



Executive Meeting

Wednesday 25 September 2019

Council Chambers, Shire of Merredin

MINUTES

The meeting commenced at 10.00am

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WEROC

Wheatbelt East Regional Organisation of Councils

Shires of Bruce Rock, Kellerberrin, Merredin, Westonia, Yilgarn

An In-person Executive Meeting commencing at 10.00am

MINUTES

1. OPENING AND ANNOUNCEMENTS

The WEROC CEO, Peter Clarke opened the meeting at 10.00am, welcoming all in attendance.

2. RECORD OF ATTENDANCE AND APOLOGIES

2.1 Attendance

Mr Peter Clarke, CEO Shire of Yilgarn and CEO WEROC (Chair)
Mr Darren Mollenoyux, CEO Shire of Bruce Rock
Mr Raymond Griffiths, CEO Shire of Kellerberrin
Mr Greg Powell, CEO Shire of Merredin
Mr Jamie Criddle, CEO Shire of Westonia

Mr Alan O'Toole, Deputy CEO Shire of Bruce Rock
Ms Ashleigh Waight, Community Development Officer Shire of Bruce Rock
Mr Peter Zenni, Executive Manager Development Services Shire of Merredin
Mr Nic Warren, Executive Manager Regulatory Services Shire of Yilgarn

Ms Helen Westcott, Joint Executive Officer

2.2 Apologies

Ms Jacinta Herbert, Primary Health Manager - Eastern Wheatbelt, WA Country Health Service
Mr Greg Bentley, Senior Health Promotion Officer, WA Country Health Service, Northam

2.3 Guests

Ms Jo Malcolm, Senior Project Officer, Public Health Advocacy Institute of WA

3. PRESENTATIONS/MEETINGS

3.1 Funding to Support and Mentor Local Governments to Assist in the Development of Public Health Plans (Attachment)

As Member Councils are aware, the Public Health Advocacy Institute of WA (PHAIWA) has received funding to provide a service to support and mentor local governments to assist them in developing their Public Health Plans, in line with the upcoming implementation of phase 5 of the *Public Health Act 2016*. As part of this service PHAIWA is offering to meet with local governments across the State to explain what help they can provide.

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This offer was considered by WEROC Council when it met on Tuesday 27 August 2019, at which time it was resolved as shown below:

RESOLUTION:

Moved: Cr Day

Seconded: Cr Rajagopalan

1. *That Ms Jo Malcolm from the Public Health Advocacy Institute of WA be invited to the September meeting of the WEROC Executive to discuss the potential for WEROC's Member Councils to access funding to assist them in developing and implementing their respective Public Health Plans.*
2. *That Member Councils be requested to extend an invitation to relevant staff to attend the presentation and discussion.*

CARRIED

Ms Jo Malcolm from PHAIWA has accepted an invitation to meet with the WEROC Executive to discuss the mentoring opportunities available to Member Councils.

The funding made available to the PHAIWA does not extend to helping with the preparation of plans. The Department of Health has indicated that no funding will be made available to local governments to assist them in their public health planning as the Department believes this can be done internally with resourcing already existing and by partnering with the local WACHS Health Service Provider. For WEROC this is the WACHS office in Northam.

An invitation to WACHS has been extended to participate in the discussions.

The invitation was tentatively accepted by Chantelle Jeffery, Manager Wheatbelt Public Health Unit but at the time of preparing the meeting agenda the Executive Officer had not been formally advised of whom would be attending.

The Executive Officer advised the meeting that apologies had been received from Jacinta Herbert and Greg Bentley, from the WA Country Health Service.

Jo Malcom reiterated that PHAIWA is only funded to provide support to mentor Councils during the time they prepare their local health plans. At this point there is no basic template to assist the smaller Councils and the Department of Health believes that additional resources are not necessary. If funding becomes available it is likely it will have a regional focus. This means that WEROC would be viewed favourably if it decided to apply.

She also advised that in preparing local health plans WACHS will be able to provide data needed to prepare the plans. This data is, however, only available at regional level and not individual Council level.

Jo Malcom advised that NEWROC has prepared a regional health plan from which each of the Member Councils will have to prepare an individual local health plan.

Jo Malcom left the meeting at 10.50am.

At this point the meeting considered Agenda Item 5.7 but for ease of reading the item is considered in chronological order.

Note: Jo Malcom had prepared a PowerPoint presentation for the meeting with the Executive. Whilst it was not used, it is provided as an attachment to the minutes from the meeting.

4. MINUTES OF MEETINGS

4.1 Minutes from the Executive Meeting held Wednesday 29 May 2019 (Attachment)

Minutes of the Executive Meeting held Wednesday 29 May 2019 have previously been circulated to Member Councils.

RECOMMENDATION:

That the Minutes of the Executive Meeting held Wednesday 29 May 2019 be confirmed as a true and correct record.

RESOLUTION: Moved: Jamie Criddle Seconded: Raymond Griffiths

That the Minutes of the Executive Meeting held Wednesday 29 May 2019 be confirmed as a true and correct record.
CARRIED

4.2 Business Arising – Status Report as at 18 September 2019

Executive Meeting Wednesday 27 March 2019

6.7 Raising Brand Awareness – Raising WEROC’s Public Profile

RESOLUTION: Moved: Greg Powell Seconded: Jamie Criddle

That the WEROC Executive gave in-principle agreement to proceed utilising social media more effectively.

CARRIED

At the August Meeting of the WEROC Council the Executive Officer advised that she had yet to meet with the Shire of Merredin’s newly appointed media officer. Unfortunately, the meeting has been delayed still further because the position has again become vacant.

The Executive Officer seeks direction as to what Member Councils would like done in relation to this matter.

Executive Meeting Wednesday 29 May 2019

7.1 LGIS Co-Ordinator

RESOLUTION: Moved: Darren Mollenoyux Seconded: Greg Powell

That:

1. Mr Ben Galvin from LGIS be invited to attend the next meeting of the WEROC Executive to discuss concerns Member Councils have with their region’s current LGIS coordinator; and
2. That should Mr Galvin be available to meet with the WEROC Executive on 24 July, Member Councils’ Works Supervisors also be invited to attend the meeting.

CARRIED

Ben Galvin and Jordan Reid from LGIS accepted an invitation to meet with the WEROC Executive on Wednesday 24 July 2019 but with the cancellation of the meeting the presentation did not take place.

Whilst LGIS had accepted an invitation to attend the September meeting of the WEROC Executive it is now not possible for either Ben Galvin or Jordan Reid to attend the meeting.

It is hoped they will be able to attend the November meeting of the WEROC Executive.

Council Meeting Tuesday 27 August 2019

6.7 Support for NEWTravel and Roe Tourism Application for a QANTAS Regional Grant

RESOLUTION: Moved: Cr Forsyth Seconded: Cr Day

That the WEROC Council provide a letter of support for the NEWTravel and Roe Tourism Application for a QANTAS Regional Grant.

CARRIED

A letter of support has been provided.

Support from WEROC was also sought by NEWTravel and Roe Tourism for their application for a Regional Economic Development Grant. The proposal was for funding towards a Joint Wheatbelt Tourism Branding project between NEWTRAVEL, RoeTourism, WEROC and the Shire of Merredin (through the Central Wheatbelt Visitor Centre). The request

for support was one that would have seen WEROC provide for financial assistance as part of its support for the funding application.

Following discussions with the WEROC CEO, the Executive Officer advised that such support at this point was not possible as the request would have to be considered and approved by WEROC Council.

A request for updated information on NEWTravel and Roe Tourism's funding efforts for discussion at the Executive Meeting was requested but at the time of preparing the meeting agenda had not been made available.

The Executive Officer will endeavour to have something to present to the WEROC Council when it meets on Wednesday 30 October 2019.

RECOMMENDATION:

That the Status Report for September be received.

Noted

4.3 Matters for Noting (Attachments)

The following matters are presented for noting:

- Curtin Wheatbelt Community Health Study - as Member Councils may be aware Dr Andrew Harper and his students travelled out to Merredin and Westonia at the end of August.
The Executive Officer understands that the trip was considered a success.
The CEOs from the Shires of Merredin and Westonia might wish to provide further comment as they were involved in preparations for the visit.
All accounts submitted by Dr Harper have been paid, with a report on the expenditure incurred to be presented at the WEROC Council Meeting scheduled to be held Wednesday 30 October 2019.
- Demos from the Wheatbelt - as Member Councils are aware WEROC was a sponsor for the WAM project Demos from the Wheatbelt. The launch of the cd recorded following the selection of artists to perform on the cd was held at the Cummins Theatre on Friday 30 August 2019. Invitations to attend the launch were extended to all of WEROC's Member Councils. Only the Shire of Westonia (Cr Karin Day with her husband Rohan) was able to attend.
The Executive Officer arranged for WEROC's unused tickets to be given to Andrew Harper and his students as they were staying in Merredin on the Friday evening. The Executive Officer understands they enjoyed the concert.
Member Councils are encouraged to obtain a copy of the cd as it provides a wonderful showcase for highly talented musicians performing across a number of music genres.
- Wheatbelt Regional Health Services Forum – advice of this joint NEWROC and WALGA initiative scheduled to be held in Trayning on Friday 20 September 2019 was distributed to Member Councils on a number of occasions.
- 2019 Western Australian Regional Achievement and Community Awards - as Member Councils may be aware, WEROC was nominated as part of this year's Western Australian Regional Achievement and Community Awards. WEROC is a finalist in the Local Government, Sport and Cultural Industries Making a Difference Award. Its nomination results from its involvement in the Wheatbelt Medical Student Immersion Program. Other finalists in this category include:
 1. 42 Wheatbelt LGA's, WBSFR Working Group; and
 2. Laverton Shire.The winners of the various awards covered in this awards event will be announced at a gala dinner to be held at the Hyatt Regency Hotel in Perth on Friday 18 October 2019. Cr Stephen Strange will be representing WEROC. He will be accompanied by his wife Karen.

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- Collaboration in the Northern Goldfields – a recent article in issue 173 of the LGPro magazine details the progress of work being undertaken by the Shires of Laverton, Leonora, Menzies and Wiluna.

RECOMMENDATION:

That the matters listed for noting be received.

Noted

5. MATTERS FOR DECISION

5.1 Future WEROC Projects – Asset Management Project

File Reference:	013-2 Strategic and Future Planning 135-5 Economic Sustainability
Author:	Helen Westcott, Executive Officer
Portfolio:	Shared Function (Economic Development)
Disclosure of Interest:	No interest to disclose
Date:	17 September 2019
Attachments:	WEROC Review WEROC Review Recommendations

The matter is presented for discussion and decision.

Executive Officer's Report:

Representatives from Accingo, an asset management consultancy, first met with WEROC early in March 2018 to discuss its asset management concept and the potential value it may offer Member Councils.

Since that time Accingo developed a project brief and costing for WEROC's consideration, with approval for the project's "go ahead" being given at the WEROC Council Meeting held Wednesday 27 June 2018. At this time, WEROC Council resolved as follows:

RESOLUTION: Moved: Mr Clarke Seconded: Cr Forsyth

That WE-ROC request Accingo to undertake an asset audit for each of WE-ROC's Member Councils, as outlined in Accingo's Phase 1 Costing provided to WE-ROC and considered at the WE-ROC Council Meeting held 2 May 2018, at a total cost of \$17,500 excl GST.

CARRIED

Footnote: Details of what is provided in the asset audit is explained in the costing provided by Accingo. This information is provided below so that Member Councils have an understanding of what the audit entails. To quote from Accingo's costing:

"Phase 1 (b)

Asset audit

This entails a full review of all assets of Plant & Machinery and any assets associated with maintaining plant and equipment such as workshops, tooling etc.

The purpose of this review is to provide the following information;

- *Identification of asset including current location*
- *Reconciliation to Asset register*
- *Full report of condition, hours etc which also assists in the valuation of plant*
- *Understand & report on utilisation, availability, requirements etc*

This data serves several purposes being;

- *Market valuation of current plant & equipment*
- *Ability to forecast potential net cash inflows & savings under Phase 2*
- *Data in which to base decisions on Sale, replacement and ultimately pooling of asset base amongst the WE-ROC shires*
- *Potentially replaces need for asset audit for compliance (to be understood whether this can be achieved)*

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Review will be performed by Neil Marsh & Accingo asset consultant which can be partly performed on weekends where a more efficient asset audit process can take place. Accingo will require full asset register and current location (if off site). Some time with CEO's & works managers will also be required both prior & during visit however this time will be kept to a minimum as not to disrupt existing operations.

An initial scoping meeting with CEO / works managers to understand what is to be included / excluded from review should take place prior to audit.

Time assigned to this review is;

2 contractors

14 days in total at \$125 per hour for 10 hours per day = \$17,500"

Following further discussions with Accingo, the WEROC Executive resolved as follows when it met on Wednesday 25 July 2018:

RESOLUTION: *Moved: Greg Powell* *Seconded: Jamie Criddle*

That:

1. WE-ROC advise Accingo of its agreement to enter into a Contract for the purposes of undertaking an Asset Audit only for each of WE-ROC's Member Councils as outlined in Accingo's Phase 1 Quotation at a total cost of \$17,500 excl GST; and
2. With respect to accommodation and travelling costs for the conduct of the Asset Audit, Member Councils provide these expenses at their own cost.

CARRIED

Following further discussion of the project WEROC Council resolved as shown below on Wednesday 22 August 2018:

RESOLUTION: *Moved: Mr Criddle* *Seconded: Cr Forsyth*

That the Executive Officer liaise with Accingo and Member Councils to develop a schedule for works associated with the conduct of an asset audit that meets needs of both Member Councils and Accingo and allows for Accingo to have its asset audit report available for the WE-ROC Executive Meeting scheduled for Wednesday 6 February 2019.

CARRIED

Following still further discussions with Accingo, WEROC Council resolved as follows on Wednesday 24 October 2018:

RESOLUTION: *Moved: Mr Clarke* *Seconded: Mr Griffiths*

That:

1. WE-ROC accepts the change/alteration of the scope of works to include the cut-off figure of \$2,000 for the value of assets being considered in the review being undertaken by Accingo;
2. As a condition of contract Accingo be requested to demonstrate that it carries Workers Compensation Insurance, Public Liability Insurance (\$10M) and Professional Indemnity Insurance (\$1M); and
3. The Executive Officer advise Accingo of WE-ROC's decision and arrange a new exchange of letters.

CARRIED

As Member Councils are aware, Accingo has accepted the offer made by WEROC to undertake an asset audit for its Member Councils, with work commencing mid-February.

All work associated with the conduct of the asset audit has been completed and a draft report prepared by Accingo was considered by the WEROC Executive when it met on Wednesday 29 May 2019.

At this time the Executive resolved as shown below:

RESOLUTION: *Moved: Greg Powell* *Seconded: Darren Mollenoyux*

1. *That feedback be provided to Accingo on its draft asset audit report, with a request that the following issues be further reported on:*
 - a) *Provision of data for the Shire of Merredin be made available as soon as possible;*
 - b) *An explanation as to why the asset audit report contained no information on trucks. If the data is available a request be made for it to be included in the final report provided to WEROC;*

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- c) A request for the inclusion of information on the frequency an asset is used; and
 - d) Clarification of the data provided for the Shire of Bruce Rock, with details on the differences shown and why these differences occurred.
2. That Accingo be requested to have a further draft of its report variable for consideration by the WEROC Executive at its next meeting, scheduled for Wednesday 24 July 2019.

CARRIED

Accingo has prepared a final report and developed recommendations for WEROC's consideration. Both the report and Accingo's recommendations form attachments to the meeting agenda.

It should be noted that both documents were distributed ahead of the meeting agenda.

The report and recommendations developed by Accingo following its review of Member Councils' assets are presented for discussion and decision by the WEROC Executive.

Consultation: Nil

Financial Implications: As yet unknown

Voting Requirement: Simple Majority

Meeting Comment:

The Executive Officer advised that just prior to the Executive meeting Accingo had provided a further revised version of its asset review report.

Whilst a copy of the report had been circulated to all CEOs it will also form an attachment to the minutes of the meeting.

There was general agreement that Recommendations 1-4 might have application for WEROC.

During the discussion around the report and its recommendations some CEOs made comment that a regional management of assets might work particularly given the cost of hiring equipment. That being the case there may be benefit in WEROC investigating ways to make better use of its underutilised equipment.

RESOLUTION: Moved: Greg Powell Seconded: Jamie Criddle

That the:

1. WEROC Executive be requested to table Accingo's report and recommendations on the review of mobile assets and plant across each Member Council for discussion at either their October or November round of Council meetings; and
2. Executive Officer be provided with comments from these discussions to enable a report to be prepared for the WEROC Executive Meeting scheduled to be held Wednesday 27 November 2019.

CARRIED

5.2 The Future Governance for WEROC – Development of the WEROC Constitution

File Reference:	031-4 Intergovernment Relations
Author:	Helen Westcott, Executive Officer
Portfolio:	CEO/Governances (Governance Shire of Yilgarn) Advocacy (Shared Portfolio)
Disclosure of Interest:	No interest to disclose
Date:	17 September 2019
Attachments:	Draft WEROC Constitution WEROC Memorandum of Understanding (MoU)

The matter is presented for discussion and decision.

Executive Officer's Report:

The development of a new constitution was considered at the WEROC Council Meeting held Wednesday 26 June 2019 at which time it was resolved as shown below:

RESOLUTION: Moved: Mr Griffiths Secoded: Cr Forsyth

That the Shire of Tammin be approached to ascertain whether the Shire may wish to join/rejoin WEROC.

CARRIED

RESOLUTION: Moved: Cr Strange Secoded: Mr Criddle

That:

- 1. The Executive Officer's Report be received;*
- 2. Two members from each local government be appointed by the individual Member Councils to the WEROC Committee and the draft constitution be amended to reflect that arrangement in regard to membership;*
- 3. A draft constitution be developed and referred to Member Councils for comment prior to the WEROC Council Meeting on 21 August 2019; and*
- 4. The WEROC Executive Committee only meet on an as needs basis.*

CARRIED

The Shire of Tammin accepted WEROC's invitation to attend the August WEROC Council Meeting.

A draft constitution was prepared as per the above resolution and forwarded to Member Councils on Wednesday 31 July 2019 with a request that the draft be considered by Member Councils at their August meetings.

Following discussions with the WEROC CEO during the 2019 WALGA Convention it was determined that further work on the constitution was required, specifically to include wording from the Warren Blackwood Alliance of Councils (WBAC) Constitution. Work on redrafting the constitution was not completed sufficiently for consideration at the August WEROC Council Meeting.

A draft based on the WEROC CEOs requirements form an attachment to the meeting agenda as does a copy of WEROC's current MoU.

In working through the draft constitution, it should be recognised that the objectives, purpose and functions/powers of the WBAC constitution and repurposed into the attached draft of the WEROC Constitution are quite different to those articulated in the current WEROC MoU.

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In preparing the draft the Executive Officer has also included wording that takes into account WEROC's decision with respect to membership of WEROC once incorporated. At the WEROC Council Meeting held Wednesday 26 June 2019 it was resolved as follows:

RESOLUTION: *Moved: Cr Strange* *Seconded: Mr Criddle*

That:

1. *The Executive Officer's Report be received;*
2. *Two members from each local government be appointed by the individual Member Councils to the WEROC Committee and the draft constitution be amended to reflect that arrangement in regard to membership;*
3. *A draft constitution be developed and referred to Member Councils for comment prior to the WEROC Council Meeting on 21 August 2019; and*
4. *The WEROC Executive Committee only meet on an as needs basis.*

CARRIED

The WEROC Executive needs to ensure that the draft as presented meets the group's needs before it is presented to Member Councils for further review and then adoption by WEROC at some future date.

Consultation: Nil

Financial Implications: As yet unknown

Voting Requirement: Simple Majority

RESOLUTION: *Moved: Raymond Griffiths* *Seconded: Jamie Criddle*

That the draft WEROC Constitution be accepted, subject to the changes detailed below, as presented and referred to Member Councils for comment.

Clause 6.4 to read:

6.4 *Representatives qualifications*
Representatives of Local Governments must be sitting Councilors or the Chief Executive Officer and must be approved by WEROC Board.

A new clause be added to cover the financial contribution to be made by new members on their joining WEROC:

10.2 *Financial Contributions by New Members*
Where a new member is admitted to WEROC, a financial contribution to be made by the new member, in addition to the annual financial contribution, will be as determined by the Board.

Clause 14.2 to be simplified:

14.2 *Where a vacancy on the Board occurs after 31 March in any year:*
(a) the position can remain vacant until the next Annual General Meeting or;
(b) an election to fill the vacancy is to take place at a Special meeting called for that purpose.

Clause 15.2 to read:

15.2 *Notice of Meeting*
Notice of a meeting of the Board, stating the business of the meeting and including reports and supporting documentation must be given by the Executive Officer to each representative at least 5 business days prior to the meeting.

Clause 16.1 to read:

16.1 Executive Officer Appointed

The Board is empowered to appoint an Executive Officer for a contract period not exceeding five years or to remove an Executive Officer from WEROC and to decide upon his or her remuneration and duties. The contract of an Executive Officer so appointed may be renewed from time to time at the discretion of the Board.

CARRIED

Note: The revised draft to be provided will also include any numbering or consequential changes that arise from implementing the above changes requested by the WEROC Executive.

5.3 Records Management in Local Government

File Reference:	013-2 Strategic and Future Planning 042-2 Finance, Audit and Compliance
Author:	Bruce Wittber, Executive Officer
Portfolio:	CEO/Governance (Shire of Yilgarn)
Disclosure of Interest:	Nil
Date:	19 September 2019
Attachments:	Nil

RECOMMENDATION:

That the decision made by flying email on Thursday 5 September 2019 and detailed below be endorsed by the WEROC Executive. That:

1. Subject to further discussions with Information Enterprises Australia Pty Ltd around costings for the review to include only four of WEROC's five Member Councils, Information Enterprises Australia Pty Ltd be engaged to undertake a review of WEROC Member Councils' record keeping policies using the methodology "Option 1" as detailed within the proposal provided by Information Enterprises Australia Pty Ltd; and
2. The WEROC Executive give consideration at the Executive Meeting to be held Wednesday 25 September 2019 as to how the project will be funded, with a recommendation prepared for consideration by the WEROC Council by way of flying email in order that work on the review of participating Member Councils records management policies can commence as soon as possible.

Executive Officer's Report:

Following its review of the Western Australia's Auditor General report on the topic of records management in Local Government, the WEROC Executive resolved as shown when it met on Wednesday 29 May 2019:

RESOLUTION: Moved: Greg Powell Seconded: Jamie Criddle

That the WEROC Executive recommend to the WEROC Council that WEROC seek quotations from suitably qualified records management consultants to undertake a review of Member Councils' recordkeeping policies and procedures to ensure they adequately support their respective Record Keeping Policies.

CARRIED

WEROC Council approved this recommendation at a meeting held Wednesday 26 June 2019.

A request for quotation (RFQ) for quotation was prepared as per the resolution and sent to the following organisations:

- Compu-Stor (contact details provided by the Shire of Yilgarn);
- Information Enterprises Australia Pty Ltd (the Executive Officer has worked with Information Enterprises Australia Pty Ltd on similar projects to the one currently being undertaken by WEROC); and
- Kim Boulter (contact details provided by the Shire of Kellerberrin).

The closing date for submissions was Friday 23 August 2019.

A report on the work undertaken to date in appointing a consultant was provided to the WEROC Council when it met on Tuesday 27 August 2019, with WEROC Council resolving as shown below:

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RESOLUTION: *Moved: Cr Forsyth* *Seconded: Cr Day*

That the WEROC Executive be given delegated authority to finalise the appointment of a qualified records management consultant to undertake a review of Member Councils' recordkeeping policies and procedures to ensure they adequately support their respective Record Keeping Policies.

CARRIED

Darren Mollenoyux also advised the meeting advised that the Shire of Bruce Rock would not be part of the record management project.

On Thursday 5 September 2019 the Executive Officer emailed all members of the WEROC Executive in relating to progressing the appointment of a consultant to undertake the records management review, with the email detailed below.

Hello everyone

At the WEROC Council Meeting held Tuesday 27 August 2019 it was resolved as follows with respect to progressing a review of Member Councils' records management policies:

RESOLUTION: *Moved: Cr Forsyth* *Seconded: Cr Day*

That the WEROC Executive be given delegated authority to finalise the appointment of a qualified records management consultant to undertake a review of Member Councils' recordkeeping policies and procedures to ensure they adequately support their respective Record Keeping Policies.

CARRIED

Notwithstanding the above decision, the Shire of Bruce Rock advised that it would not be part of the record management project.

As you are all aware, a request for quotation (RFQ) was requested from three (3) organisations:

- 1. Compu-Stor (contact details provided by the Shire of Yilgarn);*
- 2. Information Enterprises Australia Pty Ltd (the Executive Officer has worked with Information Enterprises Australia Pty Ltd on similar projects to the one currently being undertaken by WEROC); and*
- 3. Kim Boulter (contact details provided by the Shire of Kellerberrin).*

A copy of the RFQ, whilst previously provided to Member Councils, forms an attachment to my email.

Please note these costings should be treated as commercial in confidence documents and not distributed beyond the WEROC membership.

All 3 organisations indicated they would submit a costing.

Only Compu-Stor and Information Enterprises Australia Pty Ltd (IEA) responded to WEROC's RFQ by the closing date for lodgement – Friday 23 August 2019.

Only IEA provided evidence that it carries appropriate levels of Professional Indemnity and Public Liability Insurances as requested in the RFQ.

Copies of IEA's certificates of insurance will be provided upon request.

Both Compu-Stor and IEA provided capacity statements within their proposals which demonstrated their ability to undertake the work required by WEROC's Member Councils.

Comment on each of the proposals submitted is provided below.

Page 5 of Compu-Stor's proposal details the methodology it will use to undertake the record review at each Member Council. The proposal includes site visits.

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Page 7 of the costing details the timeframe over which the review will be completed.

Pages 8 and 9 of the proposal detail the costing developed by Compu-Stor to undertake the work requested, with "consulting services" calculated to cost \$17,595.00 (GST excl). An estimate for travel and accommodation has been set at \$5,950.00.

IEA has provided WEROC with two (2) costing options, being covered in pages 5-10 of its proposal. The proposal provides a detailed explanation for both Options 1 and 2.

The methodology for the review remains essentially the same across both options, the difference in Option 2 is that onsite visits have been included to all Member Councils, whereas in Option 1 onsite visits will occur only if they are deemed necessary by the project's Senior Consultant and agreed to by the Member Council.

The cost to WEROC should Option 1 be accepted would be \$21,240.00 (excl GST).

IEA has noted that an additional 6 hours of consulting costs at \$180.00 ex GST per hour (\$1,080.00 ex GST) should be placed in the project budget for each Member Council, should the findings of Phase 3a identify that the Senior Consultant needs to complete an onsite visit.

The following travel and accommodation costs will also apply to Option 1 should a visit(s) be required to a Member Council, with:

- Mileage charged at 68 cents per kilometre as per ATO directive;
- Accommodation and meal costs of \$237.60 per day as per ATO Tax Determination TD 2019/11; and
- Travel time @ \$90.00 per hour (excl GST).

Option 2 includes onsite visits to all Member Councils. This option allows for onsite visits to all Member Councils over a 3 – 4 day period.

The visits will occur after a review of all documentation provided by Member Councils has been completed.

The cost to WEROC should Option 2 be accepted would be \$22,680.00 (excl GST) for the conduct of the review and preparation of the report.

The following travel and accommodation costs will apply to Option 2, with:

- Mileage charged at 68 cents per kilometre as per ATO directive - estimated 826 Km @ .68 cents per km is \$561.68 ex GST;
- Accommodation and meal costs of \$237.60 per day as per ATO Tax Determination TD 2019/11 - estimated 5 days is \$1,188.00; and
- Travel time @ \$90.00 per hour (excl GST) - estimated 10.50 hours is \$945.00 (ex GST).

Adding both cost components, the total cost to WEROC should Option 2 be accepted would be \$25,374.58 (excl GST).

IEA has noted in its proposal that where it is not possible to schedule all site visits into one trip then additional costs will be applied, based on the rates provided at 3.2.1 Estimated Costings For Option 2.

The costings provided by IEA are far more detailed than those provided by Compu-Stor, with both options extensively detailing the work to be undertaken and the timeframes over which the work will be undertaken. IEA's costings clearly articulate what the deliverables are and how the outcomes will be achieved.

The proposal also highlights the additional costs that may be necessary as preliminary results from the review become known.

In terms of Local Government experience, IEA demonstrated greater evidence of working within the Local Government sector. Importantly from WEROC's perspective, a considerable amount of this work has been with small Councils outside the metropolitan area (refer to pages 12 and 13 of IEA's proposal).

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Compu-Stor's proposal notes that it has experience in "Government" but does not list any specific examples of project work within the Local Government sector.

Whilst IEA's costing for Option 1 is more expensive than the costing provided by Compu-Stor the Executive Officer believes that this proposal should be further investigated by WEROC as it more clearly defines the work to be undertaken, how this work will be carried out and the timeframe over which the work will be conducted. Given that much of the information to be reviewed is available electronically, there is no specific reason for site visits to be undertaken. Similarly, the conduct of telephone interviews also negates the need for travel.

Onsite visits would only be required should an issue or area of non-compliance need further investigation.

IEA also has more clearly identified the experience it has within the Local Government sector and more particularly its experience with small Councils outside the metropolitan area.

In addition to choosing a consultant, WEROC must also consider how the project is to be funded. When the Executive Officer presented the recommendation to Member Councils that a review of record keeping policies be undertaken it was done with a view to WEROC's project funds providing the funds for the work to be undertaken, in much the same way as the assets review by Accingo is being funded by WEROC.

With the Shire of Bruce Rock advising that it did not wish to participate in the records keeping review project this matter must be resolved by WEROC Council.

The Executive Officer believes that at least a portion of the project's cost should be met by WEROC.

Additionally, whatever consultant is chosen, there will be a need to discuss with the successful consultant whether or not there will be any changes to the costings associated with the conduct of the review itself given that there will only be four Councils participating in the project.

On the basis of the above information the following recommendation is presented for consideration by way of flying email.

RECOMMENDATION:

That:

- 1. Subject to further discussions with Information Enterprises Australia Pty Ltd around costings for the review to include only four of WEROC's five Member Councils, Information Enterprises Australia Pty Ltd be engaged to undertake a review of WEROC Member Councils' record keeping policies using the methodology "Option 1" as detailed within the proposal provided by Information Enterprises Australia Pty Ltd; and*
- 2. The WEROC Executive give consideration at the Executive Meeting to be held Wednesday 25 September 2019 as to how the project will be funded, with a recommendation prepared for consideration by the WEROC Council by way of flying email in order that work on the review of participating Member Councils records management policies can commence as soon as possible.*

If you could please have your responses to me no later than close of business on Wednesday 11 September 2019 that would be greatly appreciated as this will allow a report (with accompanying recommendations to allow the project to be funded) to be prepared for WEROC Council's consideration as proposed in Part 2 of the above recommendation.

Should you have any questions regarding the proposal provided by either Compu-Stor or IEA please call/email me.

Take care

HW

At Tuesday 17 September 2019 the Executive Officer had received advice from the CEOs at the Shires of Kellerberrin, Merredin and Yilgarn that they were happy with the recommendation as provided on 5 September. As this constituted a majority of the WEROC Executive being in favour of appointing Information Enterprises Australia Pty Ltd (IEA), the Executive Officer has advised IEA of WEROC's decision. Arrangements are in hand for the Executive Officer to meet with

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representatives from IEA to finalise arrangements around the review now covering only the Shires of Kellerberrin, Merredin, Westonia and Yilgarn. The Executive Officer will provide a verbal report to the Executive on any discussions that may take place ahead of the Executive Meeting on 25 September 2019.

The Executive Officer will also advise Compu-Stor it was unsuccessful in gaining the contract to review record keeping practices across the four participating Member Councils.

The WEROC Executive is also required to give consideration as to how the project is to be funded.

The Executive Officer envisaged that WEROC would fund this work in much the same way it funded the asset review work undertaken by Accingo. With the Shire of Bruce Rock's advice that it will not be participating in this project the Executive Office believes the Executive needs to consider how best (and equitably) the project should be funded.

One possible way for meeting the project's cost is for WEROC to meet the costs shown for Option 1, with travel and other costs associated with an onsite visit if required or requested to be covered by the Council being visited.

This matter is presented for discussion and decision.

Meeting Comment:

The Executive Officer noted that a revised costing from IEA had been received and circulated ahead of the Executive Meeting. A copy of the revised costing also forms an attachment to the minutes for the meeting.

The Executive Officer also advised that she would be meeting with representatives from IEA on Thursday 26 September 2019 to initiate the commencement of the project.

The meeting also discussed ways in which the records management review could be funded. It was agreed that the methodology suggested by the Executive Officer was an appropriate way for the project to be funded.

Darren Mollenoyux explained that the Shire of Bruce Rock would be happy to consider participating in any work that arose from recommendations made as a result of the work being undertaken by IEA.

On this basis, it was also agreed that the Shire of Bruce Rock should be given the opportunity to participate in any future records management projects should they be considered following the conclusion of the IAE's review of record keeping policies across the Shires of Kellerberrin, Merredin, Westonia and Yilgarn.

RESOLUTION: **Moved: Jamie Criddle** **Seconded: Greg Powell**

- 1. That the decision made by flying email on Thursday 5 September 2019 and detailed below be endorsed by the WEROC Executive. That:**
 - a) Subject to further discussions with Information Enterprises Australia Pty Ltd around costings for the review to include only four of WEROC's five Member Councils, Information Enterprises Australia Pty Ltd be engaged to undertake a review of WEROC Member Councils' record keeping policies using the methodology "Option 1" as detailed within the proposal provided by Information Enterprises Australia Pty Ltd; and**
 - b) The WEROC Executive give consideration at the Executive Meeting to be held Wednesday 25 September 2019 as to how the project will be funded, with a recommendation prepared for consideration by the WEROC Council by way of flying email in order that work on the review of participating Member Councils records management policies can commence as soon as possible.**

- 2. That the WEROC Executive recommend to the WEROC Council that:**
 - a) WEROC meet the costs associated with Enterprises Australia Pty Ltd undertaking the work detailed in Option 1 of its proposal to undertake a review of the record keeping policies for the Shires of Kellerberrin, Merredin, Westonia and Yilgarn, with travel and other costs associated with any onsite visits if required or requested to be covered by the Council being visited; and**

- b) The Shire of Bruce Rock be given the opportunity to participate in any future records management projects should they be considered following the conclusion of the IAE's review of record keeping policies across the Shires of Kellerberrin, Merredin, Westonia and Yilgarn.**

CARRIED

5.4 Participation by WEROC in Renewable Energy Projects

File Reference:	013-2 Strategic and Future Planning 135-1 Economic Sustainability
Author:	Helen Westcott, Executive Officer
Portfolio:	Economy (Bruce Rock) Advocacy (Shared Function)
Disclosure of Interest:	Nil
Date:	19 September 2019
Attachments:	Joint Media statement from Hon Alannah MacTiernan MLC and Hon Ben Wyatt LLB MSc MLA

RECOMMENDATION:

The matter is presented for discussion and decision.

Executive Officer's Report:

Following its meeting with Steve Mason, CEO Innovation Central Midlands WA Inc (ICM), on ICM's involvement with BSC Energy, Power Ledger and others in developing sources of renewable energy on Tuesday 27 August 2019, WEROC Council resolved as shown below:

RESOLUTION: *Moved: Cr Rajagopalan* *Seconded: Mr Criddle*

That WEROC:

- 1. Initiate discussions with BSC Energy and Power Ledger seeking the conduct of a pre-feasibility study in respect to developing a micro-grid system across the WEROC geographic area; and*
- 2. Extend an invitation to Steve Mason to meet with WEROC Council in 2020 to provide an update on Innovation Central Midlands WA Inc's renewable energy project.*

CARRIED

In her follow up with Steve Mason on this matter, the Executive Officer has advised that WEROC would like to meet with ICM in 202 to receive an update on the progress of its renewable energy project across the Shires of Dalwallinu, Moora and Wongan-Ballidu.

In terms of initiating discussions with BSC Energy and Power Ledger to commence a pre-feasibility study the Executive Officer has been hampered by a lack of information from Member Councils to assist in discussions with both BSC Energy and Power Ledger. In an email dated 4 Septembers 2019 the Executive Officer wrote as follows:

Hello everyone

Following your meeting with Steve Mason from ICM at last week's WEROC's Council Meeting it was resolved as follows with respect to where WEROC would like to take furthering the group's potential involvement in renewable energy:

RESOLUTION: *Moved: Cr Rajagopalan* *Seconded: Mr Criddle*

That WEROC:

- 3. Initiate discussions with BSC Energy and Power Ledger seeking the conduct of a pre-feasibility study in respect to developing a micro-grid system across the WEROC geographic area; and*
- 4. Extend an invitation to Steve Mason to meet with WEROC Council in 2020 to provide an update on Innovation Central Midlands WA Inc's renewable energy project.*

CARRIED

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Following the WEROC Council meeting Steve Mason provided Bruce with feedback on the presentation.

One thing highlighted was that when Mark Imrie (BSC Solar) and Caren McClaren (Power Ledger) met with WEROC Council in June one question they were looking to have answered by Member Councils was had any Member Council received development plan applications for business ventures and/or were they aware of potential business ventures? Answers to these question will impact on the viability of developing a micro grid system across the WEROC geographic area.

If you could please provide this information as soon as possible that would be greatly appreciated as it will enable me to write to Mark Imrie to commence discussions around the conduct of a pre-feasibility study.

I also understand that the issue of current power usage for shires, businesses and residential properties was discussed with Steve Mason at last week's WEROC Council Meeting. This information can be sourced by BSC Solar through Western Power. Did you want me to request BSC Solar to obtain this information for WEROC? Again, if you could provide an answer on this question as quickly as possible so I can progress work on this project.

Thankyou for your help.

Take care and hear from you in due course.

HW

At the time of preparing the meeting agenda the Executive Officer had received replies to her request for information from only three Member Councils – the Shires of Bruce Rock, Merredin and Yilgarn. For WEROC to approach BSC Energy and Power Ledger in any meaningful way it requires information from all Member Councils.

As such the Executive Officer is hopeful that this information (and any additional information Member Councils believe might be useful) will be forthcoming during the course of the meeting.

More broadly speaking, the Executive Officer considers that the Executive should provide some direction to the WEROC Council as to how important/beneficial such a project may or may not be to its communities.

A recent joint media statement by Hon Alannah MacTiernan MLC and Hon Ben Wyatt LLB MSc MLA on the development by Enwave Australia of a solar-powered microgrid in the Peel Region highlights the growing importance of this source of renewable energy. The statement can be accessed by following the link shown below:

<https://www.mediastatements.wa.gov.au/Pages/McGowan/2019/09/Ground-breaking-microgrid-to-power-jobs-in-the-Peel.aspx>

A copy of the media statement also forms an attachment to the meeting agenda.

The matter is presented for discussion and decision.

Meeting Comment:

Raymond Griffiths advised that the Shire of Kellerberrin had 4 or 5 industrial blocks that could be considered potential business ventures for the purpose of this project.

Member Councils also gave approval for the Executive Officer to advise BCS Solar that WEROC is happy for WESTERN Power to be approached to gain information current power usage for Member Councils, businesses and residential properties across WEROC.

Whilst no resolution was taken, the meeting agreed that work around this matter should continue.

5.5 Public Consultation- Pesticides Regulation Review in Western Australia

File Reference:	013-2 Strategic and Future Planning 013-4 Intergovernmental Relations
Author:	Helen Westcott, Executive Officer
Portfolio:	Environment (Shire of Merredin) Advocacy (Shared Function)
Disclosure of Interest:	Nil
Date:	19 September 2019
Attachments:	Nil

The matter is presented for discussion and decision.

Executive Officer's Report:

The review of the *Health (Pesticides) Regulations 2011* currently underway was discussed by WEROC Council when it met on Tuesday 27 August 2019, with the meeting resolving as shown below:

RESOLUTION: *Moved: Cr Day* *Seconded: Cr Rajagopalan*

That WEROC:

- 1. Encourages Member Councils to complete the online survey developed by the Department of Health as part of its review of the Health (Pesticides) Regulations 2011;*
- 2. Member Councils share the information provided in the online survey with WALGA as it works on a sector wide submission around the review of the Health (Pesticides) Regulations 2011; and*
- 3. WEROC prepare a submission that highlights the potential difficulties small rural and remote local governments may face if Option C is adopted by the State Government as an outcome of its review of the Health (Pesticides) Regulations 2011*

CARRIED

Following the meeting on 27 August, the Executive Officer emailed all WEROC CEOs regarding the review. The email sent on Wednesday 4 September 2019 is provided below:

Hello again everyone

WEROC Council resolved as shown below with respect to preparing a submission on the pesticides regulation review:

RESOLUTION: *Moved: Cr Day* *Seconded: Cr Rajagopalan*

That WEROC:

- 4. Encourages Member Councils to complete the online survey developed by the Department of Health as part of its review of the Health (Pesticides) Regulations 2011;*
- 5. Member Councils share the information provided in the online survey with WALGA as it works on a sector wide submission around the review of the Health (Pesticides) Regulations 2011; and*
- 6. WEROC prepare a submission that highlights the potential difficulties small rural and remote local governments may face if Option C is adopted by the State Government as an outcome of its review of the Health (Pesticides) Regulations 2011*

CARRIED

Whilst the submission period does not close until Thursday 10 October 2019 I need to begin compiling information for the submission now to give us enough time to properly prepare a submission.

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If you are looking to complete the online survey could you, in addition to providing WALGA with your answers, also provide me with your Council's views on how the new regulations might impact its operations.

Thankyou.

Take care – I look forward to hearing from you.

HW

Whilst responses have been provided the Shires of Bruce Rock, Merredin and Yilgarn, the Executive Officer at the time of preparing the meeting agenda had yet to receive any feedback from either Shire of Kellerberrin or the Shire of Westonia.

It is imperative for all Member Councils to have input into the preparation of the WEROC submission if it is to be truly representative of the organisation as a whole. It is vital that the voice of small rural/regional Councils such as those in WEROC are heard. To quote from the minutes of the WEROC Council held Tuesday 27 August 2019 when this matter was discussed:

At a time when the sector is under attack from several quarters on what some perceive as the excessive red tape applied by local governments across the State, the last thing the sector needs is further administrative burdens to be thrust upon it.

It should be noted that the discussion paper does not detail how (if at all) Local Government will be compensated for taking on the role of enforcing the new regulations once developed. Similarly, it also does not detail how cost recovery in the longer term is going to be managed, what mechanisms will be put in place at the time the new regulations come into force to ensure Local Government will be able to charge true recovery costs into the future.

The discussion paper also does not take into consideration the potential difficulties for small rural and remote Councils in being responsible for the enforcement of the pesticide regulation once legislated.

As in Agenda Item 5.4, the Executive Officer is hopeful that this information (and any additional information Member Councils believe might be useful) will be forthcoming during the course of the meeting, with this information and that already collated help in preparing a submission that represents the views of WEROC as a whole.

Noted

5.6 Ongoing Development of the WEROC App and Website

File Reference:	013-2 Strategic and Future Planning 132-1 WE-ROC Tourism 132-3 Central Wheatbelt Visitor Centre 135-5 Economic Sustainability
Author:	Helen Westcott, Executive Officer
Portfolio:	Shared Function (Economic Development currently through Wheatbelt Communities Inc)
Disclosure of Interest:	No interest to disclose
Date:	18 September 2019
Attachments:	Digital Economy Enablement Strategy Overview

The matter is presented for discussion and decision.

Executive Officer's Report:

The ongoing development of the WEROC App and website was considered at the WEROC Council Meeting held in Kellerberrin on Tuesday 27 August 2019, at which time it was resolved as follows:

RESOLUTION: Moved: Cr Hooper Seconded: Cr Rajagopalan

That prior to the Executive Officer applying for funding for further work on either the WEROC App or website:

- 1. The WEROC Executive determine what areas should be targeted, with a report and recommendation to be presented at the WEROC Council Meeting scheduled to be held Wednesday 30 October 2019; and*
- 2. Any applications for funding be based only upon decisions arising from WEROC Council's consideration at the meeting scheduled for Wednesday 30 October 2019.*

CARRIED 6/4

On Thursday 5 September 2019 the Executive Officer emailed a copy of the digital enablement strategy referred to at the meeting held 27 August 2019 to help members of the WEROC Executive prepare ahead of its September Meeting.

A copy of the strategy also forms an attachment to the meeting agenda.

The Executive Officer had also hoped to develop some briefing notes prior to the distribution of the meeting agenda but in truth all the information around the project has been covered in the agenda item prepared for the August meeting of the WEROC Council. Given that this is the case, the Executive Officer provides below an extract from the minutes of that meeting to again cover what has been achieved during the life of the project.

To aid discussion around the recommendation provided on this matter the Executive Officer has provided a brief history of the work around the WEROC App and website. Whilst this report covers only work around the WEROC App, the further development of the WEROC website needs also to be considered by WEROC Council as it has been developed as part of the App's evolution.

In early 2016 WEROC embarked on a project to develop a mobile app, engaging Go2EVENTS¹/Peacock Digital to assist in its endeavours. At a meeting held Wednesday 27 April 2016 WEROC Council resolved as follows:

¹ Note that Go2Events has become go2GUIDES.

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RESOLUTION: *Moved: Cr Hooper* *Seconded: Cr Forsyth*

That:

1. WE-ROC accept the quote provided by Go2EVENTS/Peacock Digital to develop a mobile application for WE-ROC that will provide information to both residents and visitors to the communities across WE-ROC;
2. Development of the mobile application be done as a Wheatbelt Communities Inc project with funding through the WE-ROC project account; and
3. The annual maintenance be met by WE-ROC should funding for maintenance of the application not be met by way of subscriptions.

CARRIED

Since that time WEROC/Wheatbelt Communities Inc has worked with Steven Peacock to digitally enable the communities across the region covered by Member Councils. This work has at times not been easy for a variety of reasons. For example, the work agreed to early in 2017, as detailed in the resolution below (and agreed to at a Wheatbelt Communities Inc meeting held Wednesday 29 March 2017) was never fully undertaken.

RESOLUTION: *Moved: Jamie Criddle* *Seconded: Darren Mollenoyux*

That:

- The report on the development of the WE-ROC mobile app be noted;
- Wheatbelt Communities' Member Councils have responsibility for the management of their "local" content for a period of six months at which time a review will be undertaken to determine whether or not the management of the app should be outsourced;
- Training on managing the app be arranged as soon as possible for those officers across Wheatbelt Communities given the responsibility of managing content within their respective communities;
- The Executive Officer approach both Go2EVENTS/Peacock Digital and the Wheatbelt Business Network for a costing for managing app content, listings etc on the app; and
- The Executive Officer prepare a draft charging policy for users of the app.

CARRIED

Training on the App was provided but for many reasons did not see the management of content occurring in a way that allowed for greater development or uptake of the App.

Management of the App was not given to the WBN, with Wheatbelt Communities Inc resolving on Wednesday 15 May 2017 as follows:

By consensus it was agreed that the Central Wheatbelt Visitors Centre would be approached to manage the content of the WE-ROC app.

This decision was augmented by a further decision WEROC Council at a meeting held Wednesday 28 February 2018, at which time it was resolved:

RESOLUTION: *Moved: Cr Forsyth* *Seconded: Cr Hooper*

That:

1. WE-ROC agree to continue providing financial support for the WE-ROC App;
2. WE-ROC look to fund the Central Wheatbelt Visitors Centre for a two-period commencing on 1 July 2018 and concluding on 30 June 2020, with a review of the contract during the first quarter of the 2019/2020 financial year;
3. WE-ROC enter into negotiations with the Wheatbelt Business Network to assist with the future development of the WE-ROC App, particularly in the area of promoting and encouraging business to register on the WE-ROC App; and
4. In developing the WE-ROC Budget for 2018/2019, for WE-ROC Council's consideration, the WE-ROC Executive develop a financial plan for the management and future development of the WE-ROC App.

CARRIED

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In addition to further funding for the App WEROC Council also briefly considered a discussion paper prepared by go2GUIDES which looked at developing a strategy that provide WEROC with greater digital enablement. At the time, WEROC Council resolved as shown below:

RESOLUTION: Moved: Cr Strange Seconded: Mr Griffiths

That the WE-ROC Executive use the discussion paper, "Digital Economy Enablement Strategy", prepared by go2Guides in its discussions when preparing the draft WE-ROC Budget for 2018/2019.

CARRIED

This did not occur in any great detail at the Executive Meeting held Wednesday 28 March 2018.

Other matters related to the WEROC App were, however, considered, with the Executive resolving as shown below:

RESOLUTION: Moved: Raymond Griffiths Seconded: Darren Mollenoyux

That:

- 1. Subject to its review, WE-ROC enter into a contract with the Wheatbelt Business Network to assist WE-ROC with the future development of the WE-ROC App, particularly in the area of promoting and encouraging business to register on the WE-ROC App; and*
- 2. Signage advertising the WE-ROC App should be purchased and installed without delay.*

CARRIED

Work with the WBN was undertaken. Physical signage has not been erected to date but advertising of the App is done through the Central Wheatbelt Visitor Centre and organisations with which it is affiliated, eg Australia's Golden Outback.

A proposal by go2GUIDES to continue work on the WEROC App was considered as part of budget deliberations, with WEROC Council resolving as follows when it met on Wednesday 2 May 2018:

RESOLUTION: Moved: Mr Griffiths Seconded: Mr Powell

That WE-ROC accept the proposal and costing provided by go2Guides for the further development of the WE-ROC App at a cost of \$8,520 (GST exclusive).

CARRIED

7/1

The above decision was taken because the proposal was considered to provide "value for money".

This funding represents the amount spent by WEROC in the last financial year on the WEROC App project.

Work undertaken by the WBN on WEROC's behalf highlighted the problems faced in getting greater uptake by local businesses across WEROC. Because of this WEROC Council resolved as follows when it met on Wednesday 22 August 2018:

RESOLUTION: Moved: Cr Forsyth Seconded: Mr Powell

That WE-ROC enter into discussions with the Wheatbelt Business Network (WBN) to postpone completion of Stage Two of work associated with improvements and further development of the WE-ROC App and website in order to undertake Stage Three of the contract between its contract with the WBN.

CARRIED 7/1

At the WEROC Council Meeting held Wednesday 24 October 2018 the Executive Officer was requested to research the Agreement/Contract between WEROC and go2GUIDES to ascertain whether there were any ongoing commitments in relation to the development of the WEROC App in order for this to be referred to the Executive Meeting scheduled for Wednesday 28 November 2018.

This research identified that WEROC still had contractual obligations to go2GUIDES.

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At this meeting the WEROC Executive also met (via teleconference) with Steven Peacock and Fabian Vleer from Go2GUIDES. Following this meeting it was resolved as shown below:

RESOLUTION: Moved: Greg Powell Seconded: Jamie Criddle

That WE-ROC seek a project brief, implementation plan and costing from go2GUIDES to market the WE-ROC App as means to attract visitors to the region.

CARRIED

go2GUIDES provided WEROC with the information requested and at the WEROC Executive Meeting held Wednesday 13 February 2019 it was resolved as follows:

RESOLUTION: Moved: Darren Mollenoyux Seconded: Jamie Criddle

That the WEROC Executive recommend to the WEROC Council that:

1. Subject to successful grant funding applications to assist WEROC in resourcing the WEROC App Marketing Project, WEROC look to fund the project in the 2019/2020 financial year and beyond; and
2. Go2GUIDES be advised of WEROC's decision.

CARRIED

This action was agreed to by WEROC Council when it met on Wednesday 27 February 2019.

The Executive Officer advised the attendees at the WEROC Council Meeting on Wednesday 1 May 2019 she had conveyed WEROC's decision to go2GUIDES.

Since returning from leave the Executive Officer in July has received various documents and costings from go2GUIDES in an effort to work on finding funding to further the WEROC App. At this point the most relevant document is the Digital Economy Enablement Strategy Overview prepared for WEROC by go2GUIDES a copy which forms an attachment to this item. Provided as "Commercial in Confidence" the overview outlines how ongoing use and further refinement of the App will aid in showcasing the region to an audience beyond the communities within WEROC.

As the Executive Officer has noted previously, the development of the WEROC App has created a means of showcasing businesses and attractions (both social and environmental) to an audience far greater than just the residents and businesses within the WEROC region. It provides a mechanism for WEROC and the communities it represents to lift the region's economic footprint through becoming more digitally enabled.

For the Executive Officer to look at funding sources and prepare applications to further the development and marketing of the App and website, Member Councils need to be aware that funding of any significance is likely to require a contribution from WEROC.

Is WEROC willing to commit, where required, to a co-contribution in any funding application lodged?

There is also the question of who will manage the App and website once development is completed and how that will be funded.

In discussions the Executive has had with the Shire of Merredin, the Shire has agreed to manage the App but would do so only on a fee for service basis. Given that this is recurrent expenditure it is extremely unlikely that grant funding, even with a contribution from WEROC, will be available.

Again, is WEROC willing to commit to this expenditure? Such a commitment will be vital. It will also be ongoing.

If Member Councils answer yes to each of the above questions then there must be discussion around what aspects of the WEROC App and website development and marketing do they wish to focus on? Only when these issues are resolved can funding sources be identified and meaningful applications prepared.

This would be a task the Executive could undertake and provide recommendation on to WEROC Council. Once agreement has been reached on what aspects of the App to focus upon the Executive Officer will be in a position to find sources of funds relevant to WEROC's needs.

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If WEROC determines it does not wish to expend any funds then there is no point to applying for funding.

It should also be noted that WEROC's contract with the Central Wheatbelt Visitor Centre to maintain the WEROC App and website has expired. As advised previously, the Shire of Merredin has advised that it is happy for a new contract to be entered into. The costs associated with renewing the contract must be considered by the WEROC Executive as it considers the future development and funding of the App and website.

Consultation: Nil

Financial Implications: As yet unknown

Voting Requirement: Simple Majority

The matter is presented for discussion and decision.

RESOLUTION: **Moved: Jamie Criddle** **Seconded: Raymond Griffiths**

That the WEROC Executive recommend to the WEROC Council that:

- 1. WEROC terminate its contract with go2GUIDES; and**
- 2. WEROC examine alternative ways to manage the WEROC website.**

CARRIED

5.7 Funding to Support and Mentor Local Governments to Assist in the Development of Public Health Plans

File Reference: 013-2 Strategic and Future Planning
Author: Helen Westcott, Executive Officer
Portfolio: Social (Kellerberrin) and Environment (Merredin)
Shared Function (Advocacy)
Disclosure of Interest: Nil
Date: 18 September 2019
Attachments: Nil

The matter is presented for discussion and decision.

Executive Officer's Report:

Following its discussions with Jo Malcom from the Public Health Advocacy Institute of WA (PHAIWA), the Executive may wish to discuss what further action, if any, is required in seeking further assistance from PHAIWA as Member Councils look to develop their Public Health Plans.

RESOLUTION: **Moved: Darren Mollenoyux** **Seconded: Greg Powell**

That the WEROC Executive recommend to the WEROC Council that:

- 1. WEROC write to the WA Local Government Association (WALGA) requesting that it prepare a local health plan template based on the Salaries and Allowances Tribunal four band classification model to assist in the preparation of local health plans that meet the needs of small rural and remote local governments; and**
- 2. If WALGA is unable to assist in preparing a template to assist in the preparation of local health plans WEROC look to creating its own template from which Member Councils can prepare individual local health plans.**

CARRIED

The meeting adjourned at 10.57am

The meeting resumed at 10.06am

The following people did not return to the meeting:

Mr Alan O'Toole;
Ms Ashleigh Waight;
Mr Peter Zenni; and
Mr Nic Warren

The meeting then returned to Agenda Item 4.1

6. EMERGING ISSUES

6.1 Wheatbelt Medical Students Immersion Project (WMSIP)

Raymond Griffiths advised that at a recent Local Emergency Management Committee Meeting it was suggested that students coming out to Kellerberrin as part of the WMSIP in 2020 could participate in a training exercise. The participation in such an activity would see the students as casualties in any exercise planned and could be seen as their community activity for the time in Kellerberrin.

The meeting agreed that this was an idea that should be pursued, with the Executive Officer asked to raise the matter at the next meeting of the WMSIP Planning Group, scheduled to held Thursday 26 September 2019.

6.2 Productivity Commission - Release of Draft Report into Remote Area Tax Concessions and Payments

The Executive Officer advised that the Productivity Commission had released a report in remote area tax concessions and payments, enquiring whether WEROC wished to prepare a submission to the Productivity Commission on the adverse impact that some of its recommendations might have on attracting staff to non-metropolitan Councils such as those in WEROC.

It was agreed that a submission would not be prepared, with Councils to provide WALGA with any information they thought of value for inclusion into the submission WALGA will prepare on the sector's behalf.

6.3 Productivity Commission - Release of Draft Report into Mental Health

The Executive Officer advised that the Productivity Commission report on mental health in the workplace will be released on 31 October 2019, with public hearings to be held during November and December. A hearing will be held in Perth on Wednesday 20 November.

No date has been set as yet for the release of the final report.

The Executive Officer sought advice from the Executive as to whether it wanted WEROC to attend the public hearing, given it had previously made a submission.

It was agreed that no further action was required at this point.

6.4 Size and Scale Compliance Regime – Local Government Act Review

The Executive Officer drew Member Councils attention to the recent Infopage from the WA Local Government Association (WALGA) regarding its request for examples of where a size and scale compliance regime could be identified in the Act and Regulations.

It was agreed that the Executive Officer should provide WALGA with a copy of the submission it submitted to the Department of Local Government, Sport and Cultural Industries on the review of the Local Government Act.

It was also agreed that Member Councils should also provide WALGA with any examples they believe should be included in the work being undertaken by WALGA.

Any information for this with work must be with WALGA by Friday 25 October 2019.

6.5 Removal of CA07

Jamie Criddle raised the matter of the email received from Main Roads WA on Monday 23 September 2019 regarding the removal of CA07.

It was agreed that in light of the email received just prior to the WEROC Executive Meeting from Nick Sloan, CEO WALGA that the matter be left for further review at the WEROC Council Meeting scheduled for Wednesday 30 October 2019.

6.6 Departmental Circular 9 2019 – Consultation of Proposed Code of Conduct and CEO Standards

The WEROC Executive briefly discussed Departmental Circular 9 2019 which was released on Tuesday 24 September 2019.

It was agreed that this matter be left with individual Member Councils.

7. OTHER MATTERS

Nil

8. FUTURE MEETINGS

WEROC Council	Wednesday 30 October 2019 (Shire of Westonia)
WEROC Executive	Wednesday 27 November 2019 (Shire of Shire of Bruce Rock)

9. CLOSURE

There being no further business the Chair closed the meeting at 12.55pm



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ACCINGO RECOMMENDATIONS FOR CONSIDERATION
BY WE-ROC EXECUTIVES

Our findings in this report are to be used as a basis to justify further review and potential actions to be undertaken as a group collective within WeRoc. Assumptions made in the lead up discussions with WeRoc executives led to our engagement around asset utilization improvements with a view to improve financial performance, however this required justification through data and analysis prior to any broad assumptions being made.

Upon Completion of our review we are able to provide recommendations for the consideration of the We-Roc executive members. These recommendations are categorized in terms of ease of implementation and / or materiality of potential cost saving. Additionally, these suggestions are to be used for the purpose of acceptance or elimination, and prioritisation by the executives and therefore we include all potential options for such review.

These recommendations are based on prior learnings and experience of asset management 'best practice' principals revised for our understanding of the Local Government activities and requirements and focus on providing a foundation in which to generate cost savings and improved financial position of the We-Roc shires.

The following recommendations are based on our analysis of the data received however justifications based on any calculations performed should be verified to ensure no anomalies exist in the data provided.

Accingo have experience in operational roll out of such recommendations and can assist We-Roc in the execution of each chosen course of action.

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RECOMMENDATIONS

1) ASSET IDENTIFICATION STANDARDISATION

DIFFICULTY: LOW. ADMINISTRATION ONLY

TIME TAKEN: MEDIUM. DUE TO VOLUME OF HISTORICAL DATA

Having standardised asset codes and descriptions provides benefits in asset identification, transfer and traceability. Often, assets are known to individual staff due to familiarity however when new staff come on board or assets are transferred, cross hired or sold, non-standardised asset descriptions and lack of any consistency in asset identifiers creates potential risk and administration difficulty.

Currently there is a blend of Alpha numeric and numeric which do not follow any format that is easily recognizable between shires. For example, the Group code in one shire could be PE whilst in another shire it is recorded as the No 3. Asset codes similarly have examples such as 1868 versus in another shire showing P10.

Ideally, anyone internally or externally whether in a finance & administration role, operation or maintenance role should be able to easily recognize & trace an asset by a standardized reference system. As noted, this also assists the transfer of equipment either permanently or temporarily between shires.

Suggestion:

Agree on a standardize format which is backed up by an asset register policy and amend current system fields to provide such standardization.

Ideally an Asset Code would be the first 2 letters of the equipment type & a numerical number based on chronological order in terms of acquisition. i.e. Wheel Loader is WL005.

Furthermore, a standard approach to Asset descriptions should be adopted universally across all 5 registers, such as;

Model, Type, Manufacturer. i.e. 770G Grader Caterpillar



2) PURCHASE AND SALE PROCESS REVIEW

DIFFICULTY: MEDIUM. POLICY FORMULATION, ADMINISTRATION, AUDITABILITY
TIME TAKEN: MEDIUM. CONCEPTION, AGREEMENT & IMPLEMENTATION TIME

This requirement was highlighted by several issues discovered when reconciling asset registers to system reports. Although these discrepancies may have been understood by the administration staff or works managers, there were instances where reporting did not back up the stated position.

Examples to note:

Sale of assets. An asset was sold however remained on the asset register at the time of the review. It was noted this had been sold however difficult to find record of sale or provision of an updated report noting asset was removed. Further to this, upon discussion there seemed to be a lack of process or knowledge of a working procedure on selling assets.

This can create many issues and should be rectified as soon as possible where no policy or procedure exists for purchase & sale of assets. Administratively this can skew the financial position of the Shire by over/understating asset value and asset audit discrepancies. Financially this opens a potential risk of unintended or intended financial loss.

Asset purchases. An asset was purchased however was not recorded on to the asset register for nearly 6 months. Although understanding where this asset may have been working and from a maintenance & operational point of view may not be an issue, this raises several issues administratively & financially. Financially the asset register is incorrect and does not reflect the full asset list, asset values nor will it incur depreciation or holding costs during that period. Administratively, certain key metrics like hours reports, Balance sheet reconciliation etc. can not be updated. When utilization and financial performance is measured, this is performed by date of acquisition, not date of registering on the asset register. This error results in overstating utilization performance and under expensing of depreciation.



Suggestion

Review of any current “Sale & Purchase of Asset” policy or similar and check for completeness and whether policies are being followed.

If these are not in place then formulation & implementation of such a policy should be agreed upon.

Further to this, with reference to any LGA risk registers, required sign offs should be adhered too.

Finance, admin or asset management staff need to be noted within this policy with sign off occurring for asset register accuracy and completeness to avoid such discrepancies.

3) STANDARDISATION OF DEPRECIATION RATES & USEFUL LIFE

DIFFICULTY: LOW TO MEDIUM ADMINISTRATION & FINANCE

TIME TAKEN: LOW. ACCOUNTING ADJUSTMENT & CAPEX FORECAST

AMENDMENT

Assets commonly have a uniform set of depreciation rates and useful life expectations which govern a couple of important asset management fundamentals. Depreciation rates are simply a book entry that denotes how quickly an asset is depreciated. At what rate, over how long and whether there is a balloon residual. Although there are guiding principals to benchmark against it is ultimately up to the business unit (in this case, the Shire) to determine however it must be understood there are accounting principals that govern management of assets so this should be understood.

Depreciation rates set an amount in which the asset is written down which should be close to the market value write down of the asset. This rate will impact the profit & loss of the Shire as the depreciation each year is an expense. Should the depreciation not be accurate, 2 things can occur. When the asset is ready to be sold it may be worth much more on the books than the true market value is, and secondly, when a revaluation is performed every 3 years there can be a material hit to the Profit & Loss for write-down of assets.

When looking to see how long an asset is held onto (replaced) is generally guided by the expectation that maintenance costs or downtime will not outweigh the costs of having a new machine. When a machine is constantly in need of repair and can not be used to its full effectiveness, its useful life is determined. Additionally, thoughts about obtaining optimum value on resale is also a consideration.



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Much like how councils treat personal motor vehicles, there are parallels to how mobile working assets can be managed. Machines can often be cheaper to own when new and resale funds can be made prior to any major maintenance costs such as engine rebuild or major component servicing costs.

Currently there is little uniformity across shires and in some instances within a shire in terms of depreciation rate guidance and application. Furthermore, monitoring of depreciation is not taking place in some shires as there is often issues arising post revaluation or purchase. Depreciation, and importantly book value is critical in terms of managing Balance Sheet health as Sale or revaluation events can materially impact results.

Suggestion

We suggest a uniform set of depreciation rates be agreed too and implemented via the asset management policy as already discussed. This rate can be set internally or provided by an external source which provides the best basis in which to have good financial management of assets.

Another piece of work can be done around determining useful lives of assets. As already discussed, sweating an asset by maintaining it until it falls over is not always cost effective either. A review of how maintenance costs are captured and reported on and should be done down to machine level. It can be noted that some already do this effectively. At this point not all reports provided accurately reflect maintenance costs down to machine level therefore it is difficult to ascertain the total cost of owning a machine. Referencing point 1 in this report, asset identification and reporting may assist this. Review & update of the asset management policy should reflect how maintenance is tracked and standardized depreciation rates to be applied.

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4) REVIEW OF UNDERPERFORMING ASSETS

DIFFICULTY: MEDIUM. SALE, TRANSFER OF EQUIPMENT, INCREASE SERVICES
TIME TAKEN: HIGH. STEPPED PROCESS WITH MEASUREMENT OF KEY DELIVERABLES

Firstly, an agreed benchmark, or 'Target' utilisation rate needs to be agreed between the 5 shires. This can be done by product type given there is much disparity between the products but also recognizing the criticality of some assets over others. In saying this, there should be some consistency or method in how this target rate is agreed.

The Target rate should be one which drives the financial benefits expected however also can be managed operationally, which is why we suggest this is performed in a staged approach over a period. Throughout our discussions we have nominated a rate of 40%. This is at the lower base of commercial expectations and is essentially a universal rate that often is close to hire rates. Essentially, below 40% utilization of fleet, it is often a more cost-effective exercise to hire the equipment.

As referenced in the below table, these figures are reflective of a hypothetical rate which is a result of idle capacity at levels under 40%. The costs are derived from holding costs only which are depreciation and funding (or opportunity cost to do other things with the inefficient use of funds in idle equipment). The real benefits to be identified come in the form of 2 major forms, being;

- 1) Reduction of asset numbers, therefore delivering the same services with less equipment
- 2) Increase hours in which equipment is being productively used. This can be further split into 3 areas;
 - a. Increase services within the shire
 - b. Seek external uses for equipment with local contractors, companies &/or main roads therefore receiving a commercial return on surplus availability of gear.
 - c. Increase equipment productivity time by sharing across the We-Roc group of shires (in conjunction with point 1.)



As noted previously, we have not taken into account local requirements and therefore any suggestions must be weighed up alongside these requirements, restrictions in seasonal availability etc. however we do attempt to explore alternative options to combat seasonality.

1) REDUCTION OF ASSET NUMBERS

This scenario looks at an overall reduction of the fixed number of plant each shire owns based on historical usage patterns and an assumption that each shire is open to explore an alternative method of fleet ownership and management to achieve savings in asset ownership costs.

Furthermore, this can be looked at in a 2-step approach. Firstly, what asset reductions are clearly evident and able to be done now with little or no impact to services and secondly, should We-Roc move to a 'sharing' model (shown in Item 4 ' We-Roc Consolidation approach'), a more extensive review of asset reduction can take place.

The overall purpose of reducing asset numbers is to maintain the same output of services with fewer assets, which essentially increases the utilization rate of the assets being held. There are 3 benefits of this approach;

- 1) **Instant cash return on receipt of sales revenue of plant sold**
- 2) **Amended requirement for future asset purchases, and reduced holding costs such as maintenance expenses**
- 3) **Potential to review personnel operating machinery to make them more productive**

Conceptually the process to be undertaken is to identify the underperforming assets, i.e. this under 40% Target rate (1st round target) and analyse why this is so. It could be due to the physical amount of work available for this machine or its condition to conduct the works reliably & without hefty maintenance costs. Potentially, in some cases there could also be a lack of available operators to keep the machines at full potential availability.

To highlight areas of review, the below reflects a high-level summary as reflected in the tabled graphs in the report previously provided. Here we show Category, Number of machines per category, Asset



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Register Cost & WDV, Average utilization and No of machines that are under 15% which is a number which denotes a material under capacity to justify ownership.

Summary of position;

CATEGORY	No	Cost	WDV	AVG UTILISATION	No BELOW 15%
Wheel Loaders	15	\$1.8M	\$1.6M	23.0%	8
Grader	17	\$3.8M	\$3.3M	35.0%	2
Roller	17	\$1.4M	\$1.2M	16.3%	10
Excavator	2	\$98K	\$90K	4.9%	2
Tractor	2	\$69K	\$56K	2%	2
Bobcat	3	\$126K	\$102K	8.4%	3
TOTAL	56	\$7.3M	\$6.3M	21%	27
TOTAL	27	\$1.79M	\$1.56M	8.1%	27
(under 15% Utilisation)					

The table above is a starting point in understanding the right balance of equipment required and is the catalyst for further review of underperforming assets. A total of 27 assets are well underperforming and should be reviewed and a sale of such equipment should be explored which would allow for a return of funds back into the balance sheet of each council and would be what we call an opportunity cost of ownership, or, what else can be done with those funds to add more value to rate payers.

Although the number above is reflected on the Balance sheet, as noted in point 3, the depreciation rates, revaluations and timeliness of updating the asset register could have a material impact on actual market value of these assets.

Suggestion

A review of underperforming assets should be done to firstly understand why this is taking place. It could be the equipment is unreliable or perhaps the need for its services are seldom and remote. Looking forward as to whether a piece of equipment is required needs to require justification. Without this, ability to recognize savings will be limited.

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A revaluation of equipment is performed every 3 years and the timing of this review could co-exist with this process of potential sale proceeds. Alternatively, some form of relationship with a machine broking house could work on behalf of We-Roc to source buyers.

When discussing potential asset sales, it is important to note that items 5 & 6 further in this report play a part in the shire having confidence in this process not impacting services to roads and ratepayers.

When buying new equipment, it should be done on the view that services can be performed effectively & efficiently. There is no doubt new equipment is often required throughout the shires and in fact it can be argued that more needs to be spent that currently is (should maintenance costs be higher than cost of new ownership). The identified process of this in some shires is based on a set time rather than based on key metrics around utilization, maintenance or holding costs, hire v buy, or from any review of more effective equipment management practices. Again, this should be revisited in conjunction with potential synergies coming from Items 5 & 6 further in this document.

2) INCREASE HOURS IN WHICH THE EQUIPMENT IS BEING PRODUCTIVELY USED

The 3 points raised in this section effectively go to the core of what we are trying to achieve. Improving the effectiveness of asset ownership by improving utilization and reducing ownership costs. The 3 points above were;

- a. Increase services within the shire
- b. Seek external uses for equipment with local contractors, companies &/or main roads therefore receiving a commercial return on surplus availability of gear.
- c. Increase equipment productivity time by sharing across the We-Roc group of shires (in conjunction with point 1.)

Point a) may be a relatively moot point as I'm sure each council is doing all they can with the resources they have however it is obviously one way to increase utilization.

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Point b) is a financially effective way of increasing profitability within shires by using surplus downtime of gear. We observed some shires have taken on a more proactive view of this opportunity than others. It is agreed that some shires have more opportunity to provide equipment to commercial businesses or main roads however it is also evident that opportunities exist above what is being done.

Once reporting and ease of asset tracking is complete, it becomes a matter of focus in sourcing opportunities for equipment to be on hired. Targets of utilization can therefore not only be a lag indicator of a resources effectiveness but can also drive behaviors in achieving an improved financial position by sourcing such opportunities. Local councils understand what opportunities are around for this to occur more than we do, we are simply providing an independent view of what can be focused on to provide efficiencies.

Suggestions

Once we understand surplus capacity, we then need to review logistics of having underutilised equipment moving to areas of need, tracking & reporting efficiently & effectively and looking for Sales opportunities (cross hiring / transfer). A target should be set between the shires to drive these behaviors and actions agreed to & monitored.

There are localised opportunities e.g. local contractor or business currently contracts a dry or wet hire piece of machinery and an operator from Perth where this could be facilitated locally. Now whether this opportunity exists (having a surplus water cart or loader) for that shire is debatable however when we look at opportunities, we need to look at this as a We-Roc opportunity as there is access to a wider pool of potential solutions. When thinking about contracted opportunities we need to also look at implementation of points 5 & 6 to follow as part of the solution.

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5) IMPLEMENTATION OF TECHNOLOGY SOLUTIONS

DIFFICULTY: MEDIUM TO HIGH. ASSET TRACKING, REPORTING & FACILITATION OF UTILISATION IMPROVEMENTS

TIME TAKEN: MEDIUM TO HIGH. IMPEMETATION, TRAINING AND INFORMATION UPLOAD

Administration of assets can be time consuming, difficult to maintain accuracy and completeness and we understand this review may be perceived as adding additional burden to the current workload of each shire, at least initially. Implementation of asset management systems can also feel like an expensive and unnecessary step so its important to understand the why, how & what of such a move.

In order to successfully implement some of the recommendations noted in points 4 & 6 we recognise this may take considerable administrative effort to manage and resources may not be available. There are a few off the shelf solutions or a more bespoke solution could be built to suit the requirements of We-Roc to allow this to occur. Accingo have sought such products and have relationships in this area. We also have experience in implementing & training staff to use such products should this be agreed that value would be created for the group.

In essence, this product would allow all assets to be housed on a web and App based solution whereby works managers, finance managers and CEO's can;

- view available assets in the total fleet
- have real time reporting on usage, location and availability, &
- track job costings, maintenance schedules and all financial data at We-Roc level, Shire level, plant type or individual machine level

The benefits of this approach are;

- Reduced reliance on administration
- A true picture of asset availability through the entire We-Roc group
- Provide a platform in which true efficiencies can be worked towards
- Improve buy / sell decisions at a group level
- Improve sharing opportunities to complete works in a cost-effective manner by increasing overall utilization



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Although at this stage, the technology adoption is stand alone and does not work on the assumption of physically ‘pooled’ assets in 1 location, the approach has provided an ability for works managers to plan for scheduled & unscheduled works by selecting equipment for a task or job. They would select from 2 areas;

- Owned fleet
- Fleet owned within the group that has been ‘flagged’ for sharing purposes

A task would then have selected equipment allocated to the task. Equipment would then be allocated to that task and requests for external equipment would be accepted or rejected by the owner(s). Costs associated with ownership or an ‘agreed’ rental rate internally would remain with that equipment & simply be charged to that cost centre.

It may be difficult to identify with such an approach however with the ease of application and due to the logistical & administrative ease of cross hiring equipment, the following can occur;

- Improved utilization of equipment over its life cycle
- Reduced need for surplus gear across the We-Roc fleet (see points 3 & 4 above)
- Potential to also wet hire machines and improve recoverables should there be downtime of an employee operator
- Recovery of maintenance & ownership costs by asset owner for an otherwise underutilised asset
- Permanent or temporary transfer of equipment to other We-Roc shire balance sheets
- Improved buy / sell decisions to ensure the group as a whole has the optimum amount of equipment

A further benefit of adopting such technology is the ability to then progress towards a more ‘group orientated’ approach of combining assets into a physical pool (refer point 6 below)



6) CENTRALISATION OF ASSET / ASSET MANAGEMENT

DIFFICULTY: MEDIUM TO HIGH. PHYSICAL ASSET CONTROL, MAINTENANCE & LOGISTICS

TIME TAKEN: MEDIUM TO HIGH. STEPPED PROCESS WITH MEASUREMENT OF KEY DELIVERABLES

Asset ownership is in the top 2 expenses of a shire, along with its people.

Inefficiencies are created when focus is not put on the cost base or operational expense of maintaining or operating such assets. The level of reporting and analysis on these costs is evident that this has not been a priority however the fact that a review has been requested provides the underpinning belief that there can be some improvements in effective fiscal management of such a large cost base.

Each shire has its own equipment deemed necessary to perform the works and this approach has resulted in materially underutilized assets as shown in the utilization graphs provided.

In this report we have touched on areas that highlight the need for focus and potentially what actions can be undertaken to lift the profile of its importance to the financial viability of the We-Roc group of shires. In this section we provide a bold but what we see, necessary solution to have the material impact required for the financial benefit of the group.

In point 5 we discuss the technological step to provide a group view of assets in the fleet which are used to perform critical & noncritical works within your shire. This is a step that not only improves focus through reporting, analysis and potential allocation of 'pooled' equipment resources, but also allows a completely different view of asset ownership and what it means to have assets 'available' to perform works. In that stage we are not suggesting gear is physically moved however what we are promoting is that you don't need to own it or have it sitting physically in your yard, or even your region, for it to be available for use.



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Stepping forward once this is understood & adopted, is the potential to physically pool gear in one location. This doesn't mean to say ownership has changed, it simply resides somewhere else until such time as you need it. We attempt to point out in this section that although this is a difficult concept to comprehend, the material benefits mean this should be explored.

We have listened to each shire about the requirement for the assets and the need of the ratepayers and we are not doubting there are scenarios to work through when taking on such a bold concept such as;

- Seasonal work all at one time
- Lack of physical ownership means that scheduled & unscheduled works may not be performed
- Trust
- Who pays for what
- Future budgets & funds will be negatively impacted.

All are valid reasons to explore & work through however our independent assessment is that none of these issues should prevent adopting this model

THE MODEL

For this concept to be explored, it needs common agreement and mindset that an alternative model can work, through communication and a desire to improve the financial outcome for each region.

We suggest that (Post technological adoption) One (1) physical location be chosen as the asset hub within the We-Roc region. From here it needs to be approached in stages.

Stage 1 - all non-critical gear is moved to the chosen location in an asset holding yard. The holding yard is will be the We-Roc asset resource centre (RC). The RC is responsible for ;

- Fulfillment of works manager's needs – (measured on strict KPI's & deliverables)
- All maintenance activity
- Parts holding & distribution
- Transport & logistics of gear
- Hire of equipment (back up)
- Buy / Sell recommendations to We-Roc executives / works managers

There will be a need to form an asset committee or the like, made up from a representative of each council. This will have combined accountability for the smooth operation of the business unit.

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Stage 2 – A review of the combined asset holding will be undertaken. This review will take place to identify the optimum level of asset holding for each plant type based on works requirements. Given this is a new concept this may take place over a period once the model settles and confidence in the ability of the RC is gained. Upon assessment of required equipment, a formal sale process of underutilized equipment is undertaken with acquired funds returning to individual councils who own the equipment. Alternatively, these funds can be held by the RC for the purchase of future assets for the region.

Stage 3 – Procuring a hire agreement with a reputable equipment hiring company to backfill short term requirements will provide confidence of continued works in times of shortfall. The asset fleet size should not be managed to a level that covers for the ‘just in case’, this should be managed by rigid asset management practices to create a truly efficient model.

Stage 4 - Upon successful operations of the RC and with confidence in the model, the option of bringing all gear to the RC should be explored. This will maximise savings of such an approach and further justify the expense of the technology platform and set up costs.

At this time a further review of utilization should be analysed with the view to sell equipment which is now surplus to the overall needs of the works managers.

The overall model is based on removing much of the duplication in the management of assets across the 5 councils. It allows for the reduction in overall capital tied up in mobile plant whilst also releasing initial funds from the sale of plant.

As noted previously in this report, maintenance is not measured in many councils down to machine level so it is difficult to understand the total ownership costs however a broad assumption must be made that the older the equipment, the more that will be spent on maintenance. With the model just highlighted, We-Roc can look to decrease the average age of its working fleet. With newer equipment comes lower maintenance costs, fewer breakdowns therefore reducing downtime for its operators, and more OEM support for warranty claims etc. Funds released should be employed to acquire this new equipment (note item on Sale & Purchase policy).

SUMMARY

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Through this review it has become evident that the level of understanding of full asset spend and inefficiencies in asset utilization is low. This is in part due to lack of visibility of reporting but also to the fact that there are limited controls, drivers or requirements to monitor such spend or activity. The level of local understanding of owned equipment is undoubtedly there but we look to provide detailed solutions to maximizing the capability of a combined We-Roc network approach to asset management.

Now we have thoroughly reviewed the current position of the 5 individual councils, we envisage the most effective & efficient outcome is a position with a reduced fleet size, owning newer model equipment, resulting in lower maintenance costs & higher utilization outcomes, backed up by a cross hiring network, plus an external hiring capability to maintain or even improve service to the community. Providing more value to the ratepayers and more surplus funds to create the opportunity for alternative investment within the region.

The We-Roc group of shires has an ability to create a unique marketplace, with improved purchasing power, better OEM support of parts and repair, an efficient maintenance hub and a best of class technology solution to asset management & logistics that will lead the way above other LGA's. Roles & responsibilities can also be recreated into alternative functions that add more value to the administration of the councils.

Some of our takeaways from discussions or observations were;

- Individual shires only have enough resources to look after themselves
- Physical ownership of gear is seen as a necessity to conduct works (this is not the case in all instances)
- Ability to share equipment across the shire network is administratively difficult
- Lack of detail in the reporting is evident but rarely challenged
- Capex budgets are being squeezed
- Cost reductions are met with lower level of external funding and can cost jobs

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Whilst there will be challenges both ways in the above points, it is evident there is a clear need for an improved financial position for some shires and we believe managing one of the highest expenses for the region more effectively will deliver savings.

We also believe that different levels of thinking can open up opportunities. Some additional conversation starters are that the funds saved by such a bold move in asset management could be matched by additional regional program funding for economic activity or skills training. Or perhaps if we turn one shire into the asset & maintenance hub, that other shires can invest the surplus funds into other activities to provide alternative jobs for their staff.

From our external and independent review, we see a material benefit for the region by implementing improvements to the asset management practices and we would welcome further involvement to assist in making this happen

We appreciate the opportunity to work with each individual council & the We-Roc executives and we look forward to working with you in implementing any or all of the above strategies going forward.

Regards

Blake Read & Neil Marsh

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Date: 01 Sept 2019

We-Roc Executives

We thank you for the opportunity to work with We-Roc.

Accingo have undertaken a review of mobile assets and plant within scope across the 5 shires with the view to better understand the life cycle of asset management and associated processes within these Local Government Associations. Our combined expectation is to provide We-Roc executives and councilors with an independent view into what is essentially one of the largest spend and maintenance areas for each council. An independent review of mobile assets will provide a basis in which CEO's, Finance teams and works managers can make more informed decisions based on data and recommendations.

Our process for the asset review is built from industry standards however we have undertaken the work with the understanding of requirements within a regional local government environment. With consideration of this variance, and an increased understanding of council requirements through this process, we look to demonstrate areas in which We-Roc can improve financial disciplines through improved asset management practices and approaches to increased return from assets employed.

Sincerely,

Blake Read and Neil Marsh

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1. OVERVIEW

Accingo, through discussions with regional WA local governments over the course of the last decade have identified there is potential value in undertaking an in depth, independent view of assets, from purchase to sale and how learnings and efficiencies adopted in industry can be applied to We-Roc for their financial benefit.

Through valued discussions over the course of this time we do have a genuine understanding of the differences between private industry and local governments taking into account the individual nature of operations, rate payers and the towns requirements. We do however believe this work will provide positive action items for We-Roc executives to review and implement to improve current practices, ultimately for the financial benefit of the region.

Under scope and in this report we provide the following;

- Physical asset review
- Utilisation data / Purchasing / Selling
- Reporting and analysis of assets
- Additional revenue / cost reduction potential

Further to this report we look to continue to explore areas in which we can extract maximum value for We-Roc as we navigate what can be a complex area in managing assets to perform the most efficient method of completing required works within the region.

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2. ASSET AUDIT

Prior to evaluating asset performance and actions for review, it is vital that we undertake a full audit of assets under scope. The basis in which we undertook the audit were based on asset register reports or where not available, the operational asset list as provided by the works managers. The assets identified were those under scope which included all mobile assets with a value >\$2,000. As part of the audit we undertook the following;

- a) Physical inspection reconciling to most current asset register
- b) Hours of each machine
- c) Photos of all equipment which were logged into our asset portal

Outcome:

The ability for cost savings to be achieved through improved asset management is reliant firstly on the verification of the asset register to physical assets. This was performed to ensure accuracy of asset registers used for asset control and financial reconciliation to balance sheet. Secondly, review of each asset register was performed to form the basis of the cost efficiency calculations as well as accuracy and timing of data capture. Reporting accuracy and timeliness of information gathering and input is vital in ensuring assets are controlled and financials are accurately recorded. Furthermore, asset management and its large capital nature lends itself to inherent risks financially and therefore tight processes and policies should be maintained and followed with training in these processes to be undertaken.

Accingo have photographed and entered details of all assets under scope into a secure selected asset management portal for future reference.

FINDINGS

Overall, there was an intimate working knowledge of assets across the 5 shires. Works managers and administration staff were extremely knowledgeable about location, details and requirements of mobile assets in the field. For assets that were perhaps aged or no longer in high usage, the yards were well laid out with assets being adequately stored and recorded.

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Asset lists were found to be mostly accurate however some issues were identified and should be reviewed and/or rectified, those being;

- Timing of data entry for sales and purchase – Sales and purchases of assets is critical for a number of reasons being recognition of a financial transaction, reconciliation of accounts to registers, reconciliation of owned/working assets to registers. Issues can arise whether by fraudulent activity or otherwise where control is difficult to administer. Examples of note;

- Asset purchase where asset register had not been updated for first 6 months of ownership. This may have been due to a few factors of oversight or lack of resources however should be covered off in asset maintenance policies and procedures

Result:

- Item not officially included to Balance Sheet therefore understating asset values
- Depreciation of asset not taking place so book value will not be in line with potential sale value. Profit and loss impact in the month adjustment is made

- Asset sale not recorded in a timely manner. Asset remained on register even though sold.

Result:

- Item not officially removed from Balance Sheet therefore overstating asset value.
- Not recognising Profit or loss on sale of asset

- Process of recording financial information such as up to date values and depreciable amounts were either not in place or not followed or audited.

Result:

Total assets were revalued but not recorded any depreciation from the date of revaluation some 18 months down the track. Of further concern was that the financials had been audited and signed off as being true and correct. Total depreciation amount to the Profit and Loss was somewhere in the vicinity of \$200k+. This means asset value was overstated by this amount and profit and loss accounts were under expensed so profit overstated also by the \$200k+.

Adjustment would be required which would realise the full impact in the month of correction.

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Other notes:

Reporting quality, format and detail was quite varied across all 5 shires with little consistency around detail of ;

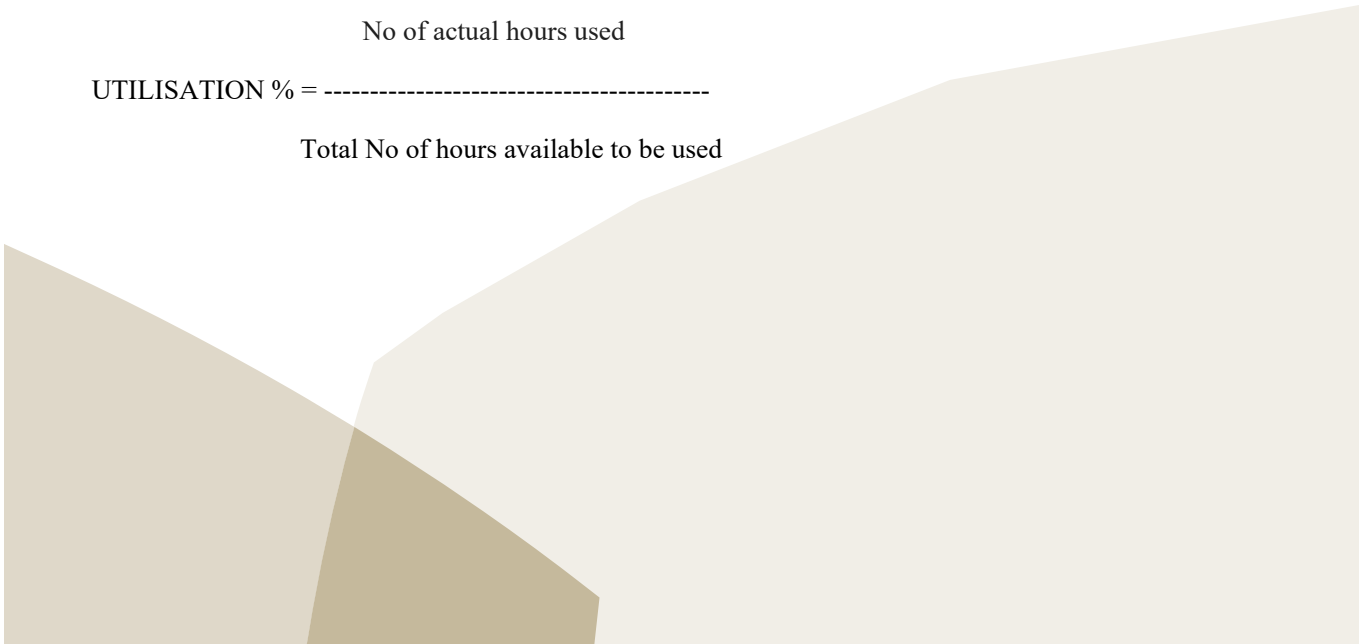
- Asset description / Model type
- Identification code / Plant No
- Depreciation rates
- Revaluation vs original cost information
- Hours report

This isn't necessarily a problem in each individual shire as long as it is understood by those entering, using or reporting on the information however standardization of reporting practices would assist cross migration of employees or functions. The standout that should be reviewed however is depreciation rates which should have gazetted rates that are consistent across the 5 shires.

3. UTILIZATION

As part of the review, we set out to measure the degree to which each item of equipment was being utilized. Utilisation is reflected as a % and is measured as;

$$\text{UTILISATION \%} = \frac{\text{No of actual hours used}}{\text{Total No of hours available to be used}}$$





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Whilst we understand holding assets in a shire does not just come down to dollars and cents, it is also about meeting ongoing & critical works and those works being satisfactorily performed. There should be an element of understanding of utilisation and what can be done to improve the financials of holding assets within a shire over their life cycle.

Equipment utilization is a universal measurement for efficiency which drives overall unit costings. It should also assist in making up part of the buy, sell, hire decision making process. This measure, when reported and used in management decisions will assist in driving the most efficient outcome financially, balancing ideal requirements of the shires ratepayers. As an additional by-product of such a measure it can also play a part in managing staff whom operate the equipment and perform the works programs.

Equipment used to perform works such as in regional government have 4 main costs;

- Depreciation
- Financing cost / opportunity costs of where funds could better be spent
- Maintenance
- Operators (when looking at mobile equipment)

An underutilised asset represents an opportunity to attract savings in these costs noted above. In isolation, an increase in utilisation may not seem worth the effort of amending current process or standards of management however when viewed across a fleet of assets, even small increments of utilisation can have material effects on costs and opportunity costs of these amendments to practices.

‘Appendix A’ graphically reflect the utilization across shires and asset types. We have looked here at the equipment that would have material enough effect to make consideration of any changes in process worthwhile.

In this review we have provided a benchmark utilization of 40% to be the target range. This means that of all ‘available’ hours a machine can operate, we believe a nominated achievable target of 40% would provide a significant enough financial benefit to justify implementation of amended practices. Available hours has been set at 200 hours per month which is standard practice as the minimum level of availability.

To provide some background to this target utilization rate, in a private company with similar equipment, a target of circa 65-70% is the target of effective equipment management. As noted, we understand that Local Government are not a private company and equipment is used to perform public services for ratepayers and members of the community. We also note that critical works that are seasonal or sometimes an urgent matter that requires readily available equipment and resources and these nuances must be considered when balancing up efficiencies versus minimum requirements

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When looking at potential cost reductions through utilization increases we generally look at 2 ways in which this can occur. Either an increase in productivity through increased output of works programs with the same equipment, or a reduction in equipment resulting from sharing assets where it remains too inefficient to carry the same level of plant and equipment.

As part of our financial review we have attempted to highlight potential cost savings in dollar terms for incremental increases of utilisation. The calculation performed here is to look at total cost of ownership being depreciation, funding (or opportunity cost of alternative purchases) divided by the total hours in use. We then look at the costings at the nominated 40% rate. In normal situations we would also take into account maintenance however we feel this may complicate the initial review and calculations so should be looked at separately. Furthermore, at the 40% costing rate, the hourly / daily holding rate in most cases is very close to an external hire rate. This hire rate should also be used as an alternative costing method when weighing up hire vs buy decisions or to make a blend of both as part of the overall asset mix to perform works.

Findings:

As per graphical representation in Appendix A, the results reflect a significant disparity between councils in terms of utilization rates and between different plant types. To understand where initial focus can be applied, we have dissected the results both by product across We-Roc as a whole and by each Shire. We know that different classifications of equipment are used for different purposes and some are in more demand than others, i.e. road grading. We also know that the size of the shire and the expected capital and maintenance works differs due to road and infrastructure network, critical works and maintenance works as requested by the ratepayers of the regions.

Therefore these numbers are only part of the story and are not meant to portray any shire or type of equipment as being a poorer performer than another, but a set of data to reflect how things could be looked at differently to be of financial benefit.

Important Note: Some hours have been materially affected due to process / timing issues in registering or deregistering assets onto the register. For example, where an asset is bought and perhaps used for some time before it makes its way onto the asset register, its key measurement of hours performed over available hours can be materially impacted. As noted in a further section, the process of asset management requires considerable focus in some regions for improved reporting and basis for decision making.

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To summarise the results in Appendix A we observe the following

Understandably, Graders are the highest utilized assets across the shires at an average of **34.1%**. This is impacted by some older assets that are essentially used for backups or winter grading only. When normalized, the grader fleet averages **43%** which is above the target range suggested.

We do believe there is still room for review as this is the largest capital expense with 17 assets at \$3.8M across the 5 shires within the shown graphs. 4 assets were below 17% although the WDV of these assets was not high so a call would be made based on maintenance and holding costs.

The lowest utilization is across the 5 Graders in Bruce Rock at an average of 18%. In looking at the cost savings of increased utilization, a deeper understanding of maintenance costs would be required. Bruce Rock have an aged fleet in this area which means the holding costs are reduced however as noted we have not included maintenance costs which generally increase as fleet ages. Our discussions locally had identified that utilization of Graders may at times be reduced due to operator availability however this hasn't been confirmed.

The report received from Bruce Rock differed to the type of report provided by the other 4 therefore there may be a data reporting issue which may have impacted our calculations so further investigation is warranted. (Refer back to standardization of reporting requirement)

Wheel Loaders when amalgamated came in at **20.0%** utilization from a much lower asset book value on average with the 15 Wheel Loaders in total worth \$1.84m.

Consistently each shire had 1 Wheel Loader that was heavily impacting this number and strategically may have been available as a back up. Each of these recorded around **200 hours** for the year which is approximately 1 months work in a normal environment.

Rollers totaled 17 units at an asset value of \$1.39m at a utilization rate of **16.0%**. Yilgarn recorded much higher utilization than the other shires at **42%** on their 3 assets.

Rollers were highlighted as being materially underutilized and we believe a review of the hours should be performed to ensure accurate recordings were received by us for the review. Should these hours be correct then a justification review of these assets should be performed. (Refer recommendation notes)

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Additional revenue / cost reduction

Having underutilized assets represent an opportunity to improve the shires financial position in 3 ways;

- Reduce holding costs by reducing the amount of assets on the Balance Sheet
- Improve revenues by increasing contracted works to external parties.
- Improve revenues by sale of assets

Some shires had performed well in terms of maximizing equipment potential by increasing contracting opportunities and therefore attracting revenue for otherwise idle machines. From a reporting point of view, allocating revenue through the particular machine(s) was a clear and identifiable way to measure this return. Additionally there was evidence of cross hiring of equipment between regions to reduce overall costs of holding the assets. Where these shires adopted such principles, the P&L impact was evident.

There was no uniform level of focus between the shires on such opportunities however the general principal of seeking contract works for underutilized equipment and/or cross hiring equipment between We-Roc shires was accepted and in parts sought after.

When looking at potential cost savings, we worked on a benchmark of 40% utilization. The holding costs at this level were then balanced against market hire rates. The formula used to work out potential cost savings was;

{Asset cost – depreciation and funding costs (nominal 5%) – less – hire rate or rate at 40% utilization = additional expense or saving }

Shire	Average utilization	* Potential saving at 40%
Kellerberrin	15.1%	\$79,014
Bruce Rock	12.0%	\$166,391
Westonia	22.0%	\$69,173
Yilgarn	33.0%	\$9,968
Merredin	32.3%	\$7,869
Total	20.9%	\$332,415

- Saving is based on taking various actions to increase asset utilization to 40% or substitute under utilized assets with hire equipment.



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4. REPORTING and ANALYSIS

To effectively manage assets there must be sufficient and accurate data in which to make decisions. Reporting starts with a system that provides the ability to adequately capture the information required and procedures to be followed to ensure information is timely and accurate.

The reports requested as part of this exercise were;

- Financials / Maintenance costs;
- Hours report; and
- Asset register

These reports were used to extract key data from and determine key criteria in which to focus the audit upon.

Findings

Upon receipt and analysis of these reports it was evident there is no uniform method in system management, and use of such information is also varied depending on the shire.

The timing of inputs and the accuracy of information requires attention as the ability to obtain consistent data in which to conduct the audit was difficult and often assumptions had to be made due to inability of the system to provide accurate information. Some common issues located were;

- Assets purchased yet not entered onto the asset register for some time. In some cases this may have spanned over 2 financial years, where the asset revaluation may have been the common date of some of these adjustments. The impact of this was a material impact to utilization rates over the life of the asset due to incorrect dates in the system.
- Depreciation of assets in the system in some cases was not evident and in some cases the calculations did not seem to reconcile accurately. One system had not reported any depreciation for over 18 months. The result of this is under depreciation expense to the P&L. A one off large expense must be recorded once rectified however an additional issue may be a loss on sale should the asset be sold. This issue was not picked up in the last financial audit as independently signed off on the audited statements. This should be reviewed for completeness.
- Depreciation rates differ materially between shires. Treatment of assets should follow a standardized and agreed set of rates which allows for a consistently applied unit of measurement and ultimately a uniform holding cost

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- Maintenance of equipment was not consistently applied to individual machines. On the most part the asset codes were used and reports reflected such costs however an ability to transparently record ongoing utilization be requested or desired as a unit of measurement
- Hours reports were not uniformly measured or able to be supplied. This is required to be rectified for future performance to be monitored and measured.

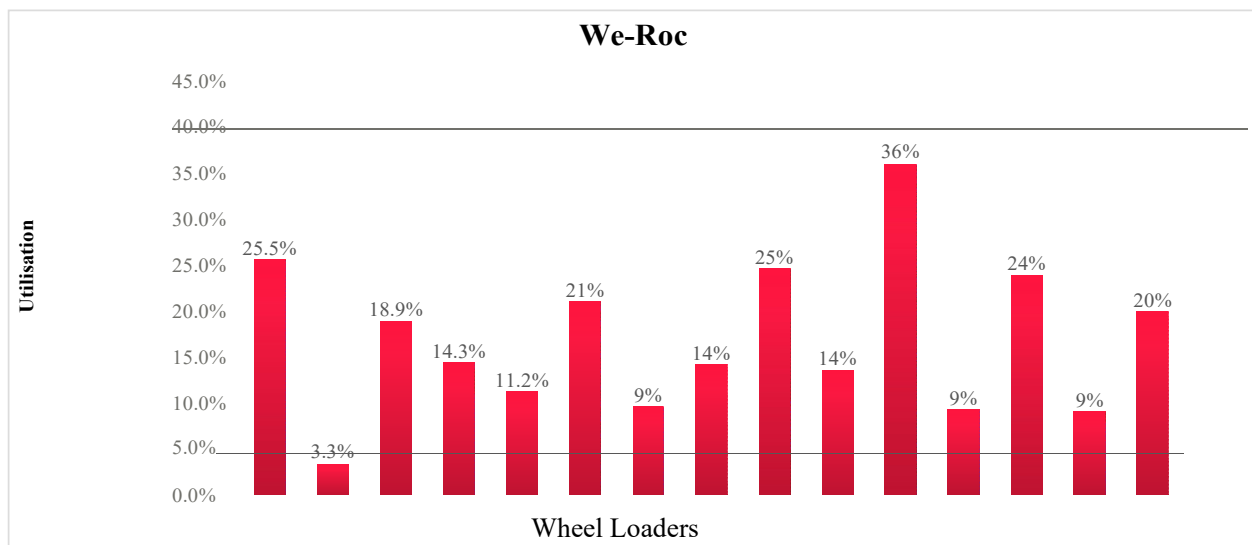
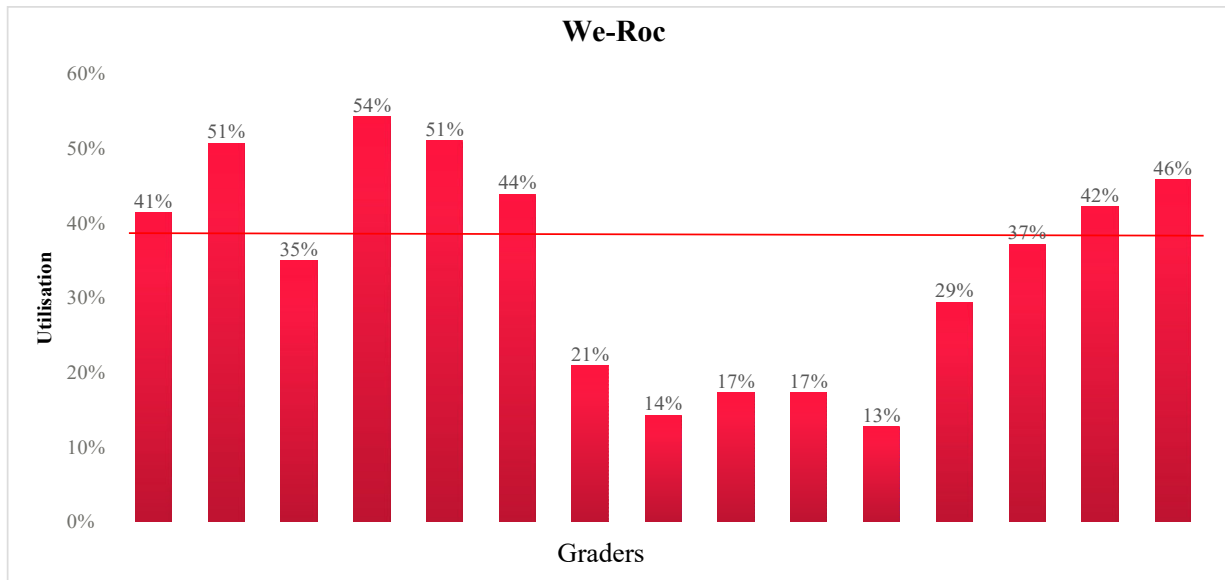
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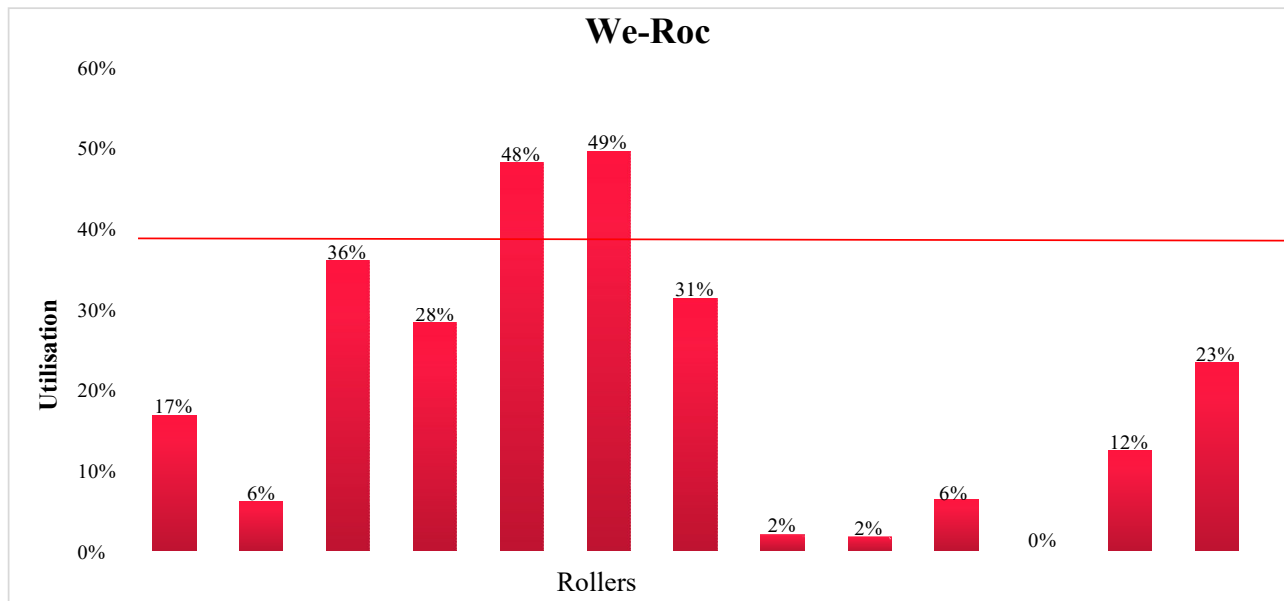


APPENDIX A





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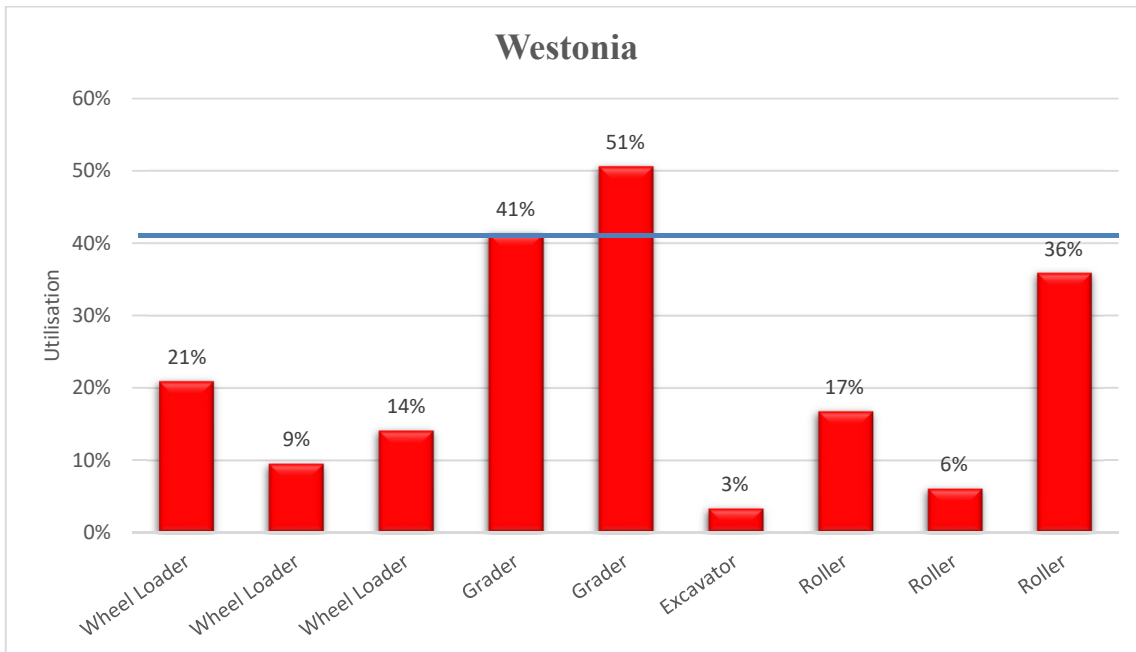
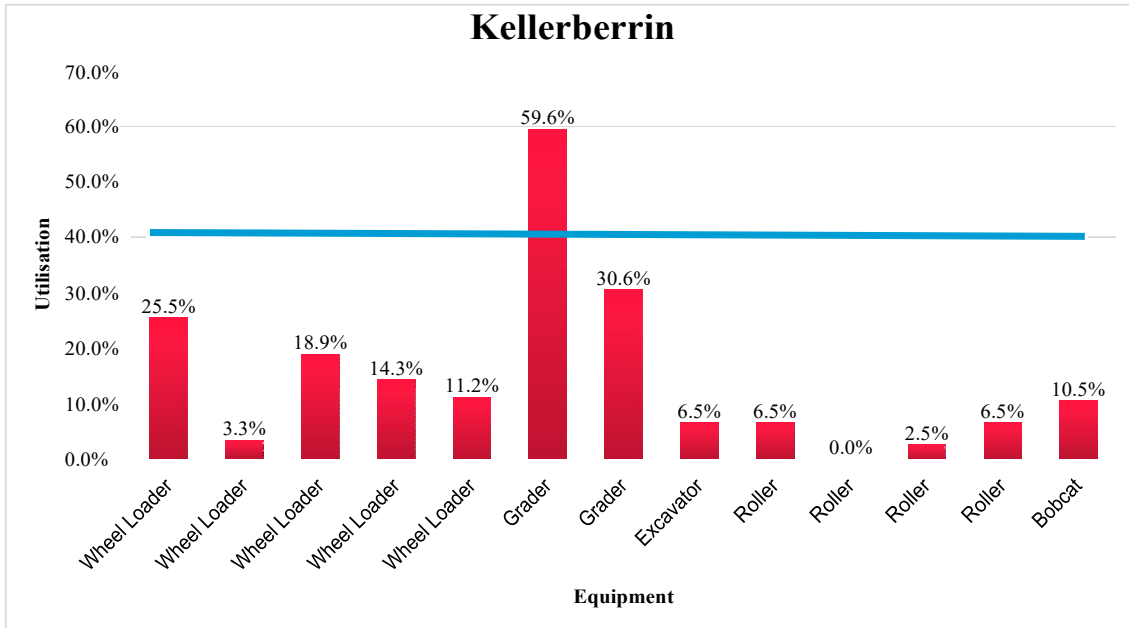
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BY SHIRE

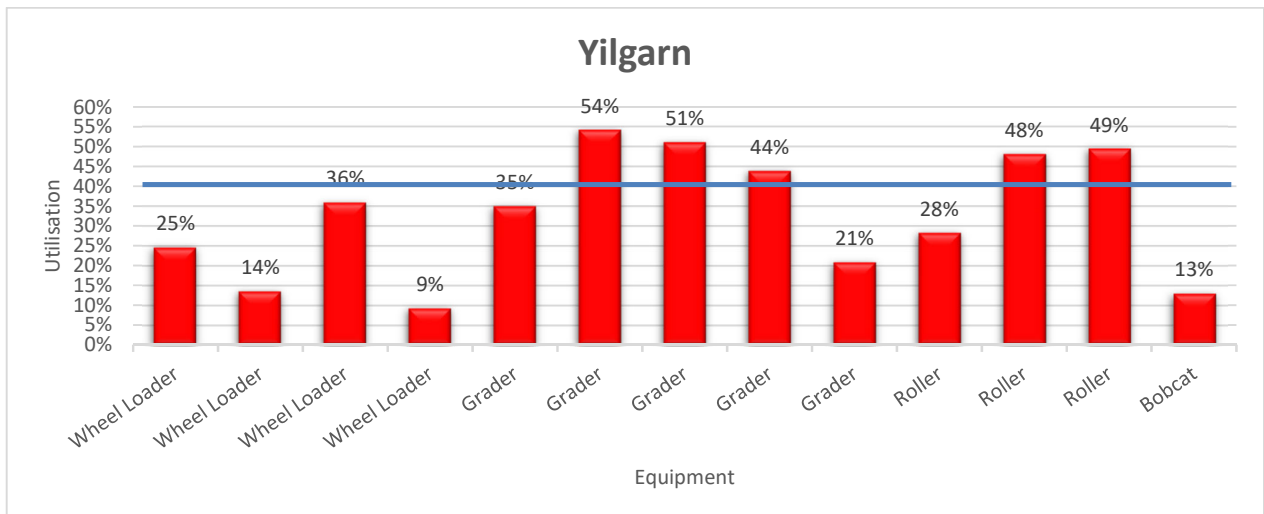
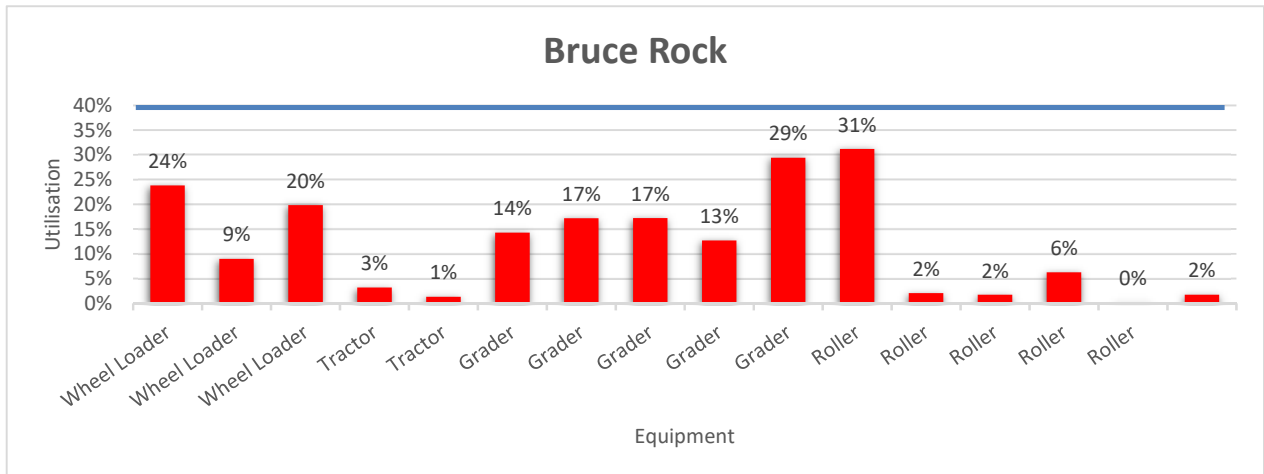


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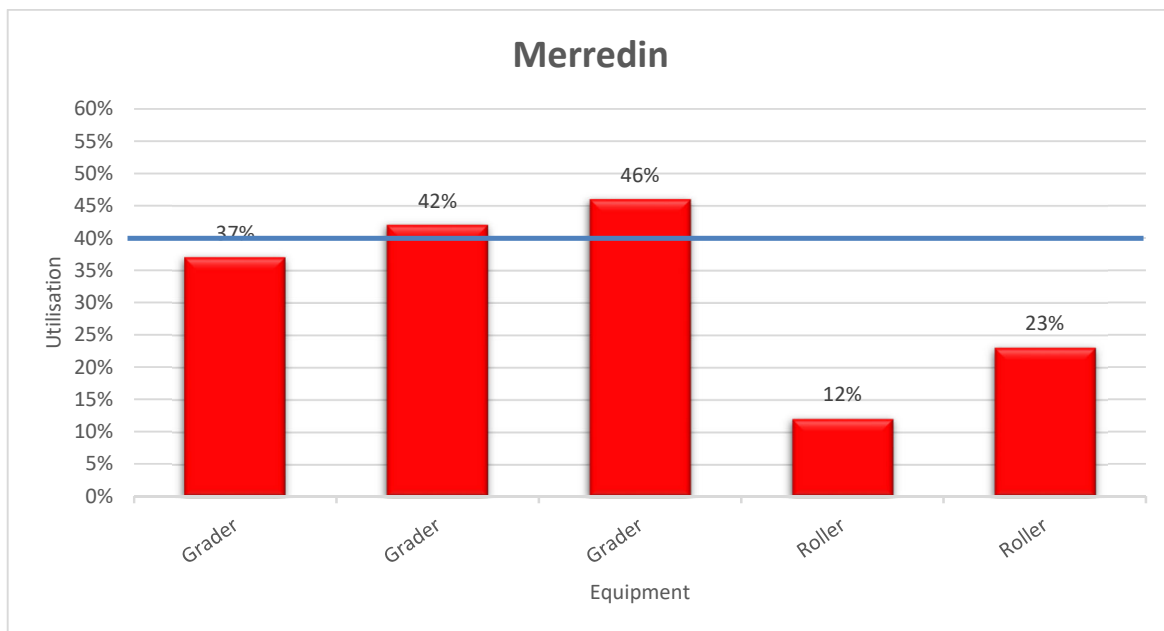
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ACCINGO RECOMMENDATIONS FOR CONSIDERATION BY WE-ROC EXECUTIVES

The findings in this report should be used as a basis to commence the actions that will increase opportunity and justify further review and potential actions as a group. Assumptions made in the lead up discussions with WeRoc executives led to our engagement around asset utilization improvements with a view to improve financial performance, however this required justification through data and analysis prior to any broad assumptions being made.

Upon Completion of our review we are able to provide recommendations for the consideration of the We-Roc executive members. These recommendations are categorized in terms of ease of implementation and / or materiality of potential cost saving. Additionally, these suggestions are to be used for the purpose of acceptance or elimination, and prioritisation by the executives and therefore we include all potential options for such review.

These recommendations are based on prior learnings and experience of asset management 'best practice' principals revised for our understanding of the Local Government activities and requirements and focus on providing a foundation in which to generate cost savings and improved financial position of the We-Roc shires. The following recommendations are based on our analysis of the data received however justifications based on any calculations performed should be verified to ensure no anomalies exist in the data provided.

Accingo have experience in operational roll out of such recommendations and can assist We-Roc in the execution of each chosen course of action.

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RECOMMENDATIONS

1) ASSET IDENTIFICATION STANDARDISATION

DIFFICULTY: LOW. ADMINISTRATION ONLY

TIME TAKEN: MEDIUM. DUE TO VOLUME OF HISTORICAL DATA

Having standardised asset codes and descriptions provides benefits in asset identification, transfer and traceability. Often, assets are known to individual staff due to familiarity however when new staff come on board or assets are transferred, cross hired or sold, non-standardised asset descriptions and lack of any consistency in asset identifiers creates potential risk and administration difficulty.

Currently there is a blend of Alpha numeric and numeric which do not follow any format that is easily recognizable between shires. For example, the Group code in one shire could be PE whilst in another shire it is recorded as the No 3. Asset codes similarly have examples such as 1868 versus in another shire showing P10.

Ideally, anyone internally or externally whether in a finance & administration role, operation or maintenance role should be able to easily recognize & trace an asset by a standardized reference system. As noted, this also assists the transfer of equipment either permanently or temporarily between shires.

Suggestion:

Agree on a standardize format which is backed up by an asset register policy and amend current system fields to provide such standardization.

Ideally an Asset Code would be the first 3 letters of the LGA then equipment type & a numerical number based on chronological order in terms of acquisition. i.e. Kellerberrin Wheel Loader is KWL005.

Furthermore, a standard approach to Asset descriptions should be adopted universally across all 5 registers, such as;

Model, Type, Manufacturer. i.e. 770G Grader Caterpillar

At some point in the future the asset may become the property of the Group rather than the LGA (refer sections further below in this document)



2) PURCHASE AND SALE PROCESS REVIEW

DIFFICULTY: MEDIUM. POLICY FORMULATION, ADMINISTRATION, AUDITABILITY

TIME TAKEN: MEDIUM. CONCEPTION, AGREEMENT & IMPLEMENTATION TIME

This requirement was highlighted by several issues discovered when reconciling asset registers to system reports. Although these discrepancies may have been understood by the administration staff or works managers, there were instances where reporting did not back up the stated position.

Examples to note:

Administrative

Sale of assets. An asset was sold however remained on the asset register at the time of the review. It was noted this had been sold however difficult to find record of sale or provision of an updated report noting asset was removed. Further to this, upon discussion there seemed to be a lack of process or knowledge of a working procedure on selling assets.

This can create many issues and should be rectified as soon as possible where no policy or procedure exists for purchase & sale of assets. Administratively this can skew the financial position of the Shire by over/understating asset value and asset audit discrepancies. Financially this opens a potential risk of unintended or intended financial loss.

Asset purchases. An asset was purchased however was not recorded on to the asset register for nearly 6 months. Although understanding where this asset may have been working and from a maintenance & operational point of view may not be an issue, this raises several issues administratively & financially. Financially the asset register is incorrect and does not reflect the full asset list, asset values nor will it incur depreciation or holding costs during that period. Administratively, certain key metrics like hours reports, Balance sheet reconciliation etc. cannot be updated. When utilization and financial performance is measured, this is performed by date of acquisition, not date of registering on the asset register. This error results in overstating utilization performance and under expensing of depreciation.

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Suggestion

Review of any current “Sale & Purchase of Asset” policy or similar and check for completeness and whether policies are being followed.

If these are not in place then formulation & implementation of such a policy should be agreed upon.

Further to this, with reference to any LGA risk registers, required sign offs should be adhered too.

Finance, admin or asset management staff need to be noted within this policy with sign off occurring for asset register accuracy and completeness to avoid such discrepancies.

Operationally

WEROC should standardize the equipment used within the group. This would allow transfer between LGA’s and maintain productivity of the machine reduce stock holding across the group of spare parts and service needs and improve OEM services to the group. Once a set of criteria for the equipment is settled on it will allow the group to implement training schedules for the operation and maintenance of the equipment. It would also allow the training of casuals to take place maximizing the use of the assets.

3) STANDARDISATION OF DEPRECIATION RATES & USEFUL LIFE

DIFFICULTY: LOW TO MEDIUM ADMINISTRATION & FINANCE

TIME TAKEN: LOW. ACCOUNTING ADJUSTMENT & CAPEX FORECAST

AMENDMENT

Assets commonly have a uniform set of depreciation rates and useful life expectations which govern a couple of important asset management fundamentals. Depreciation rates are simply a book entry that denotes how quickly an asset is depreciated. At what rate, over how long and whether there is a balloon residual. Although there are guiding principals to benchmark against it is ultimately up to the business unit (in this case, the Shire) to determine however it must be understood there are accounting principals that govern management of assets so this should be understood.



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Depreciation rates set an amount in which the asset is written down which should be close to the market value write down of the asset. This rate will impact the profit & loss of the Shire as the depreciation each year is an expense. Should the depreciation not be accurate, 2 things can occur. When the asset is ready to be sold it may be worth much more on the books than the true market value is, and secondly, when a revaluation is performed every 3 years there can be a material hit to the Profit & Loss for write-down of assets.

When looking to see how long an asset is held onto (replaced) is generally guided by the expectation that maintenance costs or downtime will not outweigh the costs of having a new machine. When a machine is constantly in need of repair and cannot be used to its full effectiveness, its useful life is determined. Additionally, thoughts about obtaining optimum value on resale is also a consideration. Much like how councils treat personal motor vehicles, there are parallels to how mobile working assets can be managed. Machines can often be cheaper to own when new and resale funds can be made prior to any major maintenance costs such as engine rebuild or major component servicing costs.

Currently there is little uniformity across shires and in some instances within a shire in terms of depreciation rate guidance and application. Furthermore, monitoring of depreciation is not taking place in some shires as there is often issues arising post revaluation or purchase. Depreciation, and importantly book value is critical in terms of managing Balance Sheet health as Sale or revaluation events can materially impact results.

Suggestion

We suggest a uniform set of depreciation rates be agreed too and implemented via the asset management policy as already discussed. This rate can be set internally or provided by an external source which provides the best basis in which to have good financial management of assets.

Another piece of work can be done around determining useful lives of assets. As already discussed, sweating an asset by maintaining it until it falls over is not always cost effective either. A review of how maintenance costs are captured and reported on and should be done down to machine level. It can be noted that some already do this effectively. At this point not all reports provided accurately reflect maintenance costs down to machine level therefore it is difficult to ascertain the total cost of owning a machine. Referencing point 1 in this report, asset identification and reporting may assist this.

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Review & update of the asset management policy should reflect how maintenance is tracked and standardized depreciation rates to be applied.

4) REVIEW OF UNDERPERFORMING ASSETS

DIFFICULTY: MEDIUM. SALE, TRANSFER OF EQUIPMENT, INCREASE SERVICES
TIME TAKEN: HIGH. STEPPED PROCESS WITH MEASUREMENT OF KEY DELIVERABLES

Firstly, an agreed benchmark, or 'Target' utilisation rate needs to be agreed between the 5 shires. This can be done by product type given there is much disparity between the products but also recognizing the criticality of some assets over others. In saying this, there should be some consistency or method in how this target rate is agreed.

The Target rate should be one which drives the financial benefits expected however also can be managed operationally, which is why we suggest this is performed in a staged approach over a period. Throughout our discussions we have nominated a rate of 40%. This is at the lower base of commercial expectations and is essentially a universal rate that often is close to hire rates. Essentially, below 40% utilization of fleet, it is often a more cost-effective exercise to hire the equipment.

As referenced in the below table, these figures are reflective of a hypothetical rate which is a result of idle capacity at levels under 40%. The costs are derived from holding costs only which are depreciation and funding (or opportunity cost to do other things with the inefficient use of funds in idle equipment). The real benefits to be identified come in the form of 2 major forms, being;

- 1) Reduction of asset numbers, therefore delivering the same services with less equipment
- 2) Increase hours in which equipment is being productively used. This can be further split into 3 areas;
 - a. Increase services within the shire
 - b. Seek external uses for equipment with local contractors, companies &/or main roads therefore receiving a commercial return on surplus availability of gear.

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- c. Increase equipment productivity time by sharing across the We-Roc group of shires (in conjunction with point 1.)

As noted previously, we have not taken into account local requirements and therefore any suggestions must be weighed up alongside these requirements, restrictions in seasonal availability etc. however we do attempt to explore alternative options to combat seasonality.

1) REDUCTION OF ASSET NUMBERS

This scenario looks at an overall reduction of the fixed number of plant each shire owns based on historical usage patterns and an assumption that each shire is open to explore an alternative method of fleet ownership and management to achieve savings in asset ownership costs.

Furthermore, this can be looked at in a 2-step approach. Firstly, what asset reductions are clearly evident and able to be done now with little or no impact to services and secondly, should We-Roc move to a 'sharing' model (shown in Item 4 ' We-Roc Consolidation approach'), a more extensive review of asset reduction can take place.

The overall purpose of reducing asset numbers is to maintain the same output of services with fewer assets, which essentially increases the utilization rate of the assets being held. There are 3 benefits of this approach;

- 1) **Instant cash return on receipt of sales revenue of plant sold**
- 2) **Amended requirement for future asset purchases, and reduced holding costs such as maintenance expenses**
- 3) **Potential to review personnel operating machinery to increase productivity**

Conceptually the process to be undertaken is to identify the underperforming assets, i.e. this under 40% Target rate (1st round target) and analyse why this is so. It could be due to the physical amount of work available for this machine or its condition to conduct the works reliably & without hefty maintenance costs. Potentially, in some cases there could also be a lack of available operators to keep the machines at full potential availability.



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To highlight areas of review, the below reflects a high-level summary as reflected in the tabled graphs in the report previously provided. Here we show Category, Number of machines per category, Asset Register Cost & WDV, Average utilization and No of machines that are under 15% which is a number which denotes a material under capacity to justify ownership.

Summary of position;

CATEGORY	No	Cost	WDV	AVG UTILISATION	No BELOW 15%
Wheel Loaders	15	\$1.8M	\$1.6M	23.0%	8
Grader	17	\$3.8M	\$3.3M	35.0%	2
Roller	17	\$1.4M	\$1.2M	16.3%	10
Excavator	2	\$98K	\$90K	4.9%	2
Tractor	2	\$69K	\$56K	2%	2
Bobcat	3	\$126K	\$102K	8.4%	3
TOTAL	56	\$7.3M	\$6.3M	21%	27
TOTAL	27	\$1.79M	\$1.56M	8.1%	27

(under 15% Utilisation)

The table above is a starting point in understanding the right balance of equipment required and is the catalyst for further review of underperforming assets. A total of 27 assets are well underperforming and should be reviewed and a sale of such equipment should be explored which would allow for a return of funds back into the balance sheet of each council and would be what we call an opportunity cost of ownership, or, what else can be done with those funds to add more value to rate payers.

Although the number above is reflected on the Balance sheet, as noted in point 3, the depreciation rates, revaluations and timeliness of updating the asset register could have a material impact on actual market value of these assets.



Suggestion

A review of underperforming assets should be done to firstly understand why this is taking place. It could be the equipment is unreliable or perhaps the need for its services are seldom and remote. Looking forward as to whether a piece of equipment is required needs to demand justification. Without this, ability to recognize savings will be limited. A revaluation of equipment is performed every 3 years and the timing of this review could co-exist with this process of potential sale proceeds. Alternatively, a relationship with an equipment broking house could work on behalf of We-Roc to source buyers which would provide access to buyer's markets and a more timely cash injection through equipment sales. When discussing potential asset sales, it is important to note that items 5 & 6 further in this report play a part in the shire having confidence in this process not impacting services to roads and ratepayers.

When buying new equipment, it should be done on the view that services can be performed effectively & efficiently. There is no doubt new equipment is often required throughout the shires and in fact it can be argued that more needs to be spent that currently is (should maintenance costs be higher than cost of new ownership). The identified process of this in some shires is based on a set time rather than based on key metrics around utilization, maintenance or holding costs, hire v buy, or from any review of more effective equipment management practices. Again, this should be revisited in conjunction with potential synergies coming from Items 5 & 6 further in this document.

2) INCREASE HOURS IN WHICH THE EQUIPMENT IS BEING PRODUCTIVELY USED

The 3 points raised in this section effectively go to the core of what we are trying to achieve. Improving the effectiveness of asset ownership by improving utilization and reducing ownership costs. The 3 points above were;

- a. Increase services within the shire
- b. Seek external uses for equipment with local contractors, companies &/or main roads therefore receiving a commercial return on surplus availability of gear.
- c. Increase equipment productivity time by sharing across the We-Roc group of shires (in conjunction with point 1.)



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Point a) may be a relatively moot point as I'm sure each council is doing all they can with the resources they have however it is obviously one way to increase utilization. Point b) is a financially effective way of increasing profitability within shires by using surplus downtime of gear. We observed some shires have taken on a more proactive view of this opportunity than others. It is agreed that some shires have more opportunity to provide equipment to commercial businesses or main roads however it is also evident that opportunities exist above what is being done.

Once reporting and ease of asset tracking is complete, it becomes a matter of focus in sourcing opportunities for equipment to be on hired. Targets of utilization can therefore not only be a lag indicator of a resources effectiveness but can also drive behaviors in achieving an improved financial position by sourcing such opportunities. Local councils understand what opportunities are around for this to occur more than we do, we are simply providing an independent view of what can be focused on to provide efficiencies.

Suggestions

Once we understand surplus capacity, we then need to review logistics of having underutilised equipment moving to areas of need, tracking & reporting efficiently & effectively and looking for Sales opportunities (cross hiring / transfer). A target should be set between the shires to drive these behaviors and actions agreed to & monitored.

There are localised opportunities e.g. local contractor or business currently contracts a dry or wet hire piece of machinery and an operator from Perth where this could be facilitated locally. Now whether this opportunity exists (having a surplus water cart or loader) for that shire is debatable however when we look at opportunities, we need to look at this as a We-Roc opportunity as there is access to a wider pool of potential solutions. When thinking about contracted opportunities we need to also look at implementation of points 5 & 6 to follow as part of the solution.

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5) IMPLEMENTATION OF TECHNOLOGY SOLUTIONS

DIFFICULTY: MEDIUM TO HIGH. ASSET TRACKING, REPORTING & FACILITATION OF UTILISATION IMPROVEMENTS

TIME TAKEN: MEDIUM TO HIGH. IMPLEMETATION, TRAINING AND INFORMATION UPLOAD

Administration of assets can be time consuming, difficult to maintain accuracy and completeness and we understand this review may be perceived as adding additional burden to the current workload of each shire, at least initially. Implementation of asset management systems can also feel like an expensive and unnecessary step so its important to understand the why, how & what of such a move.

In order to successfully implement some of the recommendations noted in points 4 & 6 we recognise this may take considerable administrative effort to manage and resources may not be available. There are a few off the shelf solutions or a more bespoke solution could be built to suit the requirements of We-Roc to allow this to occur. Accingo have sought such products and have relationships in this area. We also have experience in implementing & training staff to use such products should this be agreed that value would be created for the group.

In essence, this product would allow all assets to be housed on a web and App based solution whereby works managers, finance managers and CEO's can;

- view available assets in the total fleet
- have real time reporting on usage, location and availability, &
- track job costings, maintenance schedules and all financial data at We-Roc level, Shire level, plant type or individual machine level

The benefits of this approach are;

- Reduced reliance on administration
- A true picture of asset availability through the entire We-Roc group
- Provide a platform in which true efficiencies can be worked towards
- Improve buy / sell decisions at a group level

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- Improve sharing opportunities to complete works in a cost-effective manner by increasing overall utilization

Although at this stage, the technology adoption is stand alone and does not work on the assumption of physically ‘pooled’ assets in 1 location, the approach has provided an ability for works managers to plan for scheduled & unscheduled works by selecting equipment for a task or job. They would select from 2 areas;

- Owned fleet
- Fleet owned within the group that has been ‘flagged’ for sharing purposes

A task would then have selected equipment allocated to the task. Equipment would then be allocated to that task and requests for external equipment would be accepted or rejected by the owner(s). Costs associated with ownership or an ‘agreed’ rental rate internally would remain with that equipment & simply be charged to that cost centre.

It may be difficult to identify with such an approach however with the ease of application and due to the logistical & administrative ease of cross hiring equipment, the following can occur;

- Improved utilization of equipment over its life cycle
- Reduced need for surplus gear across the We-Roc fleet (see points 3 & 4 above)
- Potential to also wet hire machines and improve recoverables should there be downtime of an employee operator
- Recovery of maintenance & ownership costs by asset owner for an otherwise underutilised asset
- Permanent or temporary transfer of equipment to other We-Roc shire balance sheets
- Improved buy / sell decisions to ensure the group as a whole has the optimum amount of equipment

A further benefit of adopting such technology is the ability to then progress towards a more ‘group orientated’ approach of combining assets into a physical pool (refer point 6 below)

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6) CENTRALISATION OF ASSET / ASSET MANAGEMENT

DIFFICULTY: MEDIUM TO HIGH. PHYSICAL ASSET CONTROL, MAINTENANCE & LOGISTICS

TIME TAKEN: MEDIUM TO HIGH. STEPPED PROCESS WITH MEASUREMENT OF KEY DELIVERABLES

Asset ownership is in the top 2 expenses of a shire, along with its people.

Inefficiencies are created when focus is not put on the cost base or operational expense of maintaining or operating such assets. The level of reporting and analysis on these costs is evident that this has not been a priority however the fact that a review has been requested provides the underpinning belief that there can be some improvements in effective fiscal management of such a large cost base.

Each shire has its own equipment deemed necessary to perform the works and this approach has resulted in materially underutilized assets as shown in the utilization graphs provided.

In this report we have touched on areas that highlight the need for focus and potentially what actions can be undertaken to lift the profile of its importance to the financial viability of the We-Roc group of shires. In this section we provide a bold but what we see, necessary solution to have the material impact required for the financial benefit of the group.

In point 5 we discuss the technological step to provide a group view of assets in the fleet which are used to perform critical & noncritical works within your shire. This is a step that not only improves focus through reporting, analysis and potential allocation of 'pooled' equipment resources, but also allows a completely different view of asset ownership and what it means to have assets 'available' to perform works. In that stage we are not suggesting gear is physically moved however what we are promoting is that you don't need to own it or have it sitting physically in your yard, or even your region, for it to be available for use.



Stepping forward once this is understood & adopted, is the potential to physically pool gear in a strategically centered location. This doesn't mean to say ownership has changed, it simply resides somewhere else until such time as a participant in the WeRoc asset sharing needs it. We attempt to point out in this section that although this is a difficult concept to comprehend, the material benefits mean this should be explored.

We have listened to each shire about the requirement for the assets and the need of the ratepayers and we are not doubting there are scenarios to work through when taking on such a bold concept such as;

- Seasonal work all at one time
- Lack of physical ownership means that scheduled & unscheduled works may not be performed
- Trust
- Who pays for what
- Future budgets & funds will be negatively impacted.

All are valid reasons to explore & work through however our independent assessment is that none of these issues should prevent adopting this model

THE MODEL

For this concept to be explored, it needs common agreement and mindset that an alternative model can work, through communication and a desire to improve the financial outcome for each region.

We suggest that (post technological adoption) One (1) physical location be chosen as the asset hub within the We-Roc region. From here it needs to be approached in stages.

Stage 1 - all non-critical gear is moved to the chosen location in an asset holding yard. The holding yard is will be the We-Roc asset resource centre (RC). The RC is responsible for ;

- Fulfillment of works manager's needs – (measured on strict KPI's & deliverables)
- All maintenance activity
- Parts holding & distribution



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- Transport & logistics of gear
- Hire of equipment (back up)
- Buy / Sell recommendations to We-Roc executives / works managers

There will be a need to form an asset committee or the like, made up from a representative of each council. This will have combined accountability for the smooth operation of the business unit.

Stage 2 – A review of the combined asset holding will be undertaken. This review will take place to identify the optimum level of asset holding for each plant type based on works requirements. Given this is a new concept this may take place over a period once the model settles and confidence in the ability of the RC is gained. Upon assessment of required equipment, a formal sale process of underutilized equipment is undertaken with acquired funds returning to individual councils who own the equipment. Alternatively, these funds can be held by the RC for the purchase of future assets for the region.

Stage 3 – Procuring a hire agreement with a reputable equipment hiring company to backfill short term requirements will provide confidence of continued works in times of shortfall. The asset fleet size should not be managed to a level that covers for the ‘just in case’, this should be managed by rigid asset management practices to create a truly efficient model.

Stage 4 - Upon successful operations of the RC and with confidence in the model, the option of bringing all gear to the RC should be explored. This will maximise savings of such an approach and further justify the expense of the technology platform and set up costs.

At this time a further review of utilization should be analysed with the view to sell equipment which is now surplus to the overall needs of the works managers.

The overall model is based on removing much of the duplication in the management of assets across the 5 councils. It allows for the reduction in overall capital tied up in mobile plant whilst also releasing initial funds from the sale of plant.

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As noted previously in this report, maintenance is not measured in many councils down to machine level so it is difficult to understand the total ownership costs however a broad assumption must be made that the older the equipment, the more that will be spent on maintenance. With the model just highlighted, We-Roc can look to decrease the average age of its working fleet. With newer equipment comes lower maintenance costs, fewer breakdowns therefore reducing downtime for its operators, and more OEM support for warranty claims etc. Funds released should be employed to acquire this new equipment (note item on Sale & Purchase policy).

SUMMARY

Through this review it has become evident that the level of understanding of full asset spend and inefficiencies in asset utilization is low. This is in part due to lack of visibility of reporting but also to the fact that there are limited controls, drivers or requirements to monitor such spend or activity. The level of local understanding of owned equipment is undoubtedly there but we look to provide detailed solutions to maximizing the capability of a combined We-Roc network approach to asset management. Now we have thoroughly reviewed the current position of the 5 individual councils, we envisage the most effective & efficient outcome is a position with a reduced fleet size, owning newer model equipment, resulting in lower maintenance costs & higher utilization outcomes, backed up by a cross hiring network, plus an external hiring capability to maintain or even improve service to the community. Providing more value to the ratepayers and more surplus funds to create the opportunity for alternative investment within the region.

The We-Roc group of shires has an ability to create a unique marketplace, with improved purchasing power, better OEM support of parts and repair, an efficient maintenance hub and a best of class technology solution to asset management & logistics that will lead the way above other LGA's. Roles & responsibilities can also be recreated into alternative functions that add more value to the administration of the councils.

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Some of our takeaways from discussions or observations were;

- Individual shires only have enough resources to look after themselves
- Physical ownership of gear is seen as a necessity to conduct works (this is not the case in all instances)
- Ability to share equipment across the shire network is administratively difficult
- Lack of detail in the reporting is evident but rarely challenged
- Capex budgets are being squeezed
- Cost reductions are met with lower level of external funding and can cost jobs

Whilst there will be challenges both ways in the above points, it is evident there is a clear need for an improved financial position for some shires and we believe managing one of the highest expenses for the region more effectively will deliver savings and a well intended approach will conclude that reduction of jobs and budgets is not necessarily the outcome, in fact, better management of assets should create jobs and more funding.

We also believe that different levels of thinking can open up opportunities. Some additional conversation starters are that the funds saved by such a bold move in asset management could be matched by additional regional program funding for economic activity or skills training. Or perhaps if one shire is turned into the asset & maintenance hub, that other shires can invest the surplus funds into other activities to provide alternative jobs for their staff. From our external and independent review, we see a material benefit for the region by implementing improvements to the asset management practices and we would welcome further involvement to assist in making this happen.



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We appreciate the opportunity to work with each individual council & the We-Roc executives and we look forward to working with you in implementing any or all of the above strategies going forward.

Regards

Blake Read & Neil Marsh

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23rd September 2019

Helen Westcott
Executive Officer
WEROC Member Councils
Email: hwestcott@wsquared.com.au

Dear Helen,

Review Of Record Keeping Policies For Four Member Councils Of WEROC

Thank you for your emails of the 20th September 2019 advising of the success of Information Enterprises Australia Pty Ltd's (IEA) quotation to undertake a review of recordkeeping policies of member councils of WEROC.

We understand that the preferred methodology for the project, is Option 1 in which IEA will review Member Councils' recordkeeping policies and procedures without onsite visits to each Member Council and we also understand that there will now be only four (4) Member Councils involved in the project - the Shires of Kellerberrin, Merredin, Westonia and Yilgarn.

As requested we are now providing our updated costings based on undertaking the project with the four (4) Member Councils:

Phase 1

Confirm and finalise the scope of the project 5 hours

Phase 2

Review and assess individual Member Council's Recordkeeping documentation 40 hours (10 hours per Member Council)

Phase 3a

- Development of interview questions 2 hours
- Telephone and email contact with Member Council nominated representatives 8 hours (2 hours per Member Council)

Phase 4

Development of Review Report of Findings and Recommendations for each Member Council 40 hours (10 hours per Member Council)

Estimated costing for **Phases 1, 2, 3a and 4 = 95 consulting hours @\$180.00 ex GST per hour (\$198.00 inc GST per hour) = \$17,100.00 ex GST (\$18,810.00 inc GST).**

Consulting, Training and Employment Services

Information Enterprises Australia Pty Ltd As Trustee for the Information Enterprises Trust.

Please note that the costings below remain unchanged from our original quotation:

An additional 6 hours of consulting costs @ @\$180.00 ex GST per hour (\$198.00 inc GST per hour) = \$1,080.00 ex GST (\$1,188.00 inc GST) should be placed in the project budget for each Member Council, should the findings of Phase 3a identify that the Senior Consultant needs to complete an onsite visit.

The following costs will also apply to Option 1 should a visit(s) be required to Member Councils. Total costs for travel are not able to be given at this time but we will endeavour to keep travel costs to WEROC to a minimum by combining trips where there is more than one Member Council that requires an onsite visit.

- Mileage is charged at 68 cents per kilometre as per ATO directive.
- Accommodation and meal costs of \$237.60 per day as per ATO Tax Determination TD 2019/11
- Travel time @ \$90.00 per hour ex GST (\$99.00 inc GST)

If you require any further information then please contact our office,

We look forward to confirming the details of this project and working with the Member Councils.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G E Murphy', with a stylized flourish underneath.

Gail E Murphy
Senior Consultant
Information Enterprises Australia Pty Ltd