



# REGIONAL SUBSIDIRY BUSINESS PLAN





## CHAIRMAN'S INTRODUCTION

The Murchison Regional Vermin Council since its inception in 1963 has operated as a local government authority working under the provisions of the Local Government Act. Compliance and procedural requirements as set out in the Act apply to the MRVC in the same way they apply to much larger and more complex Shires and City Councils.

For the last eighteen months MRVC Councillors have been exploring options to reduce the compliance and administrative burden imposed on the MRVC by the Act and develop a structure that better aligns with the organisation's single purpose of management and maintenance of the No 1 and No2 Vermin Fences.

An option to reduce the compliance and administrative burden is for the MRVC to become a Regional Subsidiary set up as provided for in the Local Government (Regional Subsidiaries) Regulation 2017. This plan has been prepared as required under Section 4(3) of the Regulation to chart a course for a possible transition to a Regional Subsidiary.



## THE CURRENT POSITION

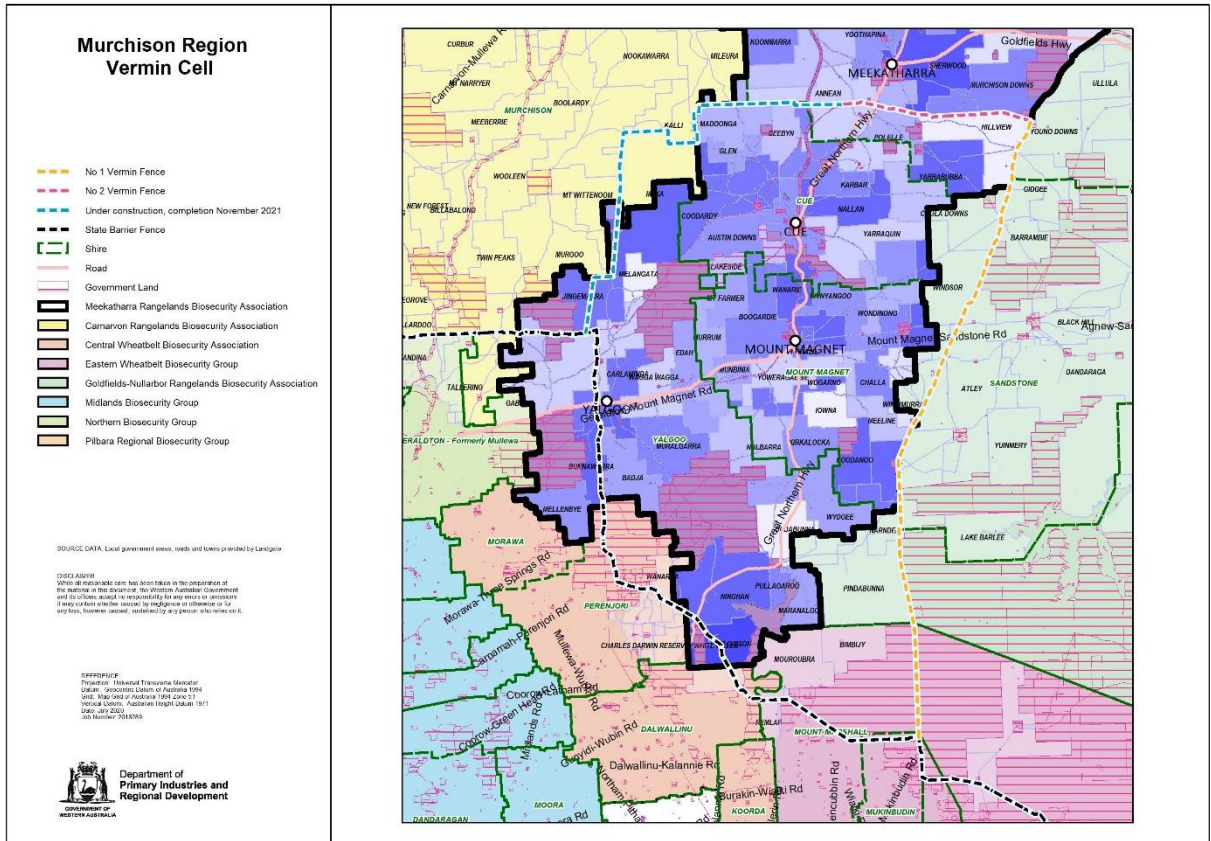
The Murchison Regional Vermin Council (MRVC) is a statutory organisation which operates under the provisions of the Local Government Act 1995. Member councils are the Shires of Sandstone, Mount Magnet, Yalgoo and Cue. Each member Council nominates two delegates to serve on the MRVC and delegates elect from amongst themselves the Chairperson.

The MRVC was established in 1963 for the purpose of rehabilitation and maintenance of the No. 1 Vermin Fence and No. 2 Vermin Fence. The No. 1 Vermin Fence is 559 kilometres in length commencing at the 80-mile peg south near Lake Moore and ending at a location approximately 20 kilometres north of the Meekatharra/Wiluna Road. The No. 2 Vermin fence originally extended extends west from the No. 1 Vermin Fence for a distance of 163 kilometres terminating approximately 66.5 kilometres southeast of the Great Northern Highway on the northwestern boundary of the pastoral station "Beebyn".

# MURCHISON REGIONAL VERMIN COUNCIL

The No 2 Vermin Fence has recently been extended by a distance of 285 km and now joins up with the State Barrier Fence on the southern boundary of Jingemarra Station. This extension was carried to create a fully enclosed vermin cell known as the Murchison Region Vermin Cell.

The map below shows the extent of the Murchison Region Vermin Cell and the No 1 and No 2 Vermin Fences.



As required under the Local Government Act the Murchison Regional Vermin Council employs a Chief Executive Officer. This is a part time position and there are no other employees. The Shire of Mount Magnet provides administrative support for which the MRVC makes a payment of \$6,000 per year.

MRVC compliance and administrative obligations under the Act are much the same as a large Shire or City Council. The MRVC's sole function is to maintain and manage some 1000km vermin fencing yet is burden under the Act by:

- Unnecessarily complex financial reporting and budgetary structures.
- Onerous annual auditing requirements managed by the Office of the Auditor General.
- The requirement for six Ordinary Meetings per year along with separate audit committee meetings all to be attended by two elected member delegates from each member Council.
- Complex business planning requirements as set out in the Act under Integrated Planning and Reporting - Section 5.56. This requires Council to have a Corporate Business Plan, Asset Management Plan, Workforce Plan and Long-Term Financial Plan.



## THE NEW POSITION

MRVC Council Delegates and Member Councils are supportive of the MRVC transitioning to a Regional Subsidiary set up in accordance with the Local Government (Regional Subsidiary) Regulation 2017. Meetings of been held with the Minister for Local Government and Department of Local Government Staff.

It is recognised that were the MRVC to become a Regional Subsidiary the MRVC would be the first such local government to do so in the State. In meetings with the Minister and Departmental staff it was acknowledged that the 2017 Regulation will be updated over the next twelve months to further simplify the operations of Regional Subsidiaries.

### ADVANTAGES OF A REGIONAL SUBSIDIARY

Key regulatory advantages of the MRVC becoming a Regional Subsidiary include:

- The adoption of a Charter that sets out in plain English how the subsidiary will function.
- Board members are appointed by participating Councils and can be Elected Members or suitably qualified appointees.
- There is no requirement to establish an Audit Committee.
- Financial reporting requirements and format are determined by the Board and are expected to align with the requirements for an Association as set out in the Associations Incorporation Act 2015. There is no specific requirement for a budget review as of 31 December.
- There is no requirement for completion and lodgement of an annual Compliance Audit Return.
- There is only one Business Plan required.
- The number of Board Meeting is set by the Board and expressed in the Charter.
- There is no requirement for the swearing in of Board Members.

Unfortunately, annual auditing requirements will remain unchanged from current arrangements where the Office of the Auditor General appoints the auditor and the audit process does not differentiate between a large Shire or City Council and the Regional Subsidiary. It is expected that this may change in the coming year with amendments to the Local Government Act.

Key operational advantages include:

- Whilst the organisation will still require a part time CEO and under the Charter be required to hold Board meetings it is anticipated that there will be savings in salary and governance that can be redirected to the maintenance of the No 1 and 2 Vermin Fences thus increasing the level of service.
- There will be no change in the way maintenance is carried out and the current three-year contract that sees a maintenance run over the full length of vermin fencing four times every year will remain as is.
- Current member council contributions are Yalgoo, Mount Magnet, Cue \$34,468 pa and Sandstone \$11,489 pa. Other than increases in line with inflation it is not expected that member council contributions will change from these current levels. Likewise current pastoralist fence rental charges totally \$7,278 pa are expected to increase in line with inflation.
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# MURCHISON REGIONAL VERMIN COUNCIL



- It is expected that a four-year Business Plan will be prepared and updated annually. This Plan will incorporate into one document current Integrated Planning requirements including an asset management and long-term financial plan. There will be no impact on current plans prepared by member councils under the Integrated Planning requirements of the Local Government Act.
- Once a Regional Subsidiary is in place there will be an opportunity to invite additional participating Shires whose boundaries are located in part within the Murchison Region Vermin Cell. The two Shires that fall into this category are Murchison and Meekatharra.

## NEXT STEPS

Following approval by MRVC delegates the Local Government (Regional Subsidiary) Regulation requires current member councils (Sandstone, Yalgoo, Mount Magnet and Cue) to seek submissions from their communities on the proposal for the MRVC to become a Regional Subsidiary based on details contained in this Business Case. This process involves each member Council giving local public notice and publishing the Business Case on their web sites.

On the basis of submissions received the Business Case may be updated and possibly put out again for community input prior to submitting to the Minister for Local Government for approval.