

Agenda Report Template

10.5.1 – Peel Regional Leaders Forum (PRLF) Membership (SJ1350)	
Responsible Officer:	Chief Executive Officer
Senior Officer:	Chief Executive Officer
Disclosure of Officer's Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Advocacy	When the Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.
----------	--

Report Purpose

The purpose of this report is for Council to consider its future involvement and membership of the Peel Regional Leaders Forum (PRLF) as per Council's resolution.

Relevant Previous Decisions of Council

<i>Special Council Meeting – 28 July 2021 – SCM051/07/21 - COUNCIL RESOLUTION – extract</i> <i>That Council:</i> 12. REQUESTS the Chief Executive Officer present a report to Council pertaining to continued involvement of the Shire with Peel Regional Leaders Forum, prior to renewal of annual membership.

Background

The PRLF was established in 2010 as a means of providing effective leadership, and ensuring the long-term triple-bottom-line sustainability of the Peel Region. Membership of the group comprises Shire of Murray; Shire of Boddington; City of Mandurah; Shire of Waroona; Regional Development Australia; Peel Community Development Group; Peel Harvey Catchment Council; and Shire of Serpentine Jarrahdale.

Officers can find no previous resolution of Council where a decision was made to join PRLF however the Shire has been involved in PRLF for many years.

When Council adopted the 2021/22 FY budget, Council resolved to be presented with a report on its continued involvement in PRLF prior to the annual fees being paid for this financial year. This report addresses this request.

In 2021-22 the Shire's membership contribution will be \$44,382 and in 2022-23 it will be \$50,695. Its organisation's membership fee is calculated based on the population of the district. As the Shire's population growth relative to other members increases, the relative membership fee will also increase.

Community / Stakeholder Consultation

Nil.

Agenda Report Template

Statutory Environment

Nil

Comment

In developing this report Officers wanted to outline the major achievements of PRLF over the years. However, it has been difficult to identify the major tangible benefits the Shire has achieved from being a member of PRLF.

In an attempt to focus the activities of PRLF members participated in an independently facilitated workshop in 2021. This was an attempt to identify the major challenges in the region that were common to all local government areas and other members and what PRLF could do to address them.

In essence the major priority the region identified which was common to all the parties was water. In particular the availability of water for future residential, industrial and environmental needs.

Following significant work by the Executive Director of PRLF with stakeholders from across the region and the State a scope for a consultancy has been prepared. A copy of the scope of this work is attached at **Attachment 1** for reference.

This consultancy scope has now been awarded to Urbaqua, with FARlane engaged as subcontractors to undertake the economic analysis and GIS components. Total value of the contract is \$110,850. The agreed timeframe for completion of this engagement is December 2022. Officers have been monitoring how this work package has progressed and this has in part been a reason for the delay in bringing this report to Council.

Officers envisage that this scope of work has the potential to bring significant benefits to the region and the Shire if it can identify solutions and obtain funding for their implementation.

In previous years PRLF has advocated at State and Federal Government elections for priorities for the region however it is unclear how effective or how much impact the advocacy efforts of PRLF have had.

The Shire was successful in its advocacy as part of the 2021 State Government election which has been previously reported to Council. However in the 2022 Federal Government election PRLF decided not to take any advocacy role but the Shire was still successful in achieving a commitment of \$145m for duplication of Thomas Road and the Peel RDA secured funding for Trails in the Peel Region of which Officers understand \$1.6m will come to the Shire for trails in Jarrahdale (one of the Shire's advocacy priorities).

As part of a Federal Election advocacy effort Peel RDA presented to the Peel Trails Committee which is an initiative of the PRLF regarding their advocacy efforts related to trails.

Officers suggest that if PRLF is to be successful with this water initiative stronger and more sophisticated advocacy efforts need to be implemented.

However, in considering the ongoing participation in PRLF Officers have spent some time considering strategically where the Shire should be aligned into the future and if its future lays in the Peel Region or the Perth Metropolitan Area.

The Shire of Serpentine Jarrahdale straddles the Peel Region and Perth Metropolitan Area depending upon which legislation and community of interest is considered.

In terms of the following the Shire is considered a metropolitan local government authority:

- *Local Government Act 1995*

Agenda Report Template

- State Government Legislative Council Representation
- Police District
- Education District
- Health Region

The only involvement the Shire has with the State Government in the Peel Region is part of the following:

- Identified as regional and part of the Peel Region in the *Regional Development Commissions Act 1993*.
- A member of the Peel Development Commission (as a result of the *Regional Development Commissions Act 1993*).
- The Department of Local Government, Sport and Culture Industries' sport and recreation division lists Serpentine Jarrahdale as part of the Peel region.

In terms of other representative groups, the Shire is part of the Outer Metro Joint Development Assessment Panel. This State Government instrumentality considers development applications from the following local government authorities Armadale; Cockburn; Gosnells; Joondalup; Kalamunda; Kwinana; Mandurah; Mundaring; Murray; Rockingham; Serpentine Jarrahdale; Swan; and Wanneroo.

The Chief Executive Officer is also a member of:

- A WALGA group called Growth Areas Perth and Peel. This includes the other CEO's from the local government authorities of Wanneroo, Joondalup, Swan, Kalamunda, Armadale, Kwinana, Rockingham and Mandurah.
- The West Port Local Government Reference Group comprising the local government authorities of Kwinana, Rockingham, Cockburn, Fremantle, East Fremantle, Melville, The South West Group, PRLF and the Shire of Serpentine Jarrahdale.

In terms of other groupings of local governments, the Shire is a member of:

- Peel Zone which comprises the Local government authorities of Mandurah, Murray, Waroona, Boddington and Serpentine Jarrahdale.
- Metropolitan Regional Roads Group and the Shire is part of the South East Metropolitan Regional Road Sub Group which comprises the Local Government Authorities of Armadale, Gosnells, Belmont, Canning, South Perth and Victoria Park.
- Rivers Regional Council which comprises the Local Government Authorities of Mandurah, Murray, South Perth, Armadale, Gosnells and Serpentine Jarrahdale.
- Switch Your Thinking which comprises the Local Government Authorities of Gosnells, Armadale and Serpentine Jarrahdale.
- The Shire President and CEO have met with the Mayor and CEO of the City of Armadale to discuss the Shire becoming part of the South East Corridor Councils Alliance (SECCA). This group comprises the local government authorities of Armadale, Gosnells, Canning and Victoria Park. However potential membership of this group need to be considered by Council in the future.

From a Federal Government perspective perhaps the best indication of where the Shire sits is in eligibility to Building Better Regions fund.

In terms of this funding eligibility is determined in part by population per collection area. In the case of the Shire of Serpentine Jarrahdale, northern parts of the Shire including Byford are deemed ineligible as they are metropolitan however southern parts of the Shire are considered regional. The Shire has lodged an application this year for the development of Kiernan Park however expect that in coming years Whitby will also be ineligible as the population grows in the area.

Agenda Report Template

Also at a Federal level the Shire has previously been a member of the National Growth Alliance but withdraw because of a perception of limited benefits at that time.

There is no set measure by which the organisation can consider remaining part of the PRLF. Membership and the ongoing costs associated need to be assessed as to the value it brings to the organisation and the community.

The main initiative PRLF is focusing upon for the next two years is the provision of water in the region.

Officers consider that this initiative alone is reason to remain with PRLF for the short-term future. The reasons for this are as follows:

- The growth the Shire is experiencing will require innovative water solutions to be developed to enable the Shire to manage POS into the future without relying on scheme potable water.
- DWER have advised that future access to new bores for watering of POS will be limited if indeed not available at all.
- The provision of water is emerging as a major issue for the Kiernan Park project.
- The provision of water and treatment of wastewater is a major inhibitor of the development of West Mundijong Industrial Area.

However, it is important to note that the Shire has developed an integrated water management strategy which in part recognises these challenges and identifies initiatives to address these. This strategy is not resourced.

Through the integrated water management strategy the Shire has been a leader in this space but this has not been recognised at a regional planning level.

These initiatives are commensurate to the challenge involved in water in the region and would require funding that beyond the resource requirements of a single local government. As an alternative to PRLF membership, Council may consider advocating for funding to implement this strategy. However, Officers suggest that funding bodies may be more likely to fund initiatives driven at a regional level than those from a single local government.

In addition to this PRLF and the Shire have recently contributed towards the third edition of Peel Away the Mask. This report outlines the social and community issues being experienced in the Region. This report is soon to be released and will identify major social issues facing the region and the Shire. This information may be able to be used in advocacy for programs and projects going forward benefiting the Shire.

Officers are recommending the Shire make its contribution as a member of PRLF for the 2021/22 and 2022/23 FY at which time the consultancy work being undertaken for the Water Initiative will be completed and can be presented to Council for consideration.

In the short-term Officers would also like to see the following implemented to improve the representation and effectiveness of the organisation moving forward:

- Membership of the group has long been a focus of discussion. For some time members, including SJ Shire have advocated for including economic representation in the form of Peel Chamber of Commerce however they have declined to be involved. One additional member which could be considered is a representative of the Traditional Owners in the region. This would help improve relations with Traditional Owners which would benefit not only PRLF but also the Shire.
- If PRLF is to be successful in advocating for funding to implement the Water Initiative project it will require significant investment. This is most likely only going to be achieved at the time of State and Federal Government elections. To this end Officers would be

Agenda Report Template

recommending that a professional advocacy strategy is prepared by PRLF by December 2022 for consideration by the Shire.

During the 2022/23 FY the Shire will also be updating its Strategic Community Plan. Officers believe that completing this project will help inform future membership of groups such as PRLF as:

- Alliances will need to be made to implement the major initiatives in the document; and
- As part of this process the community can be asked their opinion on future strategic alignment, they think the Shire should have, ie part of the Peel Region or part of the Metropolitan Area.

Overall, Officers believe that the Shire needs to resolve its long-term strategic alliances. The best place to start this process is with the development of the Strategic Community Plan.

Options and Implications

Option 1

That Council

1. RESOLVES to remain and pay membership to PRLF for the 2021/22 and the 2022/23 Financial Years subject to the following:
 - the Shire completing its new Strategic Community Plan for the organisation which will provide direction on future alliances of the organisation.
 - Advise PRLF that the Shire will remain a member of PRLF for the 2022/23 FY but requests PRLF to:
 - Complete the Water Initiative Project currently in development and present it to each Local Government Authority for consideration.
 - Review its membership to consider including the Peel Chamber of Commerce and Industry and a representative of the Traditional Owners.
 - Develop an advocacy strategy leading into the next State and Federal Government election and provide a commitment PRLF will take an active advocacy role moving forward.
 - Publish an annual benefit report to members.
2. NOTES the minutes from the November 2021; February 2022; and April 2022 PRLF meetings as contained in attachment 2.

Option 2

That Council RESOLVES to remain a member of PRLF into the future and authorises the CEO to pay the associated membership fees moving forward.

Option 3

That Council RESOLVES it no longer wishes to remain a member of PRLF and advise the organisation that it will pay the membership fees for the 2021/22 FY as notice for leaving the organisation but will not be paying the 2022/23 FY year membership fees.

Option 1 is recommended.

Agenda Report Template

Conclusion

Officers considered recommending the Shire exit out of PRLF entirely at this stage as it is hard to identify tangible benefits to the Shire and the community for remaining involved. If Council did want to exit PRLF, Officers consider it would be reasonable to pay this year's membership given the time of year which also provides adequate notice of intention to leave the organisation.

However, upon reflection Officers believe it is more prudent to remain a member for the until the end of the 2022/23 FY and review membership again at that time with the conditions described above.

Attachments (available under separate cover)

- **10.5.1 - attachment 1** – Consultancy Peel Water Supply (E22/7147)
- **10.5.1 - attachment 2** – PRLF Minutes November 2021, February 2022 and April 2022 (E22/7744)

Alignment with our Strategic Community Plan

Strategy 4.1.2	Maximise the Shire's brand and reputation in the community
Outcome 4.2	A strategically focused Council
Strategy 4.2.1	Build and promote strategic relationships in the Shire's interest.

Financial Implications

The table below indicates the fees the Shire would be required to pay for the coming three financial years if it determines to remain a member of PRLF.

Funding Model						
Year 1 (2021/22)	Population	%	Fixed	Variable	Total	
City of Mandurah	80,813	62.00%	\$ 27,500	\$ 50,843	\$ 78,343	
Shire of Serpentine Jarrahdale	26,833	20.59%	\$ 27,500	\$ 16,882	\$ 44,382	
Shire of Murray	16,698	12.81%	\$ 27,500	\$ 10,505	\$ 38,005	
Shire of Waroona	4,148	3.18%	\$ 13,750	\$ 2,610	\$ 16,360	
Shire of Boddington	1,844	1.41%	\$ 13,750	\$ 1,160	\$ 14,910	
Peel-Harvey Catchment Council			\$ -	\$ 500	\$ 500	
Peel Community Development Group			\$ -	\$ -	\$ -	
			\$ 110,000	\$ 82,000.00	\$ 192,500	
Year 2 (2022/23)						
City of Mandurah	88,080	60.23%	\$ 27,500	\$ 60,230	\$ 87,730	
Shire of Serpentine Jarrahdale	33,920	23.19%	\$ 27,500	\$ 23,195	\$ 50,695	
Shire of Murray	18,207	12.45%	\$ 27,500	\$ 12,450	\$ 39,950	
Shire of Waroona	4,267	2.92%	\$ 13,750	\$ 2,918	\$ 16,668	
Shire of Boddington	1,765	1.21%	\$ 13,750	\$ 1,207	\$ 14,957	
Peel-Harvey Catchment Council			\$ -	\$ 500	\$ 500	
Peel Community Development Group			\$ -	\$ -	\$ -	
			\$ 110,000	\$ 100,000.00	\$ 210,500	
Year 3 (2023/24)						
City of Mandurah	88,080	60.23%	\$ 27,500	\$ 76,492	\$ 103,992	
Shire of Serpentine Jarrahdale	33,920	23.19%	\$ 27,500	\$ 29,458	\$ 56,958	
Shire of Murray	18,207	12.45%	\$ 27,500	\$ 15,812	\$ 43,312	
Shire of Waroona	4,267	2.92%	\$ 13,750	\$ 3,706	\$ 17,456	
Shire of Boddington	1,765	1.21%	\$ 13,750	\$ 1,533	\$ 15,283	
Peel-Harvey Catchment Council			\$ -	\$ 500	\$ 500	
Peel Community Development Group			\$ -	\$ -	\$ -	
			\$ 110,000	\$ 127,000.00	\$ 237,500	

Agenda Report Template

The following is the budget of PRLF for the next 3 years

2021/22 Budget				2022/2023 Budget				2023/2024 Budget			
O/B Revenue		\$ 206,025	Cr	Surplus C/F		\$ 67,818		Surplus C/F		\$ 22,983	
Year 1		\$ 192,500		Year 2		\$ 210,500		Year 3		\$ 237,500	
		\$ 398,525				\$ 278,318				\$ 260,483	
Expenditure				Expenditure				Expenditure			
Audit Costs		\$ 1,000		Audit Costs		\$ 1,000		Audit Costs		\$ 1,000	
Admin		\$ 5,000		Admin		\$ 5,000		Admin		\$ 5,000	
Conferences		\$ 3,000		Conferences		\$ 3,000		Conferences		\$ 3,000	
Salary		\$ 163,370		Salary		\$ 166,637		Salary		\$ 169,970	
Super		\$ 16,337		Salaries & Super		\$ 17,497		Salaries & Super		\$ 18,697	
Workers Comp		\$ 2,000		Workers Comp		\$ 2,200		Workers Comp		\$ 2,400	
Water Initiative		\$ 80,000		Water Initiative		\$ -		Water Initiative		\$ -	
Projects		\$ 50,000		Projects		\$ 50,000		Projects		\$ 50,000	
Other		\$ 10,000		Other		\$ 10,000		Other		\$ 10,000	
		\$ 330,707				\$ 255,334				\$ 260,067	
Surplus		\$ 67,818	Cr	Surplus		\$ 22,983	Cr	Surplus		\$ 416	Cr

As can be seen from the above tables the organisation is using up cash reserves to help fund operations thus reducing the reliance upon members. This will expire in three years' time at which stage it is expected either the scope and operating costs of the organisation will need to change or the contribution from members will need to be reviewed and potentially increased.

The Shire's budget for the 2021/22 financial year includes membership fees for PRLF and the budget 2022/23 financial year budget includes an amount for membership of PRLF.

Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	There is an opportunity cost associated with membership fees		Financial	Possible	Minor	LOW	
2	There is an opportunity cost associated with membership fees		Financial	Possible	Minor	LOW	

Agenda Report Template

3	Potential loss of advocacy opportunities and reputational risk		Reputation	Possible	Minor	LOW	
---	--	--	------------	----------	-------	-----	--

Voting Requirements: Simple Majority

Officer Recommendation

That Council

1. **RESOLVES** to remain and pay membership to PRLF for the 2021/22 and the 2022/23 Financial Years subject to the following:
 - the Shire completing its new Strategic Community Plan for the organisation which will provide direction on future alliances of the organisation.
 - Advise PRLF that the Shire will remain a member of PRLF for the 2022/23 FY but requests PRLF to:
 - Complete the Water Initiative Project currently in development and present it to each Local Government Authority for consideration.
 - Review its membership to consider including the Peel Chamber of Commerce and Industry and a representative of the Traditional Owners.
 - Develop an advocacy strategy leading into the next State and Federal Government election and provide a commitment PRLF will take an active advocacy role moving forward.
 - Publish an annual benefit report to members.
2. **NOTES** the minutes from the November 2021; February 2022; and April 2022 PRLF meetings as contained in attachment 2.