



Shire of Northam  
*Heritage, Commerce and Lifestyle*

## **Shire of Northam**

### **Agenda**

### **Special Council Meeting**

**5 March 2025**

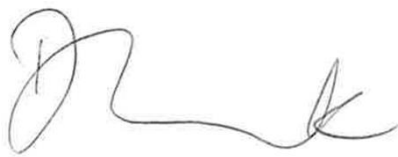


**NOTICE PAPER**  
**Special Council Meeting**  
**5 March 2025**

President and Councillors

I inform you that a Special Council Meeting will be held in the Council Chambers, located at 395 Fitzgerald Street, Northam on 5 March 2025 at 5:30 pm.

Yours faithfully



**Debbie Terelinck**  
**Chief Executive Officer**

## **DISCLAIMER**

This agenda has yet to be dealt with by the Council. The Recommendations shown at the foot of each item have yet to be considered by the Council and are not to be interpreted as being the position of the Council. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Council.

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## 1 DECLARATION OF OPENING

## 2 OPENING PROCEDURES

### 2.1 ACKNOWLEDGEMENT OF COUNTRY

The Shire of Northam would like to acknowledge the Traditional Owners of the land on which we meet, the Ballardong and Whadjuk people of the Nyoongar nation and pay our respects to Elders, past present and emerging.

### 2.2 RECORDING OF COUNCIL MEETINGS

Members of Council and members of the gallery are advised that this meeting will be livestreamed and audio-recorded and made available on the Shire of Northam's YouTube channel. If members of the public want to access the recording of this meeting, they can do so via the Shire of Northam website.

## 3 ATTENDANCE

### 3.1 ATTENDEES

#### Council:

Shire President

Deputy Shire President

Councillors

C R Antonio

A J Mencshelyi

J E G Williams

M P Ryan

M I Girak

L C Biglin

D A Hughes

C M Poulton

H J Appleton

#### Staff:

Chief Executive Officer

Executive Manager Engineering Services

Executive Manager Development & Community Services

Executive Manager Corporate Services

Manager Governance & Risk

Governance Officer

D Terelinck

P Devcic

C B Hunt

C J Young

A C McCall

T P Van Beek

### 3.2 APOLOGIES

Nil.

**3.3 APPROVED LEAVE OF ABSENCE**

Nil.

**3.4 ABSENT**

Nil.

**4 DISCLOSURE OF INTERESTS**

*Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.*

*As defined in section 5.60A of the Local Government Act 1995, a **financial interest** occurs where a Councillor / Committee Member, or a person with whom the Councillor / Committee Member is closely associated, has a direct or indirect financial interest in the matter. That is, the person stands to make a financial gain or loss from the decision, either now or at some time in the future.*

*As defined in section 5.61 of the Local Government Act 1995, an **indirect financial interest** includes a reference to a financial relationship between that person and another person who requires a Local Government decision in relation to the matter.*

*As defined in section 5.60B of the Local Government Act 1995, a person has a **proximity interest** in a matter if the matter concerns a proposed change to a planning scheme affecting land that adjoins the person's land; or a proposed change to the zoning or use of land that adjoins the person's land; or a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land.*

*As defined in clause 22 of the Local Government (Model Code of Conduct) Regulations 2021, an **impartiality interest** means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.*

Item Name	Item No.	Name	Type of Interest	Nature of Interest



## 5 PUBLIC QUESTIONS

## 6 RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS

### 6.1 PETITIONS

Local Government Act 1995 s6.10

Shire of Northam Standing Orders Amendment Local Law 2018

- (1) A petition is to –
  - (a) be addressed to the President;
  - (b) be made by electors of the district;
  - (c) state the request on each page of the petition;
  - (d) contain the name, address and signature of each elector making the request, and the date each elector signed;
  - (e) contain a summary of the reasons for the request; and Page 13
  - (f) state the name of the person to whom, and an address at which, notice to the petitioners can be given.
- (2) Upon receiving a petition, the Local Government is to submit the petition to the relevant officer to be included in his or her deliberations and report on the matter that is the subject of the petition, subject to subclause (3).
- (3) At any meeting, the Council is not to vote on any matter that is the subject of a petition presented to that meeting, unless:
  - (a) the matter is the subject of a report included in the agenda; and
  - (b) the Council has considered the issues raised in the petition.

### 6.2 PRESENTATIONS

Local Government Act 1995 s6.11

Shire of Northam Standing Orders Amendment Local Law 2018

- (1) In this clause, a “presentation” means the acceptance of a gift or an award by the Council on behalf of the Local Government or the community.
- (2) A presentation may be made to the Council at a meeting only with the prior approval of the CEO.

### 6.3 DEPUTATIONS

Local Government Act 1995 s6.9

Shire of Northam Standing Orders Amendment Local Law 2018

- (1) Any person or group wishing to be received as a deputation by the Council is to either-
  - (a) apply, before the meeting, to the CEO for approval; or
  - (b) with the approval of the Presiding Member, at the meeting, address the Council.

- (2) The CEO may either-
- (a) approve the request and invite the deputation to attend a meeting of the Council; or
  - (b) refer the request to the Council to decide by simple majority whether or not to receive the deputation.
- (3) Any matter which is the subject of a deputation to the Council is not to be decided by the Council until the deputation has completed its presentation.

## **7 APPLICATIONS FOR LEAVE OF ABSENCE**

Nil.

## **8 ITEMS BROUGHT FORWARD FOR THE CONVENIENCE OF THOSE IN THE PUBLIC GALLERY**

## **9 SPECIAL ITEMS**

### **9.1 WALGA - SYNERGY POWER SUPPLY OFFER, CONTESTABLE SITES**

<b>File Reference:</b>	1.6.5.5
<b>Reporting Officer:</b>	Colin Young (Executive Manager Corporate Services)
<b>Responsible Officer:</b>	Colin Young (Executive Manager Corporate Services)
<b>Officer Declaration of Interest:</b>	Nil
<b>Voting Requirement:</b>	Absolute Majority
<b>Press release to be issued:</b>	No

### **BRIEF**

For Council to consider a WALGA power supply offer from Synergy for the Shire of Northam electricity accounts that are classed as contestable sites.

It is recommended that the Shire commits to a further 3 years with the WALGA Sustainability Energy project and selects the unbundled rate with a percentage of renewable energy provided by Synergy.

### **ATTACHMENTS**

1. CONFIDENTIAL REDACTED - Confidential Northam\_ WALGA Estimated cost and analysis of offer [**9.1.1** - 2 pages]



2. CONFIDENTIAL REDACTED - Confidential Detailed report - Pricing 25%-100% [9.1.2 - 1 page]
3. CONFIDENTIAL REDACTED - Confidential WALGA Sustainability Energy Project Offer Document [9.1.3 - 13 pages]

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## **A. BACKGROUND / DETAILS**

The Shire of Northam is a current participant in the WA Local Government Association (WALGA) Sustainable Energy project. The project is an ACCC-approved buying group of Local Governments that has contracted electricity under a volume aggregated purchasing process. Participants benefit from access to renewable energy and reduced energy prices. There are 48 Local Government participants contracted to the Phase 1 contract term which commenced on 1 April 2022 and will expire on 31 March 2025. Phase 1 of the Project was estimated to save Local Governments \$34 million in expenditure and offset over 120,000 tonnes of carbon.

WALGA ran a Request for Quotation (RFQ) for a new contract commencing 1 April 2025. The Shire of Northam entered a Memorandum of Understanding with WALGA allowing the contestable energy spend to be represented in this procurement process for the purposes of pricing. The RFQ was overseen by a steering committee and evaluated by a team of WALGA and Local Government officers, and independent technical consultants.

## **B. CONSIDERATIONS**

### **B.1 Strategic Community / Corporate Business Plan**

Performance Area: Planet.

Outcome 6: Shared responsibility for climate and sustainability.

Objective 6.1: Lead by example through the use and promotion of sustainable practices.

Priority Action 6.1.2: Provide a plan for transition of relevant Council facilities to use clean energy sources.

Performance Area: Performance. Outcome 12: Excellence in organisational performance and customer service.

Objective 12.1: Maintain a high standard of corporate governance and financial management.

Priority Action: Nil.

### **B.2 Financial / Resource Implications**

Based on the unbundled option with 100% Natural Power over the 3-year period, the Shire will have savings estimated to be \$81,094 compared to the open market. If the Shire went with total Black Market under the

current proposed contract, total expenditure would be \$57,749 less over the 3-year period.

**B.3 Legislative Compliance**

Section 3.57 Tenders for Providing Goods or Services of the Local Government Act 1995 states-

- (1) A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.
- (2) Regulations may make provision about tenders.

Section 11(2) of the Local Government (Functions and General) Regulations 1996 states, tenders do not have to be publicly invited according to the requirements of this Division if —

- (b) the supply of the goods or services is to be obtained through the WALGA Preferred Supplier Program.

**B.4 Policy Implications**

Council Procurement Policy CP.24 also states the following –

2 Value for Money

Value for money is an overarching principle governing procurement that seeks the best possible outcome for the Shire. Compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, safety and quality standards, sustainable procurement objectives, timeliness of supply, whole of life cycle costing and other relevant service benchmarks.

6. Sustainable Procurement and Corporate Social Responsibility  
 Sustainable Procurement and Corporate Social Responsibility (CSR) is defined as the procurement of goods and services that have less environmental and social impacts than competing goods and services. The Shire is committed to sustainable procurement, and will ensure that sustainable and CSR considerations are balanced against value for money outcomes, in accordance with the Shire's sustainability objectives.

**B.5 Stakeholder Engagement / Consultation**

The WA Local Government Association.

**B.6 Risk Implications**

Refer to Risk Matrix [here](#).

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
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Financial	Potential for increased costs	Possible (3) x Minor (2) = Medium (6)	Make operational changes to reduce usage during peak demand trading intervals.
Health & Safety	Nil		
Reputation	Potential risk to negatively impact users of facilities due to operational changes during peak demand periods.	Possible (3) x Minor (2) = Medium (6)	Ensure that any operational changes only have minor impacts for users of the facility.
Service Interruption	Nil		
Compliance	Nil		
Property	Nil		
Environment	If not adopted the community may perceive the Shire is not proactive with climate change.	Possible (3) x Minor (2) = Medium (6)	Adopt the WALGA Power Purchase Agreement.

**B.7 Natural Environment Considerations**

The option to extend and continue under the Power Purchase Agreement (PPA) will enable the Shire to lead by example in best practices by meeting the electrical demands of all contestable sites with 100% renewable power. This aligns closely with Council's commitment to sustainability as outlined in the Council Plan 2022-2032, which emphasises the importance of adopting and promoting sustainable practices. This initiative will significantly contribute to the Shire's ability to achieve the ambitious State objective of reaching net-zero emissions by 2050.

The WALGA collaborative Power Purchase Agreement (PPA) allowed the Shire to place contestable sites (above 50 MWh) on a 3-year contract ensuring a predetermined allocation of green, renewable-sourced energy. The sustainable energy component increased in increments of 25%, with the final year reaching 75% of green renewable energy to power these assets. To date, the Shire has achieved significant reductions in associated emissions, successfully offsetting over 480 tCO<sub>2</sub>-e during the 3-year period.

By entering a new contract for the next 3 years, allocating 100% of green energy to contestable sites, the Shire has the potential to divert over 1,044 tCO<sub>2</sub>-e throughout the duration of the contract.

### **C. OFFICER'S COMMENT**

Modelling from WALGA shows that the WA Wholesale Electricity Market (WEM) has changed significantly since the project was first tendered to the market in 2021. The short-term electricity market price has increased from \$48.03 in Q3 2021 to \$98.54 at the end of June 2024, an increase of 105%. The most advantageous offer from the RFQ was an alternative offer received from Synergy, which is summarised as follows:

- A three-year contract term from 1 April 2025 to 31 March 2028;
- A new Time-of-Offer band that allows for Peak, Midday and Off-Peak rates allowing for spend optimisation by scheduling consumption into a business hours period that has a cheaper supply rate;
- Unbundled pricing.

Synergy's terms are dependent on 100% of participants agreeing to the contract.

WALGA modelling estimates that by accepting the most advantageous offer from Synergy, WALGA Members will incur an estimated average 36% increase from their incumbent 3-year contract (locked in rates from 2022). This compares to an estimated increase in costs (62% for unbundled and 81% for bundled offers) that would otherwise occur were it not for the continuation of the WALGA Sustainable Energy project.

The collective savings from the recommended offer are modelled (based on historic consumption profiles) to deliver an estimated \$34.7 million savings in energy costs over a new 3-year term for participants.

The modelling for the Shire of Northam across the 5 sites that are eligible contestable energy sites is as follows:

Total costs Based on 100% Natural Power	
Year 1	\$212,567
Year 2	\$212,452
Year 3	\$212,337
Total cost	\$637,256
Total savings (from Open Market)	\$81,094
Proportion savings	11%

WALGA requires notification by 7 March 2025 to secure Synergy's offer.

If 100% contracting of participants is not achieved for the above rates, then the next most advantageous offer will become the fallback position for the

contract. This has been modelled by WALGA to be approximately 6% more expensive across the project base however will vary according to each participant's consumption profile.

The Shire is estimated to incur an additional cost of \$33,418 if the 100% take-up of the whole of project offer is not achieved. The pricing of the fallback position is as follows:

Total costs Based on 100% Natural Power	
Year 1	\$223,706
Year 2	\$223,591
Year 3	\$223,476
Total cost	\$670,772
Total savings (from Open Market)	\$47,678
Proportion savings	7%

It is recommended that the Shire select the 100% Natural Power option as it aligns with Council Plan environmental action 6.1.2 *Provide a plan for transition of relevant Council facilities to use clean energy sources, at a reduced cost to the open market.*

#### **RECOMMENDATION**

**That Council, BY ABSOLUTE MAJORITY, ACCEPTS the offer from the WA Local Government Association Sustainable Energy project for contracting, and a Renewable Energy Supply Arrangement be entered into effective 1 April 2025 for a 3-year term consisting of 100% Natural Power.**

**ABSOLUTE MAJORITY OF 6 REQUIRED**

**10 MATTERS BEHIND CLOSED DOORS**

Nil.

**11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil.

**12 URGENT BUSINESS APPROVED BY DECISION**

Nil.

**13 DECLARATION OF CLOSURE**