



WALGA Governance Review

Discussion Paper

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1. Background

WALGA State Council is sponsoring a review to be carried out on the governance arrangements for State Council and Zones.

A review of the Association's governance structure was undertaken in 2011. This review focused on the structure and effectiveness of State Council and the Zones. It is proposed that the primary focus of this review will be the governance processes of WALGA and the effectiveness of the relationship with Zones rather than a focus on structure.

1.1 Review Process

This Discussion Paper will focus on the following:

- a) Review of Documentation – Key issues – Section 2 of this paper
- b) Technical drafting – Correction of technical wording issues and the alignment of issues in the three governance documents – Section 3 of this paper
- c) Review of State Council and Zone processes and effectiveness – Section 4 of this paper

A review of the three Association governance documents is to be undertaken. The primacy of the documentation is as follows:

- I. Constitution
- II. Corporate Governance Charter
 - a. Code of Conduct
 - b. Confidentiality Agreement
- III. Standing Orders
 - a. State Council
 - b. Annual General Meeting

As a principle there will be an alignment of the documentation to make sure that all three documents are consistent. Over time there have been reviews of the Constitution and the Corporate Governance Charter without reviews of the Standing Orders and this has created some inconsistencies.

The following timetable for the review is proposed:

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|---|------------------------|
| 1. Preparation of a Discussion Paper for sector-wide consultation and feedback | May-June 2015 |
| 2. Consultation with the Local Government sector and Zones | June-September 2015 |
| 3. Consideration of responses | October 2015 |
| 4. Preparation of a report to Zones and State Council | November-December 2015 |
| 5. Referral of any subsequent proposals for Constitutional change to a future AGM | August 2016 |

2. Review of Documentation

Each of the key governance documents of WALGA – the Constitution, Corporate Governance Charter and Standing Orders – are considered in this section of this paper, with a range of key issues identified for discussion and feedback. Other, more general feedback on each of the documents is also welcomed, beyond the issues raised below.

2.1 Constitution

General feedback is sought on the Constitution, as well as responses to the following discussion points. The Constitution can be found at:

<http://walga.asn.au/MemberResources/GovernanceStrategy/GovernanceReviewDiscussionPaper.aspx>

2.1.1 Clause 9 – State Council Ex-Officio Members

There is an inconsistency between the Association’s Constitution and the Corporate Governance Charter. The Constitution provides for 2 ex-officio members: the WALGA President and LGMA WA President. The Corporate Governance Charter provides for 3 ex-officio members: the WALGA President, LGMA WA President and Lord Mayor of the City of Perth.

Discussion:

Should the Lord Mayor of the City of Perth be added to the Constitution or left as discretionary with reference only in the Corporate Governance Charter?

2.1.2 Clause 10 – Meetings of State Council

Currently the Constitution does not include a reference to Standing Orders, it only references the requirement for State Council to establish a Corporate Governance Charter and Code of Conduct.

Discussion:

Are State Council’s meeting procedures as set out in the Standing Orders, and applying to all meetings of State Council, worthy of mention in the Constitution?

2.1.3 Clause 14 – Zones

There is a requirement to clarify that an Elected Member who has been peremptorily suspended under Section 8.15C(2)(c) of the Local Government Act (where a Council is also suspended) becomes ineligible to be a Zone delegate during this period of suspension.

Discussion:

Comments are invited on adding the ineligibility reference as set out above.

2.1.4 Clauses 17 and 18 – President and Deputy President

Currently, there is no restriction on the term the WALGA President may serve, whereas there is a two term confinement on the Deputy President position.

The President and Deputy President are elected by State Council for two year terms following the election of State Councillors by the Zones. Following a State Councillor's election as President, the Zone that elected that State Councillor is entitled to elect a replacement State Councillor to maintain that Zone's representation around the State Council table.

Discussion:

Should the term limit for the two positions be consistent? If consistency is preferred, then should non-restricted terms be considered or restricted terms?

2.1.5 Clause 19 – Vacancy President and Deputy President

The current provisions for filling a vacancy in the office of President and Deputy President follow:

- (1) *If the office of the President becomes vacant or if for any other reason the President is unable to take or hold office at a period which exceeds six months from the date of the next scheduled election for that office, then the State Council shall meet to elect from among their number a President who, subject to this Constitution, shall hold the office of President for the balance of the term of the President replaced.*
- (2) *Where a vacancy occurs in the office of President at a period which is six months or less from the date of the next scheduled election for that office, the State Council may convene a meeting to elect from among their number a President who, subject to this Constitution, shall hold the office of President for the balance of the term of the President replaced, or the State Council may in its discretion, determine that the vacancy be filled by the Deputy President until the date of the next scheduled election.*
- (3) *If the office of Deputy President becomes vacant or if for any other reason the Deputy President is unable to take or hold office, then the State Council shall meet to elect from among their number a Deputy President who shall hold the office for the balance of the term of the Deputy President replaced.*
- (4) *A State Council representative elected to fill a vacancy of Deputy President pursuant to clause 18 shall still be eligible for election for a subsequent two (2) full consecutive terms.*

Discussion:

Do the provisions clearly express the election process? Do the provisions permit the efficient and timely election of either position when a pre-term vacancy arises? Can the provisions be improved to facilitate democratic election principles?

2.2 Corporate Governance Charter

General feedback on the Corporate Governance Charter is sought, as well as responses to the following discussion points.

The Corporate Governance Charter can be found at:

<http://walga.asn.au/MemberResources/GovernanceStrategy/GovernanceReviewDiscussionPaper.aspx>

2.2.1 Clause 7 – Role of State Councillor

State Councillors are the Association’s Board members, elected by Zones. State Councillors, through collective decisions of State Council, have ultimate responsibility for the successful operation of the Association. This includes responsibility for policy positions, strategic direction and financial operations.

The Role of a State Councillor is currently described as follows:

(i) General roles and responsibilities

State Councillors have ultimate responsibility for the overall successful operations of the Association. The principal roles of State Councillors relate to:

- *all major policy positions and issues;*
- *the strategic direction of the Association;*
- *financial operations and solvency; and*
- *all matters as prescribed by law.*

Broadly speaking, the fundamental duties that State Councillors must fulfil include:

- (i) act in good faith and in the best interests of the organisation for a proper purpose;*
- (ii) act with care and diligence;*
- (iii) act honestly;*
- (iv) avoid actual or potential conflict of interest;*
- (v) not to improperly use information or their position;*
- (vi) prevent insolvent trading by the Association; and*
- (vii) avoid actual or potential conflicts of interest.*

State Councillors, as directors of a Board, are required to act consistently in the “best interests of the organisation as a whole”. This effectively means that the duties of a State Councillor are owed to all Member Local Governments.

Whilst it is recognised that State Councillors must represent the interests of their respective Zones, the interests of the Association and its collective membership must always come first.

Individual State Councillors have no individual authority to participate in the day-to-day management of the Association, including making any representations or agreements with Member Local Governments, suppliers, customers, employees or other parties or organisations.

(ii) Confidentiality and Code of Conduct

*Pursuant to the Association's Constitution (clause 10) and in accordance with agreed ethical and behavioural standards, State Councillors will abide with confidentiality requirements and the State Council's Code of Conduct. The Code is enclosed as **Schedule 2** to the Charter.*

*All State Councillors are required to sign a Confidentiality and Code of Conduct Agreement which outlines their obligations to the Association in relation to the treatment of confidential information and behavioural requirements within the Code of Conduct. A copy of the Confidentiality and Code of Conduct Agreement is enclosed as **Schedule 3** to the Charter.*

(iii) Expectations of State Councillors in State Council meetings

A State Councillor shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all State Council meetings. This will include, but not be limited to:

- behaving in a business-like manner;*
- acting in accordance with the policy resolutions of the Association's State Council;*
- abiding by the provisions of the Confidentiality and Code of Conduct Agreement;*
- addressing issues in a confident and firm, yet courteous manner;*
- using judgement, common sense and tact when discussing issues;*
- minimising side comments, chatter and irrelevant remarks;*
- ensuring that others are afforded a reasonable opportunity to put forward their views (ie refraining from interruption or interjection when a speaker has the floor); and*
- being particularly sensitive in interpreting any request or indication from the President that aims to ensure the orderly and good-spirited conduct of the meeting.*

State Councillors are expected to be forthright in State Council meetings and have a duty to question, request information, raise any issue, fully canvass all aspects of any issue confronting the Association and cast their vote on any resolution according to their own judgement.

However outside the Boardroom, State Councillors will support the spirit of all State Council decisions in discussions with Member Local Governments, Zones, staff and other parties when acting in their capacity as a State Councillor. The Association respects the right of State Councillors when acting in their local or regional elected membership role to advocate the position of their local or regional constituency.

All information received by a State Councillor in the course of the exercise of their official duties that is deemed by the Chief Executive Officer to be confidential remains the property of the Association. It is improper to disclose information, or allow information to be disclosed, unless the disclosure has been authorised.

(iv) Annual General Meeting Directions and Decisions

In accordance with clauses 22 and 23 of the Constitution, the State Council is to give

consideration to any direction or decision made at an Annual General Meeting in its discharge of responsibilities and functions.

Where State Council considers that a direction or decision from an Annual General Meeting is not in the best interests of the Association, the Chief Executive Officer shall give notice to Ordinary Members of the decision of State Council and the reasons for that decision.

(v) Emergency Contact Procedures

As there is the occasional need for urgent decisions, State Councillors should leave with the Secretariat any contact details, either for themselves or for a person who knows their locations, so that all State Councillors can be contacted within 24 hours in case of urgent business.

Discussion:

Does the role of a State Councillor adequately capture the contemporary requisites and expectations of the position?

2.2.2 Clause 7 – Role of State Councillor – Zone Meetings

There is scope to consider broadening sub-clause (iii) ‘Expectations of State Councillors in State Council Meetings’ to include expectations when attending Zone Meetings to reflect the collegiate approach to State Council Policy positions that arise through formal decision-making processes.

Discussion:

There is a requirement in Local Government that Elected Members support their Council’s formal resolutions, and not speak adversely or negatively on decisions that Council has made. Should this transfer to the expectation of the behaviour of State Councillors?

2.2.3 Clause 8 – Role of President

The President’s role is currently described as follows:

The President’s role is a key one within the Association. The President is considered the “lead” State Councillor and utilises experience, skills and leadership abilities to facilitate governance processes.

The President is to represent and advocate the resolutions of State Council. Whilst State Council retains ultimate responsibility for Association decision making, any issues that require an immediate or urgent decision outside of State Council ordinary and extraordinary decision making processes, and where it is impractical to seek State Council consideration, may be dealt with by the President in consultation with the Deputy President. Such actions shall not contravene existing policy or previous decisions of State Council and must be undertaken in observance to any specified parameters. Any exercise of this power will require an agenda item to be submitted to the next ordinary meeting of State Council seeking ratification.

In common with the Chairman of most governing boards, the President will:

- *chair State Council meetings in a manner which results in consensus and commitment to decisions;*
- *represent the views of State Council to management and act as a link between meetings;*
- *be the 'interface' of the organisation with external stakeholders;*
- *act as spokesperson and media contact on such matters as are required, in consultation with the Chief Executive Officer of the Association;*
- *develop an effective working relationship with the Chief Executive Officer;*
- *ensure timely and accurate dissemination of information to State Councillors;*
- *be responsible for State Council performance and advise and counsel State Councillors in regards to their performance on State Council;*
- *establish Policy Forums, as required, to report directly to State Council; and*
- *co-opt persons for Local Government vacancies to boards and committees where no nominations have been received following two rounds of advertising.*

Discussion:

1. Does the role of the President adequately capture the contemporary requisites and expectations of this important function?
2. Further, should a clause be added to the Corporate Governance Charter to clarify the role of the Deputy President, which is to fulfil the role of the President in the President's absence?

2.2.4 Clause 9 – Role of the Chief Executive Officer

The Chief Executive Officer's role is currently described as follows:

The Chief Executive Officer is appointed by and accountable to the State Council.

The Chief Executive Officer is responsible for the ongoing management of the Association in accordance with the strategy and policies approved by the State Council.

Within the State Council meeting, the Chief Executive Officer will provide advice, information and seek to clarify any issues raised, but will not enter into debate or deliberations. The Chief Executive Officer's responsibilities will include:

- managing the day-to-day operations of the Association;
- developing, with the State Council, a consensus for the Association's vision and mission and constructing strategic and business plans to implement the vision and mission;
- establishing and maintaining an effective system for identifying, monitoring, analysing and managing organisational risk and ensuring sound internal compliance and control;
- ensuring that State Council is kept informed of all relevant or requested information in a timely manner;
- ensuring that all proposals which affect the strategic direction of the Association are channelled through State Council for consideration;
- recruiting and negotiating the terms and conditions of appointment for all employees and appointing senior managers to the Executive Team;

- promoting an organisational culture that is aligned with the values, standards and strategies adopted by State Council;
- ensuring a safe workplace for all personnel;
- being the spokesperson for the Association on all operational matters and such other issues as required by the President;
- establishing and maintaining a Register of Powers, Authorities, Discretions and Duties delegated by the State Council; and
- being the custodian of records, books, documents and securities of the Association.

Pursuant to clause 13 (2) of the Association's Constitution, the State Council may delegate to the Chief Executive Officer the exercise of any of its powers or the discharge of any of its duties under the Constitution.

Discussion:

Does the role of the Chief Executive Officer adequately describe the expectations of Members in the management of the Association?

2.2.5 Clause 11 – State Council Meetings

The Corporate Governance Charter currently states:

State Council meetings are fundamental to the governance of the Association. The State Council meeting is the main opportunity for State Councillors to:

- *obtain and exchange information with the Chief Executive Officer and senior management team;*
- *obtain and exchange information with each other; and*
- *make decisions.*

The following guidelines have been adopted for all meetings of State Council:

- *a willingness to deal with the business – “canvass fully, then decide”;*
- *set a start time and aim for two hours maximum;*
- *aim to finish the job;*
- *where there is no disagreement, no debate is needed;*
- *adhere to clear rules of meeting and debate;*
- *if the majority accept, move on (“win some, lose some”);*
- *concentrate on the issue, resist the temptation for personal attack and the claiming of territories;*
- *create space for those who want to have a say;*
- *speak up and speak clearly;*
- *know the Agenda - do your homework;*
- *ensure phones are turned off in meetings; and*
- *in media releases, endeavour to acknowledge difference if present, whilst representing the State Council view or decision.*

Discussion:

Review of this clause is recommended to ensure satisfaction that the functions relating to State Council meetings reflect contemporary expectations.

2.2.6 Clause 13 – State Council Meeting Agenda

The Corporate Governance Charter currently states:

The State Council meeting agenda will generally address the following:

- *Standing matters, including attendance, announcements, previous minutes, business arising from minutes and declarations of interest*
- *Emerging Issues*
- *Matters for Decision*
- *Matters for Noting*
- *Organisational Reports including Key Activity Reports and Policy Forum Updates*
- *The President's Report*
- *The Chief Executive Officer's Report, and*
- *Meeting Assessment.*

Discussion:

Should there be allocation for a report from an Ex-Officio member? Currently the LGMA (WA) President attends all meetings; however there is no item for a report. WALGA, by comparison, has a reporting item at LGMA meetings through the CEO's Ex Officio capacity.

2.2.7 Clause 13 (iv) – Emerging Issues

This subclause currently states:

Urgent issues that are not dealt with in the State Council agenda may be discussed in the "Emerging Issues" section at the beginning of State Council meetings.

The emerging issues section will be primarily used for notifying State Council of critical issues of relevance to Local Government that arise from Zone, Committee or Policy Forum meetings. Where a State Councillor seeks to raise an emerging issue at a State Council meeting, at least 24 hours notification must first be provided to the President and/or Chief Executive Officer.

Any resolutions that arise from the consideration of an emerging issue must be carried by an appropriate resolution, in accordance with clause 12 of the Association's Constitution.

It is considered inappropriate to utilise Emerging Issues as a means of seeking resolution from State Council on any of the following matters:

- *variations to the Constitution;*
- *amendments to the Code of Conduct;*
- *amendments to the Standing Orders;*
- *any addition, amendment, withdrawal, modification or substitution of powers of the State Council; or*
- *delegations to any person or committee.*

Discussion:

1. Does the current process for inclusion of Emerging Issues in the State Council agenda require review?

2. Should emerging issues require approval of State Council to be formally considered at a State Council meeting?

2.2.8 Clause 16 – LGIS Board and Local Government House Trust

Presently, the Corporate Governance Charter contains extensive detail on the formation and operation of Delegated Committees e.g. Honours Committee. However, the LGIS Board and the Local Government House Trust are not mentioned to the same extent.

Currently the following is provided:

State Council has established a Board with full delegated powers, namely the Local Government Self-Insurance Schemes Board. Decisions of the Board are taken independent of the need for ratification of State Council.

The Local Government House Trust is a Trustee which owns and operates Local Government House.

It is suggested that more detail can be included outlining the Board and Trust.

Local Government Self Insurance Scheme Board

The LGIS Board is ultimately responsible for all matters relating to implementing the objectives and purposes of the Insurance Schemes.

State Council has resolved that the Board will function and be regarded for all intents and purposes as a Board of Directors. Board members are therefore Directors, and are required to act in the discharge of all their responsibilities as if they are Directors of a corporation.

The LGIS Board has its own Corporate Governance Charter which is endorsed by State Council.

Local Government House Trust

The Local Government House Trust was established in 1980 with the objective of providing a building for the Local Government Associations.

The Trust is overseen by a Board of Management comprising of the following;

- I. President and Deputy President of WALGA
- II. a State Councillor from the country constituency
- III. a State Councillor from the metropolitan constituency
- IV. a representative from the beneficiaries of the country constituency
- V. a representative from the beneficiaries of the metropolitan constituency
- VI. the Chief Executive Officer of WALGA

There is a need to document in the Corporate Governance Charter the appointment and re-appointment process and terms for State Councillors and also the representatives from the country and metropolitan constituency.

Discussion:

Comment is invited on the matters discussed above.

2.2.9 Clause 17 – Committees with Delegated Powers

The current Committees with delegated powers include the Finance and Services Committee, Municipal Waste Advisory Council, Selection Committee and Honours Panel.

It is suggested the Committee process could be improved by including the following provisions in the Corporate Governance Charter:

Terms of Reference:

This will include the scope and limitations of the Committee.

Membership and Term:

Description of skills and abilities of members, and the term they will serve, which is suggested should coincide with State Council terms.

Appointment process for State Councillors and non-WALGA members:

Currently, the Corporate Governance Charter states that the President may appoint members to delegated committees.

It is proposed that a formal process of appointment to delegated committees is established with appointments made by State Council utilising the Selection Committee where appropriate. At the beginning of each two-year State Council term, State Council should appoint State Councillors to delegated committees. Further, State Council should consider and endorse the appointment of external members to delegated committees based on recommendations from the Selection Committee following a thorough nomination and selection process.

This proposal would reflect the contemporary practice in the Local Government sector when establishing a formal Committee of a Council.

Discussion:

Comment is invited on this proposal.

2.2.10 Clause 20 – Monitoring

This clause currently states:

A fundamental function of the State Council is to monitor the strategic direction, performance, management of risk and compliance of the Association. With this general principle in mind, the State Council is charged with monitoring both financial and non-financial KPIs.

Financial KPIs

The State Council will closely follow:

- *annual membership contributions;*
- *the Balance Sheet;*
- *Income and Expenditure Statement;*
- *financial performance against annual budget;*
- *debtors (over 90 days);*
- *creditor's days;*
- *financial indicators (e.g. liquidity ratio, debt/asset ratio);*
- *the annual audit of financial statements; and*
- *compliance with the Association Financial Management Policies (e.g. Financial Planning, Financial Condition, Budget Reallocation).*

Currently, financial KPIs are monitored by the Finance and Services Committee with State Council considering the Finance and Services Committee Minutes at each State Council meeting.

Discussion:

1. This section requires reviewing as a number of the monitoring functions are carried out by the Finance and Services Committee, and comment is invited on appropriate content.
2. Further, should State Council have a more structured role in monitoring financial KPIs?

2.2.11 Clause 33 – Relationship between State Council, Zones and Local Governments

This clause outlines the relationship between State Council, Zones and Member Local Governments and includes sub clauses on the following:

- State Council
- State Council Co-Chairs
- Forum of Co-Chairs
- Policy Forums
- Zones
- Member Local Governments

Clause 33 states:

The structural framework for the Association includes three levels of representation:

- **State Council** - consisting of 24 members representing Zones within the country and metropolitan constituencies;
- **Zones** – 12 country and 5 metropolitan Zones; and
- **Member Local Governments**

(i) State Council

State Council is the peak decision making body for the Association and is responsible to Zones and Member Local Governments for fulfilling their constitutional responsibilities.

Zones and Member Local Governments can make direct submissions to State Council, either through their representative(s) on State Council or the Association Secretariat.

(ii) State Council Co-Chairs

Two State Councillors are appointed by the President as Co-Chairs for each of the four policy portfolios of governance and strategy, infrastructure, environment and waste and planning and community development. The role of the Co-Chairs is to act as the key advocates for their respective policy portfolios.

Specific duties include liaison with the respective Executive Manager on key policy positions and developments in the portfolio including the preparation of submissions and when required, endorsement of interim submissions. Co-Chairs may also be invited to attend meetings with relevant Government Ministers at the discretion of the President.

(iii) Forum of Co-Chairs

The Forum of State Council Co-Chairs acts as the primary policy and advocacy support to the President and the Association. The Forum is established by the Association President and comprises the President and two State Councillors for each of the four policy areas (infrastructure, governance and strategy, environment and waste, planning and community development). The Forum of Co-Chairs has no delegated authority and works within current Association policy positions. The Forum of Co-Chairs considers and discusses strategic priority policy issues affecting the Association and the Local Government sector for future State Council consideration.

(iv) Policy Forums

Within the core policy portfolios of the Association, policy development is facilitated by Policy Forums.

Policy Forums are convened on an as-needs basis by the Association President to develop policy for the Association in relation to a particular issue or range of issues. Policy Forums can be of any size and may include membership from elected representatives and officers from affected or interested Member Local Governments. In some instances, a Policy Forum may be a day-long symposium open to all Local Governments which concludes upon the adoption of a common resolution. In other cases, Policy Forums may be a specialised working group assembled to develop policy or legislative initiatives for the Association. Zones and Member Local Governments may be directly involved with Policy Forums, and can participate or make formal submissions.

(v) Zones

The country and metropolitan constituencies in Western Australia are divided into groupings called Zones. Zones consist of Local Governments grouped together on the basis of population, commonalities of interest and geographical alignment considerations. Pursuant to the Association's Constitution, the membership of Ordinary Members to Zones shall be determined from time to time by State Council. The number of Zones shall be determined from time to time by the Ordinary Members of the Association at a Special or Annual General Meeting.

There are 12 Country Zones and 5 Metropolitan Zones. For the country constituency, each Zone has one (1) representative on State Council who will represent the interests of the

Local Governments within that Zone. Metropolitan Zones have between two (2) or three (3) representatives to State Council, with the number of representatives determined by the population size of Local Governments within the Zone. The total number of country and metropolitan representatives to State Council is 24 (12 country and 12 metropolitan).

Clause 14 of the Association's Constitution requires that Zone undertake the following functions:

- *electing a representative or representatives and deputy representative or deputy representatives to the State Council;*
- *considering the State Council agenda;*
- *providing direction and/or feedback to their representative or representatives on the State Council; and*
- *any other functions deemed appropriate by the members of the Zone.*

(vi) Member Local Governments

Member Local Governments are the shareholders of the Association and the focus of core Association activities is to be directed towards the provision of political advocacy, programs and services which meet their collective needs. Under the structural framework of the Association, Member Local Governments have the capacity to be directly involved in the development of policy for Local Government. Member Local Government can access the Association through the State Council, Secretariat, Policy Teams and Policy Forums, or through their respective Zones.

A potential reform option, which was contemplated in the previous Governance review in 2011, is considering the formation of an Executive Committee.

Under this model, State Council would maintain its primacy as the Association's governing Board but would be able to delegate some powers to an Executive Committee, which would be in a position to meet more regularly than the current two-monthly cycle of State Council meetings.

The Executive Committee could be utilised for policy and advocacy decisions required outside of the State Council meeting cycle and could be delegated powers that are currently the responsibility of the Finance and Services Committee.

Should the formation of an Executive committee be contemplated, it could then take on the political, policy and advocacy roles and responsibilities of the State Council Co-Chairs (see clause 33(ii) above) and the Forum of Co-Chairs (clause 33(iii) above).

Currently, the Co-Chairs, corresponding to WALGA's four key policy development portfolios (Governance, Infrastructure, Environment and Waste, and Planning and Community Development) consider and provide input to interim submissions prior to their submission to the relevant agency.

The membership of the Forum of Co-Chairs is the President and the two State Councillors who act as Co-Chairs for each of the Association's key policy portfolios: Governance and

Strategy, Infrastructure, Environment and Waste and Planning and Community Development.

Consideration could also be given to reviewing the Policy Forum concept as opposed to the previous construct of four portfolio Policy Teams (six members each) where a State Councillor would be allocated to at least one policy team. The four Policy Teams corresponded to each of WALGA's four key policy development portfolios: Governance, Infrastructure, Environment and Waste, and Planning and Community Development.

The Policy Teams were recently replaced by Policy Forums which are explained in Clause 33(iv) above.

Current Policy Forums are:

- Mining Communities Policy Forum
- Metropolitan Mayors Policy Forum
- WARR Act Policy Forum
- Container Deposit Legislation Policy Forum
- Freight Policy Fourm

Discussion:

Comment is invited on Clause 33 generally, and specifically:

- the potential for an 'Executive Committee' to be formed;
- the utility of the Co-Chairs and Forum of Co-Chairs; and,
- a review of the Policy Forum / Policy Teams concept and their appointment processes.

2.2.12 Proposed New Clause – Recommendations to Representative Bodies

WALGA provides representatives to approximately 120 State Government and Local Government Committees and Boards. There may be a need to capture in the Governance Charter the reporting requirements of the selected representatives.

Discussion:

To what extent should the Corporate Governance Charter capture reporting requirements of representatives back to WALGA?

2.2.13 Code of Conduct and Confidentiality Agreement

A review is to be carried out to make the documents more contemporary and with general consistency with Local Government Codes of Conduct.

Discussion:

Comment is invited in relation to the Code of Conduct and Confidentiality Agreement.

2.3 Standing Orders

The current Standing Orders can be found at:

<http://walga.asn.au/MemberResources/GovernanceStrategy/GovernanceReviewDiscussionPaper.aspx>

2.3.1 Clause 7 – Order of Business

Alignment with the Corporate Governance Charter is required.

Discussion:

Comment is invited on Clause 7 of the Standing Orders.

2.3.2 Proposed New Provision – Alleged Breach of Standing Orders

The Standing Orders are silent on any process for dealing with an allegation of a breach of their provisions, which does not align with the Code of Conduct dealing with breaches of the Corporate Governance Charter.

The contemporary practice in Local Government centres on Regulation 4 of the Rules of Conduct Regulations, which provides for a minor breach complaint opportunity.

Discussion:

1. Should State Council's Standing Orders contemplate complaints-handling procedures?
2. Could this be dealt with by amending the Code of Conduct to reflect appropriate behaviours during meetings of State Council?
3. Should the Code of Conduct be amended so that a breach of the Standing Orders equates to a breach of the Code of Conduct?

3. Technical Drafting

In principle, all three documents should align in terms of content. Over time there have been reviews of the Constitution and the Corporate Governance Charter without reviews of the Standing Orders and this has created some inconsistencies that should be addressed as part of this review.

3.1 Constitution

One item of a technical drafting nature has been identified in the Constitution.

3.1.1 Clause 5 – Membership of the Association

A typographical error appears in clause 5(7)(b), with incorrect reference to sub-clause 5(9), which should read 5(11).

3.2 Corporate Governance Charter

Two items of a technical drafting nature have been identified in the Corporate Governance Charter.

3.2.1 Clause 7 – Role of State Councillor: Review of Annual General Meeting Decisions

Clause 7(iv), below, states that State Council must consider decisions made by the membership at Annual General Meetings:

(iv) Annual General Meeting Directions and Decisions

In accordance with clauses 22 and 23 of the Constitution, the State Council is to give consideration to any direction or decision made at an Annual General Meeting in its discharge of responsibilities and functions.

Where State Council considers that a direction or decision from an Annual General Meeting is not in the best interests of the Association, the Chief Executive Officer shall give notice to Ordinary Members of the decision of State Council and the reasons for that decision.

It is considered that it would be more appropriate for this clause to be included as part of the 'Role of State Council' (Clause 1) as it is a role for the board, not for individual State Councillors.

3.2.2 Clause 15 – Annual Meeting Calendar

The calendar will be reviewed and updated to reflect current practice including regional meetings.

Currently, the following is included in the Corporate Governance Charter:

In order to provide an even distribution of work over the year, the State Council will utilise a rolling twelve-month meeting calendar. An example of an annual meeting calendar is included below as a guide to State Council activities undertaken throughout a typical calendar year. At least one State Council meeting will be held regionally each year at a location and date to be determined. Zone meetings are held in a two week period prior to State Council meetings.

Month	Event
February	<ul style="list-style-type: none"> • Finance and Services Committee Meeting • Selection Committee Meeting
March	<ul style="list-style-type: none"> • General induction of new State Councillors (if applicable) • Election of President and Deputy President (if applicable) • Honours Panel Meeting • State Council Meeting
April	<ul style="list-style-type: none"> • Selection Committee Meeting • Finance and Services Committee Meeting
May	<ul style="list-style-type: none"> • Consideration of Association Honours • Finance and Services Committee Meeting • State Council Meeting
June	<ul style="list-style-type: none"> • Special Meeting State Council – Budget Adoption & Strategic Plan review • Finance and Service Committee Meeting • Selection Committee Meeting
July	<ul style="list-style-type: none"> • State Council Meeting • Finance and Services Committee Meeting (Adoption of Audited Financial Statements)
August	<ul style="list-style-type: none"> • Selection Committee Meeting • Finance and Services Committee Meeting • Annual General Meeting
September	<ul style="list-style-type: none"> • State Council Meeting
November	<ul style="list-style-type: none"> • Selection Committee Meeting • Finance and Services Committee Meeting
December	<ul style="list-style-type: none"> • Annual Review of Chief Executive Officer • Annual Review of State Council and individual State Councillors • State Council Meeting

4. Review of State Council and Zone Effectiveness

General feedback is sought in relation to the effectiveness of Zones and State Council. The following subjects may provoke feedback.

4.1 State Council Decision Making Process

The current decision making process of State Council is inclusive. Zones consider State Council items and the recommendations to State Council at their meetings. The Zones are able to move amendments to, or oppose, the recommendations to State Council.

At the State Council meeting, every Zone's resolution regarding State Council items will be considered by all State Councillors. This is done by a process of composite resolutions, where the original recommendation is blended with all Zone motions to form a new, 'composite' resolution.

In this way, the input from Zones is crucial to the State Council decision making process and means that, in practice, State Council invariably arrives at a representative and consensus position.

4.1.1 Inclusiveness vs. Timeliness of State Council Decisions

There has been discussion in recent times about the timeliness of State Council decision making, particularly when State Council seeks to ensure all Zones are able to input into the decision making process. State Council strives to find a balance between timeliness and inclusiveness in their decision making processes and can be reluctant to make decisions without Zone consultation. Notwithstanding, the ability for State Councillors to bring 'Emerging Issues' to the State Council meeting provides State Council with some flexibility to make decisions in a more timely manner when necessary.

Another relevant issue is the treatment of motions from Zones. Currently, State Council considers other Zone resolutions en bloc during their meeting, and then the Zone resolutions are referred to the relevant WALGA business or policy unit for action. This process can also take time for Zones to receive a response. One option would be for State Councillors to raise sector-wide issues when Zone resolutions are considered for State Council to make a more timely decision or for the State Council to formally prioritise Zone resolutions when they are considered.

Discussion:

1. Does the current State Council decision-making process strike the right balance between timeliness and inclusiveness?
2. Should the method in which State Council considers Zone resolutions be changed?

4.1.2 Zone Motions – Consistency with Council Policy

There has been discussion on the issue of some zone representatives bringing forward items that are not supported or are actively opposed by their Council. Some have therefore suggested that motions at Zone meetings should require the support of the mover's Council.

This would ensure that the Zone is confident that the motion being considered has undergone some thought and research. Conversely, requiring a Council resolution to submit a motion to a Zone meeting would increase the time required for policy issues to be considered and would reduce the flexibility of Zones to make their own decisions. Further, as Zones are autonomous in their construct, it may be considered inappropriate to restrict matters that can be considered by Zones.

Discussion:

Should zone motions be required to have the Local Government's consent or be consistent with their Council's policy position?

4.2 Zone Autonomy

While Zones have a requirement to elect one or more State Councillors and to consider the State Council agenda, they have the autonomy to build on or expand this role.

Some Zones are more active than others in this regard. Some Zones expand on the role of the Zone and undertake some of the following activities:

- developing and advocating positions of regional significant affecting Local Government;
- progressing regional Local Government initiatives;
- identifying relevant issues for action by WALGA;
- presentations from external stakeholders;
- networking and sharing information; and
- contributing to policy development.

Other Zones are more minimalist in their approach and have not taken the opportunity to expand their role beyond that defined in the Constitution.

Discussion:

Any comment relating to Zone Autonomy is invited.

4.3 Zone Presentations and Delegations

Zones have the opportunity to receive delegations and presentations from politicians and government departments and agencies.

This provides the Zone with opportunities for information exchange and communication between Local Governments and stakeholders.

The Zone meetings are also a primary point of contact between WALGA and its members. The Association has the opportunity to update Local Government representatives on the work of the Association and Zone meetings present the opportunity for Zone delegates to ask questions of the WALGA President and senior WALGA staff.

Discussion:

Any comment relating to Zone Presentations and Delegations is invited.

4.4 Comprehensive State Council Agenda

The comprehensive State Council Agenda is a key component in WALGA’s policy development and advocacy process. It contains discussion in relation to policy issues on a range of topics that affect different Local Governments differently. Two issues are discussed below: the timeliness of the State Council agenda distribution and the format of the State Council agenda.

4.4.1 Timeliness of State Council Agenda

The production of the comprehensive State Council agenda runs to a relatively tight timetable that seeks to balance relevance of the issues covered in the agenda with time available for reading and analysis by member Local Governments, Zone delegates and State Councillors.

The timetable operates as follows:

	Deadline for Agenda Items	Electronic Distribution – Deadline to Printer	Hard-copy Distribution	Zone Meetings
Number of days prior to the State Council Meeting (including weekends)	27 days prior to State Council meeting	21 days prior to State Council meeting	16 days prior to State Council meeting	12-5 days prior to State Council meeting

There has been commentary that Zone delegates require more time to read the agenda; however, there are nine days between the electronic distribution of the State Council agenda and the first of the Zone meetings. The agenda timetable could be amended to provide more time for Zone delegates to read the agenda, but it would be at the risk of the agenda no longer being up to date with policy issues.

Discussion:

Is the State Council agenda timetable appropriate, or should it be amended in some way?

4.4.2 State Council Agenda Format

Currently the State Council agenda is distributed to Local Governments via email in pdf form three weeks prior to the State Council meeting and is sent to a printing company at the same time. Then, approximately 400 copies are printed and posted to Local Governments to arrive approximately two weeks before the State Council meeting.

Discussion:

Is it still appropriate for hard-copy agendas to be printed and posted to Local Governments or, is the electronic version sufficient?

5. Submission of Feedback

Please submit feedback on the issues raised in this discussion paper, as well as any other relevant matters, by Wednesday, 16 September 2015 to:

James McGovern
Manager, Governance
jmcgovern@walga.asn.au
(08) 9213 2093

Following the submission of feedback, a report will be presented to Zones and State Council in December 2015.