



South Metropolitan Zone

Minutes

28 June 2021

South Metropolitan Zone

Held via MS Teams
Monday 28 June 2021, commenced at 5:30 pm

Minutes

MEMBERS	3 Voting Delegates from each Member Council
City of Cockburn	Mayor Logan Howlett JP Cr Chamonix Terblanche Cr Chontelle Stone Mr Tony Brun, Chief Executive Officer - non-voting delegate
Town of East Fremantle	Cr Cliff Collinson Cr Kerry Donovan Mr Gary Tuffin, Chief Executive Officer – non-voting delegate
City of Fremantle	Cr Doug Thompson - Chair Cr Geoff Graham Mr Glen Dougall, Acting Chief Executive Officer
City of Kwinana	Mayor Carol Adams OAM Cr Sandra Lee Cr Matthew Rowse Mr Wayne Jack, Chief Executive Officer non-voting delegate
City of Melville	Cr June Barton Cr Duncan McPhail Cr Steve Kepert
City of Rockingham	Cr Mark Jones Cr Deb Hamblin Cr Hayley Edwards Mr Michael Parker, Chief Executive Officer - non-voting delegate
WALGA Secretariat	President Cr Karen Chappel, Deputy President WALGA Zac Donovan, Executive Manager – Commercial and Communications Kelly McManus - Principal, Policy and Advocacy
DLGSC Representative	Nil
Guest Speaker	Olivia Burkett, Infrastructure and Government Relations Manager – Tennis West Michelle Magdy, Regional Tennis Manager, Metro South – Tennis West Andrew Valder, Co-Founder – Grow it Local

APOLOGIES

Town of East Fremantle	Cr Tony Natale
City of Fremantle	Cr Andrew Sullivan
City of Melville	Mr Marten Tieleman, Chief Executive Officer non-voting delegate
DLGSC Representative	

ANNOUNCEMENTS

Zone Delegates were requested to provide sufficient written notice, wherever possible, on amendments to recommendations within the State Council or Zone agenda to the Zone Chair and Secretariat prior to the Zone meeting.

Agenda Papers were emailed 7 days prior to the meeting date.

Confirmation of Attendance attendance was confirmed at the commencement of the meeting.

Acknowledgement of Country All attendees acknowledged the traditional owners of the land that the meeting is held on and paying respects to Elders past, present and future.

ATTACHMENTS

1. Draft Minutes of previous meeting
2. Zone Status Report
3. President's Report
4. Standing Orders

1. DECLARATION OF INTEREST

Elected Members must declare to the Chairman any potential conflict of interest they have in a matter before the Zone as soon as they become aware of it. Councillors and deputies may be directly or indirectly associated with some recommendations of the Zone and State Council. If you are affected by these recommendations, please excuse yourself from the meeting and do not participate in deliberations.

Nil

2. DEPUTATIONS

2.1 Tennis West

Olivia Birkett, Infrastructure and Government Relations Manager and Michelle Magdy, Regional Tennis Manager presented to the Zone on Thriving Tennis Communities.

2.2 Grow it Local

Andrew Valder presented to the Zone on the Grow it Local program and what benefits it can provide to the Community.

3. CONFIRMATION OF MINUTES

RESOLUTION

Moved: Cr Sandra Lee
Seconded: Cr Cliff Collison

That the Minutes of the meeting of the South Metropolitan Zone held on 27 April 2021 be confirmed as a true and accurate record of the proceedings.

CARRIED

4. BUSINESS ARISING

4.1

Nil

4.2 Status Report

A Status Report outlining the actions taken on the Zone's resolutions was enclosed as an attachment with the Agenda.

Noted

5. STATE COUNCIL AGENDA – MATTERS FOR DECISION

(Zone delegates to consider the Matters for Decision contained in the WA Local Government Association State Council Agenda and put forward resolutions to Zone Representatives on State Council)

The full State Council Agenda can be found via link: [State Council Agenda 7 July 2021](#)

The Zone is able to provide comment or submit an alternative recommendation that is then presented to the State Council for consideration.

5.1 Reviews of the *Cat Act 2011* and *Dog Act 1976*

That WALGA seek a commitment from the State Government:

1. for the conduct of comprehensive reviews of the Cat Act 2011 and Dog Act 1976; and
2. that the reviews incorporate Local Government-specific consultation processes, coordinated in discussion with WALGA and Local Government stakeholders.

5.2 Amendments to WALGA's Constitution

That the WALGA Constitution be amended as follows:

1. INSERT Definition – "Present" means attendance in person or by electronic means deemed suitable by the Chief Executive Officer.
2. Clause 5 (10) – DELETE "and Associate Members".
3. Clause 5 (11) – DELETE "Ordinary Member or", REPLACE "State Council" with "Chief Executive Officer" in the first sentence, INSERT "or its delegate" after State Council in the second sentence.
4. Clause 6 (3) – REPLACE "31 May" with "30 June".
5. Clause 7 (2) – REPLACE "30 June" with "31 July".
6. Clause 11 (1) – after Chief Executive Officer, INSERT "in accordance with the Corporate Governance Charter".
7. Clause 11 (2) – after Chief Executive Officer INSERT "by providing notice to State Councillors of the date, time, place and purpose of the meeting"
8. DELETE Clause 11 (3)
9. Clause 12 (1) – DELETE "as, being entitled to do so, vote in person"
10. DELETE Clause 12 (2)
11. Clause 12 (3) – DELETE "as, being entitled to do so, vote in person"
12. Clause 12 (4) – DELETE "as, being entitled to do so, vote in person"
13. Clause 16 (1) & (2) – After Any election INSERT "other than to elect the President or Deputy President", REPLACE "generally in accordance with the provisions of the Local Government Act 1995 as amended (2) For the purposes of the election referred to in sub-section (1)" with "as follows".
14. Clause 16 (2) (f) – REPLACE two instances of "2" with "1".
15. INSERT Clause 16A – Election Procedure – President and Deputy President

- (1) An election to elect the President or Deputy President shall be conducted as follows:
 - (a) the Chief Executive Officer or his/her delegate shall act as returning officer;
 - (b) representatives are to vote on the matter by secret ballot;
 - (c) votes are to be counted on the basis of "first-past-the-post";
 - (d) the candidate who receives the greatest number of votes is elected;
 - (e) if there is an equality of votes between two or more candidates who are the only candidates in, or remaining in, the count, the count is to be discontinued, and the meeting adjourned for not more than 30 minutes;
 - (f) any nomination for the office may be withdrawn, and further nominations may be made, before or when the meeting resumes;
 - (g) when the meeting resumes, an election will be held in accordance with sub-sections 1(a), 1(b), 1(c) and 1 (d);
 - (h) if two or more candidates receive the same number of votes so that sub-section 1(d) cannot be applied, the Chief Executive Officer is to draw lots in the presence of any scrutineers who may be present to determine which candidate is elected.
16. Clause 21 (4) – REPLACE "Chairman" with "Chair".
17. Clause 22 (1) – REPLACE "in August or September of" with "prior to 31 October".
18. Clause 22 (3) – DELETE "in person"
19. DELETE Clause 22 (4) (b).
20. Clause 23 (3) – DELETE "in person"
21. Clause 24 (2) – DELETE "and of which vote is to be exercised in person"
22. Clause 24 (4) – DELETE "as, being entitled to do so, vote in person"
23. Clause 28 (1) – DELETE "The common seal shall be held in the custody of the Chief Executive Officer at all times."
24. Clause 29 (1) – DELETE "as, being entitled to do so, vote in person"
25. Clause 29 (2) – DELETE "as, being entitled to do so, vote in person"
26. Clause 31 (4) (c) – DELETE "and Regional Development".

RESOLUTION

Moved: Cr Sandra Lee
Seconded: Cr Cliff Collison

That the South Metropolitan Zone

1. Supports all Matters for Decision as listed above in the July 2021 State Council Agenda; and
2. Notes all Matters for Noting and Organisational Reports as listed in the July 2021 State Council Agenda.

CARRIED

6. BUSINESS

6.1 Digital Assets

By City of Cockburn

BACKGROUND

The City of Cockburn resolved:

That Council requests WALGA South Metro Zone to recommend to WALGA State Council that it:

1. Investigate the possibility of Local Governments in WA utilising Digital Assets to facilitate:

- a. *Investing part of their Reserve Funds/ Investment Portfolios into the Digital Assets Market,*
 - b. *Accepting Digital Assets as a payment form for services and rates; and*
2. *Identify what changes would be required to the Local Government Act and the Local Government (Financial Management) Regulations to facilitate such undertakings*

COMMENT

The global Digital Assets Market was estimated at USD 792.53 Million in 2019 and is expected to reach USD 5,190.62 Million by 2026. The global Digital Assets Market is expected to grow at a compound annual growth rate (CAGR) of 30% from 2019 to 2026.

World leading organisation giants like Paypal have recently announced they too will now include Digital Assets for their day-to-day financial requirements. The CEO of payments giant Paypal, Dan Schulman, has shared that the demand for Digital Assets has been “multiple-fold” of his company’s previous expectations. Paypal’s Venmo recently started rolling out Digital Assets features to enable Venmo users to buy, sell and hold Digital Assets, including bitcoin.

Digital Assets gives consumers greater choice, independence, and opportunity in people’s finances.

Its decentralized, open-source nature helps "eliminate the weak points of the modern banking system by bringing access directly to consumers," Claire Lovell, Associate Director of Product Management at Gemini. This makes it easier to buy, sell, store, and trade the best performing assets of the last decade.

The Local Government Act and Local Government (Financial Management) Regulations as noted below, specifically restrict Councils from investing Council’s surplus cash in anything other than term deposits or government bonds.

Please also note that Council is restricted from investing in foreign currencies, with the majority of the current digital assets (crypto-currencies) being denominated in US dollars.

Local Government Act 1995, section 6.14 - Power to Invest

- (1) *Money held in the municipal fund or the trust fund of a local government that is not, for the time being, required by the local government for any other purpose may be invested as trust funds may be invested under the Trustees Act 1962 Part III.*
- (2A) *A local government is to comply with the regulations when investing money referred to in subsection (1).*
- (2) *Regulations in relation to investments by local governments may:*
 - (a) *make provision in respect of the investment of money referred to in subsection (1); and*
 - ~~[(b) deleted]~~
 - (c) *prescribe circumstances in which a local government is required to invest money held by it; and*
 - (d) *provide for the application of investment earnings; and*
 - (e) *generally provide for the management of those investments.*

Regulation 19C. Investment of Money, Restrictions on (Acts.6.14(2)(a))

- (1) *In this regulation —*

authorised institution means:

 - (a) *an authorised deposit-taking institution as defined in the Banking Act 1959 (Commonwealth) section 5; or*
 - (b) *the Western Australian Treasury Corporation established by the Western Australian Treasury Corporation Act 1986;*

foreign currency means a currency except the currency of Australia.

- (2) *When investing money under section 6.14(1), a local government may not do any of the following —*
- (a) *Deposit with an institution except an authorised institution;*
 - (b) *Deposit for a fixed term of more than three (3) years;*
 - (c) *Invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government;*
 - (d) *Invest in bonds with a term to maturity of more than 3 years;*
 - (e) *Invest in a foreign currency.*

Without specific legislative authority, Council is forbidden from investing surplus cash as defined into digital assets (crypto-currencies).

The second part of the matter is using digital assets (crypto currencies) for payment of bills or debts, including rates.

Whilst some Australian companies may accept bitcoin for product purchase or satisfaction of a liability, digital currencies are not legal tender. This may change if and when the Commonwealth Government legislate to regulate such currencies, or as the United Kingdom are doing, introduce their own digital currency (crypto currency).

The potential for volatility would inhibit using such digital currencies in their current format for settlement of bills such as rates.

There is a reason some serious attention needs to be given to digital currencies though (and the technology behind it, being blockchain), as digital currencies are driving a profound revolution in commerce.

All major world central banks, including the Reserve Bank of Australia, are either investigating or working on digital blockchain versions of their currencies. The People's Bank of China is furthest advanced and is testing its CBDC (central bank digital currency) right now.

That said, Local Government will not be the driver of the change, rather that will have to be the Commonwealth Government and the Reserve Bank of Australia. Until the law is changed the risk of investing surplus funds into digital currencies is ultra vires, which is not allowed.

An alternative to simply sidelining this notice of motion is to request WALGA South Metro Zone, through a Council resolution, to investigate the use of digital currency with the aim to amend the *Local Government Act 1995* and associated regulations to allow for such investments into digital currencies.

It should be noted that WALGA do not have a current position on digital currencies as it is a matter for the Commonwealth Government to legislate on.

WALGA Secretariat Comment

The Reserve Bank and the Federal Government in due course will have to determine whether Digital Assets (Crypto currencies) is an accepted form of monetary exchange.

WALGA will monitor any statements made by the Reserve Bank and Federal Government on this issue.

CITY OF COCKBURN RECOMMENDATION

Moved: Cr Chamonix Terblanche
Seconded: Cr Chontelle Stone

That the request for WALGA to review the requirements to amend the Local Government Act and associated regulations to allow for investment and utilisation for payment form (income and expenses) into the asset class known as digital currencies be endorsed.

Motion Lost

7. OTHER BUSINESS

Nil

8. EXECUTIVE REPORTS

8.1 WALGA President's Report

The State Council representative, President Cr Karen Chappel presented the President's Report and recent ALGA Conference.

Noted

9.2 State Councillor's report to the Zone

WALGA State Councillor, Cr Doug Thompson presented on the previous State Council meeting.

Noted

9.3 Department of Local Government, Sport and Cultural Industries Representative Update Report.

Department of Local Government, Sport and Cultural Industries representative was an apology to this meeting.

<http://mailchi.mp/dlgsc.wa.gov.au/local-matters-june-2021>

Noted

10. DATE, TIME AND PLACE OF NEXT MEETING

The next meeting of the South Metropolitan Zone will be held Monday 23 August 2021 at the City of Fremantle commencing at 5.30 pm.

11. CLOSURE

There being no further business the Chair declared the meeting closed at 6.50pm.