

Department of Local Government Sport and Cultural Industries

E: [actreview@dlgsc.wa.gov.au](mailto:actreview@dlgsc.wa.gov.au)

21 November 2021

**RE: Local Government Reform**

The NEWROC is a regional voluntary organisation of Councils that has been working together for over 22yrs. Our members include the Shire of Dowerin, Wyalkatchem, Koorda, Mt Marshall, Mukinbudin, Trayning and Nungarin. Our purpose is to *work together for successful communities and by doing so we aim to create progressive, healthy and prosperous communities*. Our values centre on regional collaboration and commitment.

Over recent years, the NEWROC has expressed a keen interest in forming a regional subsidiary, subject to changes in the regulations.

A regional subsidiary would allow the NEWROC to pursue key projects including an electricity microgrid, regional waste management facilities and employment of an inaugural Wheatbelt Town Team Builder, all of which require a governance structure that is sustainable and reduces risk for its local government members. These projects meet the needs of the communities we serve and are all centred on economic development and prosperity.

The NEWROC is supportive of a regional subsidiary that:

- has a clear public benefit for the people within its communities;
- does not rationalise the number of local government employees or alter conditions but rather develops the capacity and capabilities of its workforce;
- is transparent and accountable to ratepayers;
- has a charter which defines the governance of the subsidiary including a framework for the sound financial management and reporting of the organisation; and
- consults with the communities on the establishment of the subsidiary so that it best represents their needs.

The NEWROC places significant priority on the following governance mechanisms and intends to ensure they are established and adhered to during the subsidiary's operation:

- use of a charter as the primary governance and regulatory instrument (approved by the Minister)
- regular assessment of performance so that elected representatives on the Board have the necessary skills and qualifications to deliver upon the charter and strategic priorities of the regional subsidiary

- policies and procedures within the regional subsidiary to reduce risk and improve oversight
- regular financial reporting and annual audits to members and communities.

The NEWROC submitted a proposed Charter to the Minister for his consideration on November 2<sup>nd</sup> 2021.

Thank you for the opportunity to provide feedback on the proposed Local Government Reform.

Yours sincerely,

Cr Gary Shadbolt  
NEWROC Chair and President Shire of Mukinbudin

NEWROC Executive Officer – Caroline Robinson



Department of Local Government Sport and Cultural Industries

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4 January 2022

**RE: Local Government Reform**

The NEWROC has submitted a response to the local government reform package via email on the 21 November 2021.

The NEWROC recently met with the DLGSC and was requested to quantify the expected compliance costs for a regional subsidiary under the current legislation. Please find attached what the NEWROC expects compliance to cost the regional subsidiary under current legislation and what it anticipates costs to be under revised legislation as proposed by WALGA (specially in the areas of financial management).

Yours sincerely,

Cr Gary Shadbolt  
NEWROC Chair and President Shire of Mukinbudin

NEWROC Executive Officer – Caroline Robinson  
[REDACTED]

Regional Subsidiary – Anticipated Compliance Costs (Current Regs V Proposed WALGA variations)

North Eastern Wheatbelt Regional Organisation of Councils (7 local governments)

Current Regulations	Estimated Cost to the RS (labour and materials)	Reduced Regulations (Compliance)	Estimated Cost to the RS (labour and materials)
Business Plan preparation, presentation etc	2500	Business Plan preparation, presentation etc	2500
Stakeholder and Community Engagement	7000	Stakeholder and Community Engagement	7000
Charter preparation and submission	1000	Charter preparation and submission	1000
Submission period (receipt, acknowledgements, responses etc)	3500	Submission period (receipt, acknowledgements, responses etc)	3500
Policy and procedure development	3000	Policy and procedure development	1500
Employment Contracts	750	Employment Contracts	750
<b>Sub Total</b>	<b>17,750</b>	<b>Sub Total</b>	<b>16,250</b>
<i>ANNUAL</i>		<i>ANNUAL</i>	
Financial software	900	Financial software	900
Local Government (Financial Management) Regulations 1996		Local Government (Financial Management) Regulations 1996	
Bank account management	100	Bank account management	100
Preparation of financial plan / budget (inc alignment to program titles)	750	Preparation of financial plan / budget (inc alignment to program titles)	750
Payroll Management and Reporting	1200	Payroll Management and Reporting	1200
Audit (as per AOG)	Up to 55,000	Audit	2000
Financial Reports (monthly, supporting notes, statement of financial activity)	7000	Financial Reports (monthly income and expenses, Budget v Actual, P and L, Balance, Cashflow)	2400
Annual Financial Report (including financial ratios)	2500	Annual Financial Report (including financial ratios)	1000
Fees and Charges – development and publication	500	Fees and Charges – development and publication	500
Borrowing controls	120	Borrowing controls	120
	750	Employment Contract for RS CEO, HR	750
Annual Report (Local Govt Format)	1500	Annual Report	240
Policy review	2000	Policy review	1500
<b>Sub Total</b>	<b>\$72,320</b>	<b>Sub Total</b>	<b>11,460</b>