



Shire of Northam
Heritage, Commerce and Lifestyle

Shire of Northam

Minutes

Special Council Meeting

5 March 2025



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1 DECLARATION OF OPENING

The Deputy Shire President, Cr A J Mencshelyi, declared the meeting open at 5:30 pm.

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:

Deputy Shire President
Councillors

A J Mencshelyi
M P Ryan
M I Girak
L C Biglin
D A Hughes
C M Poulton
H J Appleton

Staff:

Chief Executive Officer
Executive Manager Development &
Community Services
Executive Manager Corporate Services
Manager Governance & Risk
Governance Officer

D Terelinck
C B Hunt
C J Young
A C McCall
T P Van Beek

3.2 APOLOGIES

Council:

Shire President
Councillors

C R Antonio
J E G Williams

Staff:

P D Devcic

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.*

Nil.

5 PUBLIC QUESTIONS

Nil.

6 RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS

6.1 PETITIONS

Nil.

6.2 PRESENTATIONS

Nil.

6.3 DEPUTATIONS

Nil.

7 APPLICATIONS FOR LEAVE OF ABSENCE

Nil.

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

Nil.

9 SPECIAL ITEMS

9.1 WALGA - SYNERGY POWER SUPPLY OFFER, CONTESTABLE SITES

File Reference:	1.6.5.5
Reporting Officer:	Colin Young (Executive Manager Corporate Services)
Responsible Officer:	Colin Young (Executive Manager Corporate Services)
Officer Declaration of Interest:	Nil
Voting Requirement:	Absolute Majority
Press release to be issued:	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]

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
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	Possible (3) x Minor (2) = Medium (6)	Adopt the WALGA Power Purchase Agreement.

	not proactive with climate change.		
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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 tCO₂-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 tCO₂-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 / COUNCIL DECISION

Minute No: C.5253

Moved: Cr L C Biglin

Seconded: Cr D A Hughes

That Council, in accordance with section 11.1(i) of the Shire of Northam Standing Orders Local Law 2018 and Section 5.23 (2) (c) of the Local Government Act 1995, MEETS behind closed doors to consider agenda item 9.1 WALGA - Synergy Power Supply Offer, Contestable Sites, as it relates to a contract which may be entered into.

CARRIED 7/0

For: Cr A J Mencshelyi, Cr H J Appleton, Cr L C Biglin, Cr M I Girak, Cr D A Hughes, Cr C M Poulton and Cr M P Ryan

Against: Nil

The meeting was closed to members of the public at 5:34pm.

RECOMMENDATION / COUNCIL DECISION

Minute No: C.5254

Moved: Cr M P Ryan

Seconded: Cr H J Appleton

That Council move out from behind closed doors.

CARRIED 7/0

For: Cr A J Mencshelyi, Cr H J Appleton, Cr L C Biglin, Cr M I Girak, Cr D A Hughes, Cr C M Poulton and Cr M P Ryan

Against: Nil

The meeting was opened to members of the public at 5:47 pm.

RECOMMENDATION / COUNCIL DECISION

Minute No: C.5255

Moved: Cr H J Appleton

Seconded: Cr M P Ryan

That Council, 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.

CARRIED 7/0

For: Cr A J Mencshelyi, Cr H J Appleton, Cr L C Biglin, Cr M I Girak, Cr D A Hughes, Cr C M Poulton and Cr M P Ryan

Against: Nil

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

There being no further business, the Deputy Shire President, Cr A J Mencshelyi, declared the meeting closed at 5:48 pm.

"I certify that the Minutes of the Ordinary Meeting of Council held on 5 March 2025 have been confirmed as a true and correct record."

 President

26/3/2025 Date