resource Centre and to seek consideration of proposed options to support its on-going sustainability.

#### BACKGROUND

In March 2022, the Toodyay Community Resource Centre (CRC) extended its contract with the Department of Primary Industries and Regional Development (DPIRD) for funding of approximately \$107,000 per annum for five years to continue to provide the following services:

- Access to state government and community information services
- Activities and initiatives that improve skills and capacity to foster economic growth in the local community
- Activities and initiatives to create or improve community connectedness and capacity.

In May 2022, the CRC announced that it was experiencing financial difficulties and that the Committee and staff were working with stakeholders to identify options to secure the CRC's future. The community showed its support of the CRC via cash donations and increased membership.

In June 2022, Council resolved to enter into a three year partnership with the Toodyay CRC to provide funding of \$25,000 per annum in recognition of its contribution to community development within Toodyay including programs for young people and seniors, and producing the annual Christmas Street Party.

In August 2022, the CRC was advised to consider insolvency action. The Committee has met several times and has been unable to identify actions that will allow the CRC to continue to trade and remain solvent in the short term. The CRC has remained closed for the past

two weeks and needs to determine its position within the next two days to ensure it does not operate while insolvent.

## COMMENTS AND DETAILS

The recent closure of the CRC has resulted in a significant increase in demand for services at the Toodyay Public Library and has meant that after school activities are not available for our young people. Requests for assistance and information exceed the capacity of the library staff and with only one public computer, the demand for access cannot be met.

Officers have met with CRC representatives, and it appears the issues have arisen primarily due to a failure to pay previous employees at the rates applicable under the *Social, Community, Home Care and Disability Services Award* over a period of some years. This was discovered relatively recently and has resulted in a significant debt that is being paid off over a period of time, equating to approximately \$26,000 per annum. This has affected the annual budget which for 2022/23, indicates an operating deficit of approximately \$52,000.

Other operating expenses contributing to the deficit include rent, insurance, rates and outgoings which total approximately \$34,000. The CRC currently operates with 1.9 FTE staff which, including the back payment to previous staff, incurs an annual cost of approximately \$159,000.

The CRC receives funding from DPIRD as outlined above, and Centrelink, and currently receives an employer incentive payment to employ a trainee. The CRC also generates approximately \$6,000 per annum from room hire in addition to its core business income such as computer/internet usage, scanning, photocopying etc.

Officers have also spoken to the Department of Primary Industries and Regional Development (DPIRD) and provide the following information:

- The DPIRD provides funding for 103 CRCs around the state and Indian Ocean territories.
- 14 of the 103 CRCs are successfully operated by local government authorities including those located in the Goldfields region, plus the Shires of Kulin, Narembeen, Wandering, Brookton, Westonia, Gascoyne Junction and Corrigin.
- Should the CRC and Shire agree, the contract could be transferred to the Shire of Toodyay with the approval of the Director General of DPIRD.
- The DPIRD cannot provide the next quarterly funding payment (due 1 October) if the doors are closed or if the CRC is deemed insolvent.
- The DPIRD suggests three models for Council's consideration which have been explored by Officers and are outlined below.

## Options

### 1. Shire operated CRC

The DPIRD funding contract is transferred to the Shire of Toodyay and the Shire becomes the legal entity responsible for the operation of the CRC. This option is potentially the most financially viable and recognises the overlap in some services provided by Shire officers while ensuring that those services provided by the CRC continue to be available for the community to access. The funding provided by DPIRD would contribute to costs and if the CRC were relocated to the Toodyay Community Centre, commercial rental costs and outgoings could be avoided.

This option would also mean that the operation of the CRC would not be reliant upon attracting volunteers to act as committee members which historically, has proven to be an issue.

There are risks associated with this option which include financial and reputational risks to the Shire. Given there is no time for community consultation, there may be a negative reaction to the perception that the Shire has 'taken over' the CRC.

## **2. Financial Assistance**

This option involves providing an interest free loan of approximately \$40,000 to the CRC to pay out its debts in order to remain solvent whilst developing a sustainable business model and assuring the next quarterly payment of DPIRD funding.

Benefits of this option include the continued independence of a community run organisation and the time to engage with the community and to develop a sustainable business model.

However, there are inherent risks with this option that include a lack of control by the Shire regarding the direction and business model of the CRC. There is also no guarantee that a sustainable business model will be developed or that the CRC can attract a strong committee which then jeopardises the ability for the loan to be repaid. In addition, should the CRC fail, there is a reputational risk to the Shire by association.

Risk mitigation could include appointing a Shire officer to the CRC committee as well as an elected member representative. A loan agreement would need to be entered into which could include monthly reporting to the Shire.

## **3. Hybrid Model**

A third option involves the Shire taking responsibility for the human resources and financial management aspects of the CRC. Officers propose this is the least favourable option as it again, does not guarantee a sustainable business model and the Shire would have no recourse should the Committee decide against recommendations made by the Shire. In addition, any problems associated with the CRC are likely to be attributed to the Shire.

## **4. No action by the Shire**

A fourth option is for the Shire to do nothing. This would result in the CRC commencing liquidation procedures which would render any funding contracts null and void. This would also mean significant service disruption for the community and increased demands on the Shire.

Options 3 and 4 are not recommended by Officers.

## **IMPLICATIONS TO CONSIDER**

### **Consultative:**

Toodyay Community Resource Centre

Department of Primary Industries and Regional Development

Shire of Brookton

A Council workshop was called for 31 August 2022 to discuss the proposed options prior to the Special Council Meeting.

**Strategic:****Strategic Community Plan Toodyay 2028**

**Social:** Our community well-being and connection

**O1: Maintain and develop services that meet the requirements of our diverse community**

S 1.2 *Support the development of community groups and sponsorships*

S 1.3 *Build partnerships that strengthen our community well-being*

S 1.4 *Continue services and facilities to support our senior residents*

S 1.5 *Build services and facilities to support our younger residents*

**O3: Support the development of places and spaces for recreation, learning, art and culture**

S 3.1 *Continue to support community focussed facilities and services*

**Policy related:**

Risk Management

**Financial:**

There are financial implications for the Shire regardless of which option is chosen as the CRC's outstanding liabilities will need to be met.

Option 1 is potentially the most financially viable option given the funding that could be secured from DPIRD and the savings to be made in rent and outgoings. In addition, the rationalisation of CRC staff and transition to the *Local Government Industry Award* would also realise operational savings. However, increased responsibilities for Shire officers would need to be recognised and the Shire would need to take on the outstanding liabilities of the CRC. This will need to be dealt with through a budget amendment with consideration for where these funds will come from.

Option 2 also requires an up-front Shire investment of \$40,000 which will need to be dealt with through a budget amendment with consideration for where these funds will come from as well as the consequences of failure to recover the loan.

Option 3 carries a high financial risk to the Shire as the investment is made without control over the actions of the committee of the CRC.

Closure of the CRC could realise the highest financial risk for the Shire if it was to take responsibility for meeting the needs of the community without the contribution of DPIRD funding.

**Legal and Statutory:**

The legal and statutory implications will be dependent upon the option chosen. However, generally, any action taken will be bound by the *Local Government Act 1995* and associated regulations.

If the Shire takes on the management of the CRC, a contract variation will need to be entered into with DPIRD to name the Shire of Toodyay as the legal entity responsible for the terms of the funding contract.

**Risk related:**

The risks of each option have been outlined above and ratings are provided below.

| Option                  | Risk                | Consequence  | Likelihood   | Overall Rating |
|-------------------------|---------------------|--------------|--------------|----------------|
| 1. Shire operated CRC   | <i>Reputational</i> | Moderate (3) | Possible (3) | Moderate (9)   |
|                         | <i>Financial</i>    | Moderate (3) | Possible (3) | Moderate (9)   |
| 2. Financial Assistance | <i>Financial</i>    | Moderate (3) | Possible (3) | Moderate (9)   |
|                         | <i>Reputational</i> | Moderate (3) | Likely (4)   | High (12)      |
| 3. Hybrid model         | <i>Reputational</i> | Moderate (3) | Likely (4)   | High (12)      |
|                         | <i>Financial</i>    | Moderate (3) | Likely (4)   | High (12)      |

|                |                             |              |                    |              |
|----------------|-----------------------------|--------------|--------------------|--------------|
| Closure of CRC | <i>Financial</i>            | Moderate (3) | Almost certain (5) | High (15)    |
|                | <i>Service Interruption</i> | Major (4)    | Almost certain (5) | Extreme (20) |
|                | <i>Reputational</i>         | Moderate (3) | Almost certain (5) | High (15)    |

### **Workforce related:**

Impacts on the Shire's workforce depends on the option chosen by Council.

Option 1 would require rationalisation of CRC staff with potentially one existing staff member transitioned to Shire employment operating within the Corporate and Community Services department. This would also require relocation of the CRC to the Toodyay Community Centre and potentially relocation of existing community services officers. There are also impacts related to financial administration and reporting.

If an MOU is entered into as part of the implementation of Option 2, officer time would be required to sit on the committee and report to Council. A loan agreement would need to be developed and administered by Shire officers. Should the CRC fail, substantial officer time will be required to manage the fallout.

Option 3 imposes significant workforce impacts similar to Option 1 but without the level of control which means that Officer time may be required to manage any fallout in the event of failure.

The closure of the CRC would mean that additional staff resources will need to be allocated to meet the needs of the community.

### **VOTING REQUIREMENTS**

Absolute Majority

### **OFFICER'S RECOMMENDATION – OPTION 1**

That Council:

1. Determines that the continued operation of the Toodyay Community Resource Centre is an important part of supporting community focussed services and activities and meeting the needs of our diverse community including seniors and young people.
2. Agrees that the Shire of Toodyay will become the legal entity operating the Toodyay Community Resource Centre and requests the CEO to negotiate the transfer of funding contracts with the relevant bodies.
3. Agrees to cover the outstanding liabilities of the Toodyay Community Resource Centre.

**4. Requests the CEO to:**

- (a) Work with the Toodyay Community Resource Centre Committee and staff to implement Council's decision.
- (b) Include a budget amendment to address the financial implications of this decision as part of the mid-year budget review process.
- (c) Provide an update to Council at the November 2022 Ordinary Council Meeting outlining a proposed business model for the future operation of the Toodyay Community Resource Centre.

**OR****OFFICER'S RECOMMENDATION - OPTION 2**

That Council:

- 1. Determines that the continued operation of the Toodyay Community Resource Centre is an important part of supporting community focussed services and activities and meeting the needs of our diverse community including seniors and young people.
- 2. Agrees to provide a one-off sum of \$40,000 as a self-supporting loan to the Toodyay Community Resource Centre to cover the outstanding current liabilities.
- 3. Requests the Toodyay Community Resource Centre to develop a sustainable business model for presentation to the November 2022 Ordinary Council Meeting and advise the outcome of the Annual General Meeting proposed to be held in October 2022.
- 4. Requests the CEO to:
  - a) Work with the Toodyay Community Resource Centre Committee and staff to implement Council's decision.
  - b) Include a budget amendment to address the financial implications of this decision as part of the mid-year budget review process.
  - c) Negotiate a loan agreement that includes repayment terms, reporting requirements and a condition that one Shire officer and one elected member are appointed to the Committee.
  - d) Provide quarterly updates to Council on the on-going operation of the Toodyay Community Resource Centre.

A revised Officer's Recommendation was tabled at 6.54pm by the CEO.

**REVISED OFFICER'S RECOMMENDATION – OPTION 1/COUNCIL RESOLUTION  
NO. SCM188/08/22****MOVED** Cr S Pearce

That Council:

1. Agrees that the Shire of Toodyay will apply to become the legal entity operating the Toodyay Community Resource Centre (TCRC) and requests the CEO to negotiate the transfer of funding contracts with the relevant bodies.
2. Agrees to cover the current outstanding TCRC liabilities up to a maximum amount of \$47,500 subject to the TCRC agreeing in writing to:
  - (a) provide a detailed inventory of physical and cash assets to the Shire; and
  - (b) transfer funding agreements and all assets to the Shire; and
  - (c) voluntarily wind-up the TCRC incorporated body.
3. Requests the CEO to:
  - (a) Work with the Toodyay Community Resource Centre Staff to implement Council's decision.
  - (b) Include a budget amendment to address the financial implications of this decision as part of the mid-year budget review process.
  - (c) Provide an update to Council at the November 2022 Ordinary Council Meeting outlining a proposed business model for the future operation of the Toodyay Community Resource Centre.

**MOTION CARRIED BY ABSOLUTE MAJORITY 7/0**

**7 CLOSURE OF MEETING**

The Shire President declared the meeting closed at 6.58pm.