



Consultation Paper – Model Options

City of Kalamunda 477

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1. Introduction

Introduction

Background

The Western Australian Local Government Association (WALGA) developed it's Corporate Strategy 2020-25, and in doing so identified a key strategic priority, to undertake a Best Practice Governance Review. The objective of the review is to ensure WALGA's governance and engagement models are contemporary, agile, and maximise engagement with members.

Other drivers for the review included: misalignment between key governance documents: constitution amendments for State Councillors' Candidature for State and Federal elections; and legislative reforms for the Local Government Act 1995, and for the Industrial Relations Act 1979.

In March 2022, State Council commissioned the Best Practice Governance Review (BPGR) and established a Steering Committee to guide the Review.

The BPGR Steering Committee had five meetings between 5 May 2022 and 10 August 2022. There was wide-ranging discussion on WALGA's current governance model, the need to engage broadly with the membership, and opportunities for change. Key outputs from the BPGR Steering Committee meetings included:

- Agreement on five comparator organisations Australian Medical Association (AMA) WA. Chamber of Commerce and Industry (CCI) WA. Chamber of Minerals and Energy (CME), Australian Hotels Association (AHA) WA and the Pharmacy Guild (PG).
- Review of governance models of Local Government Associations in other Australian States and Territories, and New Zealand.
- Drafting of governance principles that will underpin future governance models.
- · Finalisation of governance principles and principle components across the domains of: Representative, Responsive and Results Oriented.

These activities are outlined in more detail in the Background Paper.

This document

This document outlines:

Principles: The governance model principles and principle components across the domains of: Representative, Responsive and Results Oriented. The principles were endorsed at the WALGA AGM on 3 October 2022.

Governance model options: Presents four potential governance model options and the structure and roles associated with each option. The four options are:

- Option 1: Two tier model, existing zones
- Option 2: Board, regional bodies
- Option 3: Board, amalgamated zones
- Option 4: Member elected board, regional groups
- Option 5: Current model

Alignment to principles: Each of these options are then assessed as to whether they align with the principles and their components. The assessment considers the option and whether it meets, partially meets or does not meet the principle component. Alongside this assessment are some discussion points. An example of this relates to diversity.

Diversity is a component of the governance model being representative. Diversity here may include consideration of whether the governance model comprises an appropriate diversity of skills and experience. It also provides opportunity to consider whether the governance model provides opportunity for members of diverse backgrounds e.g. people of Aboriginal and Torres Strait Islander descent, people with Culturally and Linguistically Diverse backgrounds.

Within all the model options, direct relationship with WALGA and regional / subregional collaboration would continue to be encouraged.







2. Governance Principles

Governance Principles The following Governance Principles were endorsed by members at the 2022 AGM

	Principle	Principle component	Component description	Governance implications
(1)	WALGA unites and	Composition	The composition of WALGA's governance model represents Local Government members from metropolitan and country councils.	The governing body will maintain equal country and metropolitan local government representation.
Representative	represents the entire local government sector in WA and understands the	Size	An appropriate number of members/representatives oversees WALGA's governance.	Potential reduction in the size of the overarching governing body.
Repres	diverse nature and needs of members, regional communities and economies.	Diversity	WALGA's governance reflects the diversity and experience of its Local Government members.	Potential for the introduction of a mechanism to ensure the governance model comprises an appropriate diversity of skills and experience.
	and economies.	Election Process	Considers the processes by which WALGA's governance positions are elected and appointed.	Consideration of alternative election and appointment arrangements, with the President to be elected by and from the governing body.
Responsive	WALGA is an agile association which acts quickly to respond to the needs of Local Government members and stakeholders.	Timely Decision Making	WALGA's governance supports timely decision making.	WALGA's governance model facilitates responsive decision making.
		Engaged Decision Making	WALGA's Local Government members are engaged in decision making processes.	WALGA's governance model facilitates clear and accessible process for Local Government members to influence policy and advocacy wit consideration to alternatives to the existing zone structure.
		Agility	Considers the flexibility of WALGA's governance to adapt to changing circumstances.	WALGA's governance model is agile and future proofed for external changes.
Results Oriented	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.	Focus	Considers the clarity and separation of responsibilities and accountabilities of WALGA's governance.	Governance bodies have clearly defined responsibilities and accountabilities, with the capacity to prioritise and focus on strategic issues.
		Value Added Decision Making	Facilitates opportunities for value to be added to decision making.	Adoption of best practice board processes, and introduction of governance structures that are empowered to inform decisions.
V		Continuous Improvement	Considers regular review processes for components of the governance model, their purpose and achieved outcomes.	WALGA's governance is regularly reviewed every 3 to 5 years to ensure the best outcomes are achieved for Local Government members.
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3. Options and Current Model

Options and Current Model

Five options, including the Current Model, with details of each of their key governance bodies

Option 1 -Two tier model. existing Zones

Option 2 -Board, Regional **Bodies**

Option 3 -**Board, Amalgamated** Zones

Board

Option 4 -Member elected Board. **Regional Groups**

Option 5 -**Current Model**

Board (11 members) 8 elected from Policy

Council, incl. Board elected President Up to 3 independents

Policy Council (25 members) 24 members plus

President

Zones (5 metro, 12 country)

Board

(11 members) 8 elected from Regional Bodies, incl. Board elected President Up to 3 independents

Regional **Bodies** (4 metro,

4 country)

Policy Teams / Forums / Committees

(15 members) 12 elected from Zones, incl. Board elected President Up to 2 independents

Zones (6 metro, 6 country)



Policy Teams / Forums / Committees

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Board

(11 members) 8 elected via direct election, incl. Board elected President Up to 3 independents



Policy Teams / Forums / Committees



Regional Groups



State Council (25 members) 24 State Councillors 1 President



Zones (5 metro. 12 country)



Policy Teams / Forums / Committees



Option 1 – Two Tier Model, Existing Zones

A description of the governance body structure and role for Option 1

Governa	nce Body	Structure	Role	
	Board	11 members: 8 representative members elected from and by the Policy Council (4 Metro, 4 Country). The Board then elect the President from the representative members. The Board will appoint up to 3 independent, skills or constituency directors.	Meet 6 times per year. Responsible for governance of WALGA including strategy, financial oversight, policy development and endorsement, advocacy priorities, employment of CEO, etc.	
	Policy Council	24 members plus President. Members elected by and from the Zones (12 from 5 Metro Zones, 12 from 12 Country Zones).	Meet at least 2 times per year to contribute to policy positions and advocacy for input into Board, and to liaise with Zones on policy and advocacy. The Policy Council can form Policy Teams, Policy Forums and Committees, which would have responsibility for specific functions, such as policy development.	
	Zones	5 Metro, 12 Country.	Meet at least 2 times per year to raise policy issues, elect representatives to the Policy Council, and undertake regional advocacy and projects as directed by the Zone.	

Option 2 – Board, Regional Bodies

A description of the governance body structure and role for Option 2

Governa	nce Body	Structure	Role	
	Board	11 members: 8 representative members elected from and by the Regional Bodies (4 Metro, 4 Country). The Board then elect the President from the representative members. The Board will appoint up to 3 independent, skills or constituency directors.	Meet 6 times per year responsible for governance of WALGA including strategy, financial oversight, policy development, advocacy priorities, employment of CEO, etc.	•
	Regional Bodies	Metro: North, South, East and Central. Country: Mining & Pastoral, Agricultural, Peel/South West/Great Southern, Regional Capitals. Note: Local Governments can nominate their preferred regional body, with membership of the regional bodies to be determined by the board.	Meet at least 2 times per year to contribute to policy development and advocacy, and to elect Board members (1 from each of the Metro Regional Bodies and 1 from each of the Country Regional Bodies).) }
000	Policy Teams / Forums / Committees	Membership drawn from the Board and Regional Bodies with some independent members.	Responsible for specific functions – such as policy development – as determined by the Board.	



Option 3 – Board, Amalgamated Zones

A description of the governance body structure and role for Option 3

Governance Body Structure Role Meet 6 times per year. Responsible 15 members: 12 elected from the Zones (6 from for the governance of WALGA Metro/Peel, 6 from Country). President to be elected by including strategy, financial oversight, **Board** the Board. The Board will appoint up to 2 independent, policy development and endorsement, skills or constituency directors. advocacy priorities, employment of CEO, etc. Country*: Wheatbelt South Metro/Peel: · Wheatbelt North Central Metropolitan Mid West / Murchison / East Metropolitan Meet at least 2 times per year to Gascoyne · North Metropolitan contribute to policy development and **Zones** · Pilbara / Kimberley advocacy, and to elect Board South Metropolitan · South West / Great South East members. Southern Metropolitan · Goldfields / Esperance Peel *indicative. re-drawing required Policy Teams / Responsible for specific functions -Membership drawn from Board with some independent Forums / such as policy development - as members. determined by the Board. Committees



Option 4 – Member Elected Board, Regional Groups

A description of the governance body structure and role for Option 4

Governance Body

Structure

Role



Board

11 members: 8 representative members elected via direct election, with each member Local Government to vote (4 elected by and from Metropolitan Local Governments, 4 elected by and from Country Local Governments). President elected by the Board from among the representative members. The Board will appoint up to 3 independent, skills or constituency directors.

Meet 6 times per year and responsible for governance of WALGA including strategy, financial oversight, policy development and endorsement, advocacy priorities, employment of CEO, etc.



Policy Teams / Forums / Committees

Membership drawn from Board with some independent members.

Meet at least 2 times per year. Responsible for specific functions – such as contributing to policy development – as determined by the Board.



Regional Groups

Determined by members to suit needs. E.g. Regional Capitals, GAPP, VROCs, CEO Group, existing Zones.

Feed into policy development processes and undertake advocacy and projects as determined by the groups.



Option 5 – Current Model

A description of the governance body structure and roles for the Current Model

Governance Body		Structure	Role	
	State Council	24 members plus the President. Members elected by and from the Zones (12 from 5 Metropolitan Zones, 12 from 12 Country Zones).	Responsible for the governance of WALGA including strategy, financial oversight, policy development and endorsement, advocacy, employment of CEO, etc.	
	Zones	5 Metro, 12 Country.	Consider the State Council Agenda, elect State Councillors, and undertake regional advocacy / projects as directed by the Zone.	
000	Policy Teams / Forums / Committees	Membership drawn from State Council with some independent members.	Responsible for specific functions – such as contributing to policy development, financial oversight etc. – as determined by State Council.	





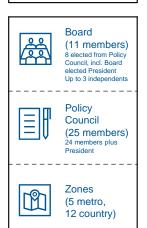


4. Alignment to Principles

Option 1 – Two Tier Model, Existing Zones

Option 1 and its alignment to the principles

Option 1 – Two tier model, existing Zones



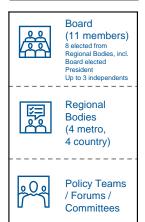
Principle & component		Principle alignment (Meets, partial, does not meet)	Discussion points
	Composition	Meets	Board will have equal metropolitan and country membership
ative	Size	Meets	Board is smaller
Representative	Diversity	Meets	Consideration of appointment processes for independent members
Repr	Election Process	Meets	Board to be elected from Policy Council
Responsive	Timely Decision Making	Meets	Meeting frequency aligned to governing body roles
	Engaged Decision Making	Meets	Board meetings are not dependent on other governing body meetings
Resp	Agility	Partial	Board is future-proofed from external changes Zone structures still underpin Council
	Focus	Partial	Prioritisation and focus may be a challenge
esults riented	Value Added Decision Making	Meets	Best practice board approaches will be adopted
Res	Continuous Improvement	Meets	Board would be responsible for ongoing reviews of governance body roles in consultation with members



Option 2 – Board, Regional Bodies

Option 2 and its alignment to the principles

Option 2 – Board, Regional Bodies



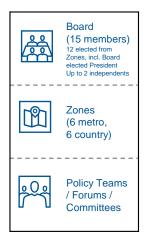
Principle & component		Principle alignment (Meets, partial, does not meet)	Discussion points
	Composition	Meets	Board will have equal metropolitan and country membership How to establish regional body membership is a consideration
ative	Size	Partial	Board is smaller Number of regional bodies is a consideration
Representative	Diversity	Meets	Consideration of appointment processes for independent members
esponsive Repre	Election Process	Meets	Board election from regional bodies
	Timely Decision Making	Meets	Meeting frequency aligned to governing body roles
	Engaged Decision Making	Meets	Board meetings are not dependent on regional body meetings
Resp	Agility	Meets	Board and regional bodies are future proofed from external changes
esults riented	Focus	Partial	There may be challenges defining accountabilities and responsibilities of regional bodies
	Value Added Decision Making	Meets	Best practice board approaches will be adopted
Res Orie	Continuous Improvement	Meets	Board will be responsible for ongoing reviews of governing body roles in consultation with members



Option 3 – Board, Amalgamated Zones

Option 3 and its alignment to the principles

Option 3 – Board, Amalgamated Zones



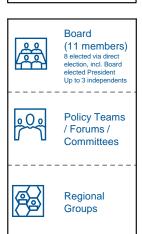
Principle & component		Principle alignment (Meets, partial, does not meet)	Discussion points
	Composition	Partial	Board will have equal metropolitan and country membership There may be composition challenges for amalgamated zones
ative	Size	Partial	Board is smaller Amalgamation of zones to 12 in total
epresentative	Diversity	Meets	Consideration of appointment processes for independent members
Repr	Election Process	Meets	Board election from zones
esponsive	Timely Decision Making	Meets	Meeting frequency aligned to governing body roles
	Engaged Decision Making	Meets	Board meetings are aligned to zone meetings
Resp	Agility	Meets	Board is future proofed from external changes
	Focus	Partial	Prioritisation and focus may be a challenge
esults riented	Value Added Decision Making	Meets	Best practice board approaches will be adopted
Res	Continuous Improvement	Meets	The Board would be responsible for ongoing reviews of governance body roles in consultation with members



Option 4 – Member Elected Board, Regional Groups

Option 4 and its alignment to the principles

Option 4 – Member elected Board, Regional Groups



Principle & component Principle & component (Meets, partial, does not meet)		alignment (Meets, partial,	Discussion points
	Composition	Partial	Board will have equal metropolitan and country membership Membership of regional groups dynamic and ad hoc
ative	Size	Partial	Board is smaller
epresentative	Diversity	Meets	Consideration of appointment processes for independent members
Repr	Election Process	Meets	Board election from a general meeting
o o	Timely Decision Making	Meets	Meeting frequency aligned to governing body roles
esponsive	Engaged Decision Making	Meets	Board meetings are not dependent on policy teams / regional group meetings
Resp	Agility	Meets	Board is future-proofed from external changes
Results Oriented	Focus	Partial	Policy teams / Regional Group meetings to influence priorities
	Value Added Decision Making	Meets	Best practice board approaches will be adopted
Res	Continuous Improvement	Meets	Board would be responsible for ongoing reviews of governing body roles in consultation with members



Option 5 - Current Model

Current model and its alignment to the principles

Option 5 – Current Model



Principle & component (N		Principle alignment (Meets, partial, does not meet)	Discussion points
	Composition	Meets	State Council has equal metropolitan and country membership
ative	Size	Partial	State Council will retain 25 members
epresentative	Diversity	Partial	No control of diversity of State Council
Repr	Election Process	Meets	State Council election from zones
ø	Timely Decision Making	Partial	Meeting frequency aligned to governing body roles
Responsive	Engaged Decision Making	Meets	State Council meetings are aligned to zone meetings
Resp	Agility	Partial	State Council is not future proofed from external changes
	Focus	Partial	Prioritisation and focus may remain a challenge
Results Oriented	Value Added Decision Making	Partial	Best practice board approaches will not be adopted
Res	Continuous Improvement	Meets	State Council would continue to be responsible for ongoing reviews of governance body roles in consultation with members







5. Consultation Process and Next Steps

Consultation Process and Next Steps

Consultation Process

Council Position

Member Local Governments are asked to consider this paper and the governance model options put forward and provide a Council endorsed position to WALGA.

It is suggested that Councils endorse a preferred model (which could be the Current Model) and provide a ranking in terms of an order of preference.

Submissions to WALGA are sought by 23 December 2022.

Supplementary Market Research

An independent market research company has been engaged to ascertain insights from Elected Members and Chief Executive Officers about WALGA's governance model. Qualitative interviews and a quantitative survey will be undertaken to supplement Council positions.

Workshops and Forums

Requests for presentations on the work undertaken by the Steering Committee and the model options, as well as facilitation of workshops and discussions will be accommodated where practicable.

Next Steps

Timetable

- · Consultation and engagement with Members on this paper and governance model options will be undertaken from October 2022 until 23 December 2022.
- · The Steering Committee will consider the outcomes of the consultation process during January 2023.
- · A Final Report with a recommended direction will be the subject of a State Council Agenda item for the March 2023 State Council meeting.







Thank you

For more information, visit our <u>website</u> or contact Tim Lane, Manager Association and Corporate Governance, at <u>tlane@walga.asn.au</u> or 9213 2029.