



Department of
**Local Government, Sport
and Cultural Industries**

Local Government Reform – Summary of Proposed Reforms



Local Government Reform – Consultation on Proposed Reforms

Local government benefits all Western Australians. It is critical that local government works with:

- a culture of openness to innovation and change
- continuous focus on the effective delivery of services
- respectful and constructive policy debate and democratic decision-making
- an environment of transparency and accountability to ensure effective public engagement on important community decisions.

Since first coming to office in 2017, the McGowan Government has already progressed reforms to improve specific aspects of local government performance. This includes new laws that work to improve transparency, cut red tape, and support jobs growth and economic development - ensuring that local government works for the benefit of local communities.

Based on the significant volume of research and consultation undertaken over the past five years, the Minister for Local Government has now announced the most significant package of major reforms to local government in Western Australia since the Local Government Act 1995 was passed more than 25 years ago. The package is based on six major themes:

1. Earlier intervention, effective regulation and stronger penalties
2. Reducing red tape, increasing consistency and simplicity
3. Greater transparency and accountability
4. Stronger local democracy and community engagement
5. Clear roles and responsibilities
6. Improved financial management and reporting.

A large focus on the new reform is oversight and intervention where there are significant problems arising within a local government. The introduction of new intermediate powers for intervention will increase the number of tools available to more quickly address problems and dysfunction within local governments. The proposed system for early intervention has been developed based on similar legislation in place in other jurisdictions, including Victoria and Queensland.

This will deliver significant benefits for small business, residents and ratepayers, industry, elected members and professionals working in the sector.

Local Government Reforms

These reforms are based on extensive consultation undertaken over the last five years, and have been developed considering:

- The Local Government Review Panel Final Report (mid 2020)
- The City of Perth Inquiry Report (mid 2020)
- Department of Local Government, Sport and Cultural Industries (DLGSC) consultation on Act Reform (2017-2020)
- The Victorian Local Government Act 2020 and other State Acts
- The Parliament's Select Committee Report into Local Government (late 2020)
- Western Australian Local Government Association (WALGA) Submissions
- Direct engagement with local governments
- Correspondence and complaints
- Miscellaneous past reports.

Consultation

Comments on these proposed reforms are invited. Comments can be made against each proposed reform in this document. For details on how to make a submission, please visit www.dlgsc.wa.gov.au/lgactreform.

Theme 1: Early Intervention, Effective Regulation and Stronger Penalties

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
1.1 Early Intervention Powers		
<ul style="list-style-type: none"> • The Act provides the means to regulate the conduct of local government staff and council members and sets out powers to scrutinise the affairs of local government. The Act provides certain limited powers to: <ul style="list-style-type: none"> ○ Suspend or dismiss councils ○ Appoint Commissioners ○ Suspend or, order remedial action (such as training) for individual councillors. • The Act also provides the Director General with the power to: <ul style="list-style-type: none"> ○ Conduct Authorised Inquiries ○ Refer allegations of serious or recurrent breaches to the State Administrative Tribunal ○ Commence prosecution for an offence under the Act. • Authorised Inquiries are a costly and a relatively slow response to significant issues. Authorised Inquiries are currently the only significant tool for addressing significant issues within a local government. • The Panel Report, City of Perth Inquiry, and the Select Committee Report made various recommendations related to the establishment of a specific office for local government oversight. 	<ul style="list-style-type: none"> • It is proposed to establish a Chief Inspector of Local Government (the Inspector), supported by an Office of the Local Government Inspector (the Inspectorate). • The Inspector would receive minor and serious complaints about elected members. • The Inspector would oversee complaints relating to local government CEOs. • Local Governments would still be responsible for dealing with minor behavioural complaints. • The Inspector would have powers of a standing inquiry, able to investigate and intervene in any local government where potential issues are identified. • The Inspector would have the authority to assess, triage, refer, investigate, or close complaints, having regard to various public interest criteria – considering laws such as the <i>Corruption, Crime and Misconduct Act 2003</i>, the <i>Occupational Safety and Health Act 1984</i>, the <i>Building Act 2011</i>, and other legislation. • The Inspector would have powers to implement minor penalties for less serious breaches of the Act, with an appeal mechanism. • The Inspector would also have the power to order a local government to address non-compliance with the Act or Regulations. • The Inspector would be supported by a panel of Local Government Monitors (see item 1.2). • The existing Local Government Standards Panel would be replaced with a new Conduct Panel (see item 1.3). • Penalties for breaches to the Local Government Act and Regulations will be reviewed and are proposed to be generally strengthened (see item 1.4). 	<p>Supported</p> <p>This measure is designed to improve conduct and provide more proactive response through an independent body.</p> <p>Considerations: The inspectorate needs to be designed to limit its invasiveness and requests when no major concerns have been identified. The risk is that extra oversight means extra workload which reduces officer capability and may lead to more compliance issues. Need to be mindful not to overburden with surveys and data requests etc.</p> <p>Would be better if it was fully or substantially funded by State. If costs are passed on to Local Governments then State needs to restrict the actual/administrative cost transfer as this is likely to overburden Councils especially if they are already facing difficulties.</p>

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
	<ul style="list-style-type: none"> These reforms would be supported by new powers to more quickly resolve issues within local government (see items 1.5 and 1.6). 	
1.2 Local Government Monitors		
<ul style="list-style-type: none"> There are currently no legislative powers for the provision of monitors/ temporary advisors. The DLGSC provides support and advice to local governments, however there is no existing mechanism for pre-qualified, specialised assistance to manage complex cases. 	<ul style="list-style-type: none"> A panel of Local Government Monitors would be established. Monitors could be appointed by the Inspector to go into a local government and try to resolve problems. The purpose of Monitors would be to proactively fix problems, rather than to identify blame or collect evidence. Monitors would be qualified specialists, such as: <ul style="list-style-type: none"> Experienced and respected former Mayors, Presidents, and CEOs - to act as mentors and facilitators Dispute resolution experts - to address the breakdown of professional working relationships Certified Practicing Accountants and other financial specialists - to assist with financial management and reporting issues Governance specialists and lawyers - to assist councils resolve legal issues HR and procurement experts - to help with processes like recruiting a CEO or undertaking a major land transaction. Only the Inspector would have the power to appoint Monitors. Local governments would be able to make requests to the Inspector to appoint Monitors for a specific purpose. <p>Monitor Case Study 1 – Financial Management</p> <p>The Inspector receives information that a local government is not collecting rates correctly under the <i>Local Government Act 1995</i>. Upon initial review, the Inspector identifies that there may be a problem. The Inspector appoints a Monitor who specialises</p>	<p>Supported.</p> <p>Being proactive and having people with skills to call on before issues get out of hand will be a positive for the sector.</p> <p>Considerations:</p> <p>Cost will be a factor – will the Department cap the LG cost for monitor engagement, or the State cover costs for certain types of issues as it will reduce future costs.</p> <p>Will LGs be encouraged to proactively engage the inspector and monitors instead of expensive consultants, or will it lead to further intensive scrutiny in other areas?</p>

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
	<p>in financial management in local government. The Monitor visits the local government and identifies that the system used to manage rates is not correctly issuing rates notices. The Monitor works with the local government to rectify the error, and issue corrections to impacted ratepayers.</p> <p>Monitor Case Study 2 – Dispute Resolution</p> <p>The Inspector receives a complaint from one councillor that another councillor is repeatedly publishing derogatory personal attacks against another councillor on social media, and that the issue has not been able to be resolved at the local government level. The Inspector identifies that there has been a relationship breakdown between the two councillors due to a disagreement on council.</p> <p>The Inspector appoints a Monitor to host mediation sessions between the councillors. The Monitor works with the councillors to address the dispute. Through regular meetings, the councillors agree to a working relationship based on the council’s code of conduct. After the mediation, the Monitor occasionally makes contact with both councillors to ensure there is a cordial working relationship between the councillors.</p>	
1.3 Conduct Panel		
<ul style="list-style-type: none"> • The Local Government Standards Panel was established in 2007 to resolve minor breach complaints relatively quickly and provide the sector with guidance and benchmarks about acceptable standards of behaviour. • Currently, the Panel makes findings about alleged breaches based on written submissions. • The City of Perth Inquiry report made various recommendations that functions of 	<ul style="list-style-type: none"> • The Standards Panel is proposed to be replaced with a new Local Government Conduct Panel. • The Conduct Panel would be comprised of suitably qualified and experienced professionals. Sitting councillors will not be eligible to serve on the Conduct Panel. • The Inspector would provide evidence to the Conduct Panel for adjudication. • The Conduct Panel would have powers to impose stronger penalties – potentially including being able to suspend 	<p>Supported.</p> <p>Needs to be more efficient than the current standards panel model but tougher penalties and improved processes is a benefit for the sector.</p>

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
<p>the Local Government Standards Panel be reformed.</p>	<p>councillors for up to three months, with an appeal mechanism.</p> <ul style="list-style-type: none"> For very serious or repeated breaches of the Local Government Act, the Conduct Panel would have the power to recommend prosecution through the courts. Any person who is subject to a complaint before the Conduct Panel would have the right to address the Conduct Panel before the Panel makes a decision. 	
<p>1.4 Review of Penalties</p>		
<ul style="list-style-type: none"> There are currently limited penalties in the Act for certain types of non-compliance with the Local Government Act. 	<ul style="list-style-type: none"> Penalties for breaching the Local Government Act are proposed to be strengthened. It is proposed that the suspension of councillors (for up to three months) is established as the main penalty where a councillor breaches the Local Government Act or Regulations on more than one occasion. Councillors who are disqualified would not be eligible for sitting fees or allowances. They will also not be able to attend meetings, or use their official office (such as their title or council email address). It is proposed that a councillor who is suspended multiple times may become disqualified from office. Councillors who do not complete mandatory training within a certain timeframe will also not be able to receive sitting fees or allowances. 	<p>Supported.</p> <p>The current Act is weak in numerous areas around mandating proper conduct.</p>
<p>1.5 Rapid Red Card Resolutions</p>		
<ul style="list-style-type: none"> Currently, local governments have different local laws and standing orders that govern the way meetings run. Presiding members (Mayors and Presidents) are reliant on the powers provided in the local government standing orders local laws. 	<ul style="list-style-type: none"> It is proposed that Standing Orders are made consistent across Western Australia (see item 2.6). Published recordings of all meetings would also become standard (item 3.1). It is proposed that Presiding Members have the power to “red card” any attendee (including councillors) who 	<p>Generally supported.</p> <p>Empowering presiding members to better control the chamber is positive.</p> <p>Consideration:</p>

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
<ul style="list-style-type: none"> Differences between local governments is a source of confusion about the powers that presiding members have to deal with disruptive behaviours at council meetings. Disruptive behaviour at council meetings is a very common cause of complaints. Having the Presiding Member be able to deal with these problems should more quickly resolve problems that occur at council meetings. 	<p>unreasonably and repeatedly interrupt council meetings. This power would:</p> <ul style="list-style-type: none"> Require the Presiding Member to issue a clear first warning If the disruptions continue, the Presiding Member will have the power to “red card” that person, who must be silent for the rest of the meeting. A councillor issued with a red card will still vote, but must not speak or move motions If the person continues to be disruptive, the Presiding Member can instruct that they leave the meeting. <ul style="list-style-type: none"> Any Presiding Member who uses the “red card” or ejection power will be required to notify the Inspector. Where an elected member refuses to comply with an instruction to be silent or leave, or where it can be demonstrated that the presiding member has not followed the law in using these powers, penalties can be imposed through a review by the Inspector. 	<p>The department needs to provide a guidance note around the word unreasonably, so it isn't misinterpreted or loose.</p> <p>What is the department proposing can be done if the presiding member is the one who is disrupting proceedings? Is the CEO meant to report to the Inspector or is that up to other Elected Members?</p>
1.6 Vexatious Complaint Referrals		
<ul style="list-style-type: none"> No current provisions. The Act already provides a requirement for Public Question Time at council meetings. 	<ul style="list-style-type: none"> Local governments already have a general responsibility to provide ratepayers and members of the public with assistance in responding to queries about the local government's operations. Local governments should resolve queries and complaints in a respectful, transparent and equitable manner. Unfortunately, local government resources can become unreasonably diverted when a person makes repeated vexatious queries, especially after a local government has already provided a substantial response to the person's query. It is proposed that if a person makes repeated complaints to a local government CEO that are vexatious, the CEO will have the power to refer that person's complaints to the 	<p>Supported.</p> <p>Consideration:</p> <p>Guidance needed around what the ruling means – does it stop the customer interacting; does it remove the need for the Shire to respond – if it is vexatious is there any impact on the person for continuing the complaints or queries such as a fine or other deterrent?</p>

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
	<p>Inspectorate, which after assessment of the facts may then rule the complaint vexatious.</p>	
1.7 Minor Other Reforms		
<ul style="list-style-type: none"> Other minor reforms are being considered to enhance the oversight of local government. Ministerial Circulars have traditionally been used to provide guidance to the local government sector. 	<ul style="list-style-type: none"> Potential other reforms to strengthen guidance for local governments are being considered. For example, one option being considered is the potential use of sector-wide guidance notices. Guidance notices could be published by the Minister or Inspector, to give specific direction for how local governments should meet the requirements of the Local Government Act and Regulations. For instance, the Minister could publish guidance notices to clarify the process for how potential conflicts of interests should be managed. It is also proposed (see item 1.1) that the Inspector has the power to issue notices to individual local governments to require them to rectify non-compliance with the Act or Regulations. 	<p>Supported.</p> <p>Consideration:</p> <p>Guidance notices and templates would be appreciated, particularly by smaller local governments. It is important though that the authors of such notices take into consideration the capacity and resourcing differences across the sector so that guidance materials do not place unrealistic expectations on smaller local governments.</p> <p>The Department should be cautious with the wording in terms of guidance notes, is it guidance or direction – must be clear if it is an expectation that must be complied with or not.</p>

Theme 2: Reducing Red Tape, Increasing Consistency and Simplicity

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
2.1 Resource Sharing		
<ul style="list-style-type: none"> The Act does not currently include specific provisions to allow for certain types of resource sharing – especially for sharing CEOs. Regional local governments would benefit from having clearer mechanisms for voluntary resource-sharing. 	<ul style="list-style-type: none"> Amendments are proposed to encourage and enable local governments, especially smaller regional local governments, to share resources, including Chief Executive Officers and senior employees. Local governments in bands 2, 3 or 4 would be able to appoint a shared CEO at up to two salary bands above the highest band. For example, a band 3 and a band 4 council sharing a CEO could remunerate to the level of band 1. 	<p>No objection.</p> <p>Consideration:</p> <p>LGs can resource share now as purchasing from another LG is tender exempt and it just requires some form of service agreement. Most lower staff levels can be shared.</p> <p>In general, it is designated senior employees and CEOs restricted by the Act. It is likely to be ineffective to expect sharing in these roles as working across multiple Councils will be difficult and this is just likely to lead to CEO burnout and mistakes.</p> <p>I suggest this is a departmental precursor to Amalgamations.</p> <p>Is there a financial incentive for resource sharing from the department as the administration and set up of such an arrangement is likely to be costly initially?</p>
2.2 Standardisation of Crossovers		
<ul style="list-style-type: none"> Approvals and standards for crossovers (the section of driveways that run between the kerb and private property) are 	<ul style="list-style-type: none"> It is proposed to amend the <i>Local Government (Uniform Local Provisions) Regulations 1996</i> to standardise the 	<p>Supported.</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
<p>inconsistent between local government areas, often with very minor differences.</p> <ul style="list-style-type: none"> This can create confusion and complexity for homeowners and small businesses in the construction sector. 	<p>process for approving crossovers for residential properties and residential developments on local roads.</p> <ul style="list-style-type: none"> A Crossover Working Group has provided preliminary advice to the Minister and DLGSC to inform this. The DLGSC will work with the sector to develop standardised design and construction standards. 	<p>Provided the requirements consider both metro and rural/remote contexts.</p>
<p>2.3 Introduce Innovation Provisions</p>		
<ul style="list-style-type: none"> The <i>Local Government Act 1995</i> currently has very limited provisions to allow for innovations and responses to emergencies to (such as the Shire of Bruce Rock Supermarket). 	<ul style="list-style-type: none"> New provisions are proposed to allow exemptions from certain requirements of the <i>Local Government Act 1995</i>, for: <ul style="list-style-type: none"> Short-term trials and pilot projects Urgent responses to emergencies. 	<p>Supported depending on actual detail of reform.</p> <p>Consideration:</p> <p>What is the proposed management of successful innovations – if it's a successful trial or pilot will the LG be able to make the innovation permanent?</p>
<p>2.4 Streamline Local Laws</p>		
<ul style="list-style-type: none"> Local laws are required to be reviewed every eight years. The review of local laws (especially when they are standard) has been identified as a burden for the sector. Inconsistency between local laws is frustrating for residents and business stakeholders. 	<ul style="list-style-type: none"> It is proposed that local laws would only need to be reviewed by the local government every 15 years. Local laws not reviewed in the timeframe would lapse, meaning that old laws will be automatically removed and no longer applicable. Local governments adopting Model Local Laws will have reduced advertising requirements. 	<p>Strongly Support.</p> <p>Current timeframes excessive for smaller LGs and Model Local Laws will make the review process much easier.</p> <p>Consideration:</p> <p>The model local laws should be focussed on smaller LGs to be relevant and efficient for them as the larger LGs have the resources to enhance their Local Laws whereas smaller LGs will want to</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
		take advantage of the model template as much as possible.
2.5 Simplifying Approvals for Small Business and Community Events		
<ul style="list-style-type: none"> • Inconsistency between local laws and approvals processes for events, street activation, and initiatives by local businesses is frustrating for business and local communities. 	<ul style="list-style-type: none"> • Proposed reforms would introduce greater consistency for approvals for: <ul style="list-style-type: none"> ○ alfresco and outdoor dining ○ minor small business signage rules ○ running community events. 	Supported.
2.6 Standardised Meeting Procedures, Including Public Question Time		
<ul style="list-style-type: none"> • Local governments currently prepare individual standing order local laws. • The <i>Local Government Act 1995</i> and regulations require local governments to allocate time at meetings for questions from the public. • Inconsistency among the meeting procedures between local governments is a common source of complaints. 	<ul style="list-style-type: none"> • To provide greater clarity for ratepayers and applicants for decisions made by council, it is proposed that the meeting procedures and standing orders for all local government meetings, including for public question time, are standardised across the State. • Regulations would introduce standard requirements for public question time, and the procedures for meetings generally. • Members of the public across all local governments would have the same opportunities to address council and ask questions. 	<p>Supported.</p> <p>As long as the regulations don't increase administrative burden and cause inefficiencies especially for resource poor smaller LGs.</p> <p>Consideration:</p> <p>Can the concept of online meetings be introduced outside of Health requirements, and can the standard procedure allow for this?</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
2.7 Regional Subsidiaries		
<ul style="list-style-type: none"> • Initiatives by multiple local governments may be managed through formal Regional Councils, or through less formal “organisations of councils”, such as NEWROC and WESROC. • These initiatives typically have to be managed by a lead local government. • In 2016-17, provisions were introduced to allow for the formation of Regional Subsidiaries. Regional Subsidiaries can be formed in line with the <i>Local Government (Regional Subsidiaries) Regulations 2017</i>. • So far, no Regional Subsidiary has been formed. 	<ul style="list-style-type: none"> • Work is continuing to consider how Regional Subsidiaries can be best established to: <ul style="list-style-type: none"> ○ Enable Regional Subsidiaries to provide a clear and defined public benefit for people within member local governments ○ Provide for flexibility and innovation while ensuring appropriate transparency and accountability of ratepayer funds ○ Where appropriate, facilitate financing of initiatives by Regional Subsidiaries within a reasonable and defined limit of risk ○ Ensure all employees of a Regional Subsidiary have the same employment conditions as those directly employed by member local governments. 	<p>Generally supported.</p> <p>As long as the reforms make the process simpler to undertake but does not mandate.</p> <p>Consideration:</p> <p>This type of initiative is also likely to be a precursor to amalgamations.</p>

Theme 3: Greater Transparency & Accountability

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
3.1 Recordings and Live-Streaming of All Council Meetings		
<ul style="list-style-type: none"> • Currently, local governments are only required to make written minutes of meetings. • While there is no legal requirement for livestreaming or video or audio recording of council meetings, many local governments now stream and record their meetings. • Complaints relating to behaviours and decisions at meetings constitute a large proportion of complaints about local governments. • Local governments are divided into bands with the largest falling in bands 1 and 2, and smaller local governments falling bands 3 and 4. The allocation of local governments into bands is determined by The Salaries and Allowances Tribunal based on factors¹ such as: <ul style="list-style-type: none"> ○ Growth and development ○ Strategic planning issues ○ Demands and diversity of services provided to the community ○ Total expenditure ○ Population ○ Staffing levels. 	<ul style="list-style-type: none"> • It is proposed that all local governments will be required to record meetings. • Band 1 and 2 local governments would be required to livestream meetings, and make video recordings available as public archives. • Band 1 and 2 are larger local governments are generally located in larger urban areas, with generally very good telecommunications infrastructure, and many already have audio-visual equipment. • Band 1 and 2 local governments would be required to livestream meetings, and make video recordings available as public archives. • Several local governments already use platforms such as YouTube, Microsoft Teams, and Vimeo to stream and publish meeting recordings. • Limited exceptions would be made for meetings held outside the ordinary council chambers, where audio recordings may be used. • Recognising their generally smaller scale, typically smaller operating budget, and potential to be in more remote locations, band 3 and 4 local governments would be required to record and publish audio recordings, at a minimum. These local governments would still be encouraged to livestream or video record meetings. • All council meeting recordings would need to be published at the same time as the meeting minutes. Recordings of all confidential items would also need to be submitted to the DLGSC for archiving. 	<p>Generally Supported.</p> <p>The act of physically attending meetings is becoming less and less, and in farming communities where travel distances are great it will definitely improve transparency and accessibility.</p> <p>Considerations:</p> <p>Department grant funding to assist small LGs. Likely to be a large cost for set up and ongoing file storage and website management.</p> <p>What is the implication if the internet drops out or the system fails, do you have to pause the meeting until rectified or just produce normal minutes?</p> <p>Why do confidential items need to go to the department, never have in the past, suggest a lack of trust to the LG and public?</p> <p>File storage is likely to come at a significant cost, how long do recordings need to be kept if written minutes are kept?</p>

¹ See page 3 of the [2018 Salaries and Allowance Tribunal Determination](#)

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
3.2 Recording All Votes in Council Minutes		
<ul style="list-style-type: none"> A local government is only required to record which councillor voted for or against a motion in the minutes of that meeting if a request is made by an elected member at the time of the resolution during the meeting. The existing provision does not mandate transparency. 	<ul style="list-style-type: none"> To support the transparency of decision-making by councillors, it is proposed that the individual votes cast by all councillors for all council resolutions would be required to be published in the council minutes, and identify those for, against, on leave, absent or who left the chamber. Regulations would prescribe how votes are to be consistently minuted. 	<p>Not supported.</p> <p>Considerations: The reason for changing an officer recommendation is currently required if this happens.</p> <p>After a Council meeting the whole Council is meant to support the collective decision as that is what is implemented by the Shire. Highlighting who votes for what may lead to public perception of a divide, might lead to the media trying to draw the mayor/president into explaining particularly voting preferences instead of the collective decisions.</p> <p>Council is meant to be a united entity representing the whole community however some Councillors may have views that align with differing community groups. By highlighting all votes it may lead to more consensus voting and a less democratic outcome. Some councillors may be targeted by the public unnecessarily.</p> <p>This seems like no benefit to gain.</p>
3.3 Clearer Guidance for Meeting Items that may be Confidential		

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
<ul style="list-style-type: none"> The Act currently provides broad definitions of what type of matters may be discussed as a confidential item. There is limited potential for review of issues managed as confidential items under the current legislation. 	<ul style="list-style-type: none"> Recognising the importance of open and transparent decision-making, it is considered that confidential meetings and confidential meeting items should only be used in limited, specific circumstances. It is proposed to make the Act more specific in prescribing items that may be confidential, and items that should remain open to the public. Items not prescribed as being confidential could still be held as confidential items only with the prior written consent of the Inspector. All confidential items would be required to be audio recorded, with those recordings submitted to the DLGSC. 	<p>Supported.</p> <p>Increased guidance is good.</p> <p>Consideration:</p> <p>Sending files to DLGSC seems unnecessary and will require resources and internet that may be lacking in smaller LGs.</p> <p>Needs to be clear around commercial in confidence info.</p>
<h3>3.4 Additional Online Registers</h3>		
<ul style="list-style-type: none"> Local governments are required to provide information to the community through annual reports, council minutes and the publication of information online. Consistent online publication of information can substitute for certain material in annual reports. Consistency in online reporting across the sector will provide ratepayers with better information. These registers supplement the simplification of financial statements in Theme 6. 	<ul style="list-style-type: none"> It is proposed to require local governments to report specific information in online registers on the local government's website. Regulations would prescribe the information to be included. <p>The following new registers, each updated quarterly, are proposed:</p> <ul style="list-style-type: none"> Lease Register to capture information about the leases the local government is party to (either as lessor or lessee) Community Grants Register to outline all grants and funding provided by the local government Interests Disclosure Register which collates all disclosures made by elected members about their interests related to matters considered by council Applicant Contribution Register accounting for funds collected from applicant contributions, such as cash-in-lieu for public open space and car parking 	<p>Generally supported</p> <p>Some of the registers suggested are already OAG directed</p> <p>Consideration:</p> <p>Quarterly updates seem excessive for small LGs where limited changes needed. Can band 3 and 4 be annual? Consider resource and compliance burden already imposed on smaller LGs.</p> <p>Contract register needs to consider the impact on contractors if we are releasing their pricing to competitors in an open forum.</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	<ul style="list-style-type: none"> ○ Contracts Register that discloses all contracts above \$100,000. 	
3.5 Chief Executive Officer Key Performance Indicators (KPIs) be Published		
<ul style="list-style-type: none"> • It is a requirement of the <i>Local Government Act 1995</i> that CEO performance reviews are conducted annually. • The Model Standards for CEO recruitment and selection, performance review and termination require that a local government must review the performance of the CEO against contractual performance criteria. • Additional performance criteria can be used for performance review by agreement between both parties. 	<ul style="list-style-type: none"> • To provide for minimum transparency, it is proposed to mandate that the KPIs agreed as performance metrics for CEOs: <ul style="list-style-type: none"> ○ Be published in council meeting minutes as soon as they are agreed prior to (before the start of the annual period) ○ The KPIs and the results be published in the minutes of the performance review meeting (at the end of the period) ○ The CEO has a right to provide written comments to be published alongside the KPIs and results to provide context as may be appropriate (for instance, the impact of events in that year that may have influenced the results against KPIs). 	<p>Disagree with this.</p> <p>I would be interested to know how many department director generals or senior public servants have their KPIs published.</p> <p>Consideration:</p> <p>This seems like operational targeting of CEOs under the guise of transparency.</p> <p>Staff growth and development is often a private matter between employer and employee. If KPIs and performance reviews are published it needs to be elevated to a strictly target driven process. This does not allow for development, behaviour, or softer KPIs. This may provide an impediment to the CEO improving their performance for Council.</p> <p>If Council disagreed with the CEO's commentary how would this be handled?</p> <p>CEOs would not make employee reviews public and whilst managers may share some of their KPIs with subordinates if they are</p>

Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
		outcome related others may be more personal goals and kept internalised.

Theme 4: Stronger Local Democracy and Community Engagement

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
4.1 Community and Stakeholder Engagement Charters		
<ul style="list-style-type: none"> • There is currently no requirement for local governments to have a specific engagement charter or policy. • Many local governments have introduced charters or policies for how they will engage with their community. • Other States have introduced a specific requirement for engagement charters. 	<ul style="list-style-type: none"> • It is proposed to introduce a requirement for local governments to prepare a community and stakeholder engagement charter which sets out how local government will communicate processes and decisions with their community. • A model Charter would be published to assist local governments who wish to adopt a standard form. 	<p>Disagree.</p> <p>Consideration:</p> <p>Not sure what benefit if any this will bring. Getting the scope and content of this charter right at a standardise format will be difficult. It seems like this will just be another burden on small Council resources. Generally small Councils do this much easier than bigger Councils by virtue of size and the fact elected members know most community members by name.</p> <p>Likely to be more staff allocated to compliance and engagement and less real work happening.</p>
4.2 Ratepayer Satisfaction Surveys (Band 1 and 2 local governments only)		
<ul style="list-style-type: none"> • Many local governments already commission independent surveying consultants to hold a satisfaction survey of residents/ratepayers. • These surveys provide valuable data on the performance of local governments. 	<ul style="list-style-type: none"> • It is proposed to introduce a requirement that every four years, all local governments in bands 1 and 2 hold an independently-managed ratepayer satisfaction survey. • Results would be required to be reported publicly at a council meeting and published on the local government's website. • All local governments would be required to publish a response to the results. 	<p>Generally supported but whilst the concept is good, statistically 4 years is a big gap in data and trends, I think it needs to be annual or biannual or not mandated.</p>
4.3 Introduction of Preferential Voting		

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
<ul style="list-style-type: none"> The current voting method for local government elections is first past the post. The existing first-past-the-post does not allow for electors to express more than one preference. The candidate with the most votes wins, even if that candidate does not have a majority. Preferential voting better captures the precise intentions of voters and as a result may be regarded as a fairer and more representative system. Voters have more specific choice. 	<ul style="list-style-type: none"> Preferential voting is proposed be adopted as the method to replace the current first past the post system in local government elections. In preferential voting, voters number candidates in order of their preferences. Preferential voting is used in State and Federal elections in Western Australia (and in other states). This provides voters with more choice and control over who they elect. All other states use a form of preferential voting for local government. 	<p>Disagree.</p> <p>Understand the desire to align to State and Federal system but not sure of the benefit of this change for band 3 and 4 LGs particularly.</p> <p>Consideration: Complexity of elections will increase; this reduces the ability to run in house elections and will increase costs.</p>
4.4 Public Vote to Elect the Mayor and President		
<ul style="list-style-type: none"> The Act currently allows local governments to have the Presiding Member (the Mayor or President) elected either: <ul style="list-style-type: none"> by the electors of the district through a public vote; or by the council as a resolution at a council meeting. 	<ul style="list-style-type: none"> Mayors and Presidents of all local governments perform an important public leadership role within their local communities. Band 1 and 2 local governments generally have larger councils than those in bands 3 and 4. Accordingly, it is proposed that the Mayor or President for all band 1 and 2 councils is to be elected through a vote of the electors of the district. Councils in bands 3 and 4 would retain the current system. A number of Band 1 and Band 2 councils have already moved towards Public Vote to Elect the Mayor and President in recent years, including City of Stirling and City of Rockingham. 	<p>Supported in principle as it reduces the politicisation and community pressure to move to this format.</p> <p>However, it can be argued that a good strong Mayor may not be the most popular person in a public contest but that doesn't mean they aren't doing an excellent job presiding and acting upon resolutions.</p>
4.5 Tiered Limits on the Number of Councillors		
<ul style="list-style-type: none"> The number of councillors (between 5-15 councillors) is decided by each local government, reviewed by the Local 	<ul style="list-style-type: none"> It is proposed to limit the number of councillors based on the population of the entire local government. 	<p>Not supported in current format for up to 5,000.</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
<p>Government Advisory Board, and if approved by the Minister.</p> <ul style="list-style-type: none"> The Panel Report recommended electoral reforms to improve representativeness. 	<ul style="list-style-type: none"> Some smaller local governments have already been moving to having smaller councils to reduce costs for ratepayers. The Local Government Panel Report proposed: <ul style="list-style-type: none"> For a population of up to 5,000 – five councillors (including the President) population of between 5,000 and 75,000 – five to nine councillors (including the Mayor/President) population of above 75,000 – nine to fifteen councillors (including Mayor). 	<p>5 Councillors will create quorum issues as small LGs have farming commitments and shareholders in local businesses, as well as leave etc. It can also be questioned as to the authority applied to a decision where only 3 councillors are at the meeting. Seems very low.</p> <p>Suggest make 5-7 for up to 5,000.</p>
4.6 No Wards for Small Councils (Band 3 and 4 Councils only)		
<ul style="list-style-type: none"> A local government can make an application to be divided into wards, with councillors elected to those wards. Only about 10% of band 3 and 4 local governments currently have wards. 	<ul style="list-style-type: none"> It is proposed that the use of wards for councils in bands 3 and 4 is abolished. Wards increase the complexity of elections, as this requires multiple versions of ballot papers to be prepared for a local government's election. In smaller local governments, the population of wards can be very small. These wards often have councillors elected unopposed, or elect a councillor with a very small number of votes. Some local governments have ward councillors elected with less than 50 votes. There has been a trend in smaller local governments looking to reduce the use of wards, with only 10 councils in bands 3 and 4 still having wards. 	<p>Strongly supported.</p>
4.7 Electoral Reform – Clear Lease Requirements for Candidate and Voter Eligibility		

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
<ul style="list-style-type: none"> • A person with a lease in a local government district is eligible to nominate as a candidate in that district. • A person with a lease in a local government district is eligible to apply to vote in that district. • The City of Perth Inquiry Report identified a number of instances where dubious lease arrangements put to question the validity of candidates in local government elections, and subsequently their legitimacy as councillors. 	<ul style="list-style-type: none"> • Reforms are proposed to prevent the use of “sham leases” in council elections. Sham leases are where a person creates a lease only to be able to vote or run as a candidate for council. • The City of Perth Inquiry Report identified sham leases as an issue. • Electoral rules are proposed to be strengthened: <ul style="list-style-type: none"> ○ A minimum lease period of 12 months will be required for anyone to register a person to vote or run for council. ○ Home based businesses will not be eligible to register a person to vote or run for council, because any residents are already the eligible voter(s) for that address. ○ Clarifying the minimum criteria for leases eligible to register a person to vote or run for council. • The reforms would include minimum lease periods to qualify as a registered business (minimum of 12 months), and the exclusion of home based businesses (where the resident is already eligible) and very small sub-leases. • The basis of eligibility for each candidate (e.g. type of property and suburb of property) is proposed to be published, including in the candidate pack for electors. 	<p>Supported.</p>
4.8 Reform of Candidate Profiles		
<ul style="list-style-type: none"> • Candidate profiles can only be 800 characters, including spaces. This is equivalent to approximately 150 words. 	<ul style="list-style-type: none"> • Further work will be undertaken to evaluate how longer candidate profiles could be accommodated. • Longer candidate profiles would provide more information to electors, potentially through publishing profiles online. • It is important to have sufficient information available to assist electors make informed decisions when casting their vote. 	<p>Supported.</p> <p>Considerations: Need to move back to word count – move to characters benefits WAEC but not those trying to do an election in house as it is near impossible to character count a printed profile or</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
		handwritten document. Could set upper limit for both if necessary. Agree with longer profiles.
4.9 Minor Other Electoral Reforms		
<ul style="list-style-type: none"> Other minor reforms are proposed to improve local government elections. 	<ul style="list-style-type: none"> Minor other electoral reforms are proposed to include: <ul style="list-style-type: none"> The introduction of standard processes for vote recounts if there is a very small margin between candidates (e.g. where there is a margin of less than 10 votes a recount will always be required) The introduction of more specific rules concerning local government council candidates' use of electoral rolls. 	Seems fine. More details needed.

Theme 5: Clear Roles and Responsibilities

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
5.1 Introduce Principles in the Act		
<ul style="list-style-type: none"> The Act does not currently outline specific principles. The Act contains a short “Content and Intent” section only. The Panel Report recommended greater articulation of principles 	<ul style="list-style-type: none"> It is proposed to include new principles in the Act, including: <ul style="list-style-type: none"> The recognition of Aboriginal Western Australians Tiering of local governments (with bands being as assigned by the Salaries and Allowances Tribunal) Community Engagement Financial Management. 	Supported.
5.2 Greater Role Clarity		
<ul style="list-style-type: none"> The Act provides for the role of council, councillor, mayor or president and CEO. The role of the council is to: <ul style="list-style-type: none"> govern the local government’s affairs be responsible for the performance of the local government’s functions. 	<ul style="list-style-type: none"> The Local Government Act Review Panel recommended that roles and responsibilities of elected members and senior staff be better defined in law. It is proposed that these roles and responsibilities are further defined in the legislation. These proposed roles will be open to further consultation and input. These roles would be further strengthened through Council Communications Agreements (see item 5.3). 	Supported.
	<p>5.2.1 - Mayor or President Role</p> <ul style="list-style-type: none"> It is proposed to amend the Act to specify the roles and responsibilities of the Mayor or President. While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the Mayor or President is responsible for: <ul style="list-style-type: none"> Representing and speaking on behalf of the whole council and the local government, at all times being consistent with the resolutions of council Facilitating the democratic decision-making of council by presiding at council meetings in accordance with the Act 	Supported. Consideration: Should the mayor or president be empowered to manage basic CEO employment activities such as leave approvals etc.

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	<ul style="list-style-type: none"> ○ Developing and maintaining professional working relationships between councillors and the CEO ○ Performing civic and ceremonial duties on behalf of the local government ○ Working effectively with the CEO and councillors in overseeing the delivery of the services, operations, initiatives and functions of the local government. 	
	<p>5.2.2 - Council Role</p> <ul style="list-style-type: none"> • It is proposed to amend the Act to specify the roles and responsibilities of the Council, which is the entity consisting of all of the councillors and led by the Mayor or President. • While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the Council is responsible for: <ul style="list-style-type: none"> ○ Making significant decisions and determining policies through democratic deliberation at council meetings ○ Ensuring the local government is adequately resourced to deliver the local governments operations, services and functions - including all functions that support informed decision-making by council ○ Providing a safe working environment for the CEO; ○ Providing strategic direction to the CEO; ○ Monitoring and reviewing the performance of the local government. 	<p>Support.</p>
	<p>5.2.3 - Elected Member (Councillor) Role</p> <ul style="list-style-type: none"> • It is proposed to amend the Act to specify the roles and responsibilities of all elected councillors. • While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that every elected councillor is responsible for: 	<p>Support.</p> <p>Consideration:</p> <p>Could include a requirement for the Councillor to proactively support and champion Council decisions. Always a risk that those who are</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	<ul style="list-style-type: none"> ○ Considering and representing, fairly and without bias, the current and future interests of all people who live, work and visit the district (including for councillors elected for a particular ward) ○ Positively and fairly contribute and apply their knowledge, skill, and judgement to the democratic decision-making process of council ○ Applying relevant law and policy in contributing to the decision-making of the council ○ Engaging in the effective forward planning and review of the local governments’ resources, and the performance of its operations, services, and functions ○ Communicating the decisions and resolutions of council to stakeholders and the public ○ Developing and maintaining professional working relationships with all other councillors and the CEO ○ Maintaining and developing their knowledge and skills relevant to local government ○ Facilitating public engagement with local government. ● It is proposed that elected members should not be able to use their title (e.g. “Councillor”, “Mayor”, or “President”) and associated resources of their office (such as email address) unless they are performing their role in their official capacity. 	<p>against decisions try to undermine the decision or its effectiveness.</p>
	<p>5.2.4 - CEO Role</p> <ul style="list-style-type: none"> ● The <i>Local Government Act 1995</i> requires local governments to employ a CEO to run the local government administration and implement the decisions of council. ● To provide greater clarity, it is proposed to amend the Act to specify the roles and responsibilities of all local government CEOs. 	<p>Generally Supported except it appears that there is no mention of employee management. This tends to be an area of breakdown and it needs to be very clear that all employees below the CEO are the CEOs area.</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	<ul style="list-style-type: none"> • While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the CEO of a local government is responsible for: <ul style="list-style-type: none"> ○ Coordinating the professional advice and assistance necessary for all elected members to enable the council to perform its decision-making functions ○ Facilitating the implementation of council decisions ○ Ensuring functions and decisions lawfully delegated by council are managed prudently on behalf of the council ○ Managing the effective delivery of the services, operations, initiatives and functions of the local government determined by the council ○ Providing timely and accurate information and advice to all councillors in line with the Council Communications Agreement (see item 5.3) ○ Overseeing the compliance of the operations of the local government with State and Federal legislation on behalf of the council ○ Implementing and maintaining systems to enable effective planning, management, and reporting on behalf of the council. 	
5.3 Council Communication Agreements		
<ul style="list-style-type: none"> • The Act provides that council and committee members can have access to any information held by the local government that is relevant to the performance of the member in their functions. • The availability of information is sometimes a source of conflict within local governments. 	<ul style="list-style-type: none"> • In State Government, there are written Communication Agreements between Ministers and agencies that set standards for how information and advice will be provided. • It is proposed that local governments will need to have Council Communications Agreements between the council and the CEO. • These Council Communication Agreements would clearly specify the information that is to be provided to councillors, how it will be provided, and the timeframes for when it will be provided. 	<p>Generally Supported.</p> <p>The agreement needs to be flexible and cognisant of the environment of smaller Councils and the nature of the communities. Formal fixed structures may not lead to better outcomes in some smaller LGs.</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	<ul style="list-style-type: none"> A template would be published by DLGSC. This default template will come into force if a council and CEO do not make a specific other agreement within a certain timeframe following any election. 	
<p>5.4 Local Governments May Pay Superannuation Contributions for Elected Members</p>		
<ul style="list-style-type: none"> Elected members are eligible to receive sitting fees or an annual allowance. Superannuation is not paid to elected members. However, councillors can currently divert part of their allowances to a superannuation fund. Councils should be reflective and representative of the people living within the district. Local governments should be empowered to remove any barriers to the participation of gender and age diverse people on councils. 	<ul style="list-style-type: none"> It is proposed that local governments should be able to decide, through a vote of council, to pay superannuation contributions for elected members. These contributions would be additional to existing allowances. Superannuation is widely recognised as an important entitlement to provide long term financial security. Other states have already moved to allow councils to make superannuation contributions for councillors. Allowing council to provide superannuation is important part of encouraging equality for people represented on council – particularly for women and younger people. Providing superannuation to councillors recognises that the commitment to elected office can reduce a person’s opportunity to undertake employment and earn superannuation contributions. 	<p>If it remains voluntary.</p> <p>Council have formed a resolution that it is against this move and its financial implications.</p>
<p>5.5 Local Governments May Establish Education Allowances</p>		
<ul style="list-style-type: none"> Local government elected members must complete mandatory training. There is no specific allowance for undertaking further education. 	<ul style="list-style-type: none"> Local governments will have the option of contributing to the education expenses for councillors, up to a defined maximum value, for tuition costs for further education that is directly related to their role on council. Councils will be able to decide on a policy for education expenses, up to a maximum yearly value for each councillor. Councils may also decide not to make this entitlement available to elected members. 	<p>Supported.</p> <p>If a clear policy format is established and clear budget parameters. Needs to apply to both conference and short course attendance. Can’t be claimed as cash only for eligible activity payment or reimbursement.</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	<ul style="list-style-type: none"> • Any allowance would only be able to be used for tuition fees for courses, such as training programs, diplomas, and university studies, which relate to local government. • Where it is made available, this allowance will help councillors further develop skills to assist with making informed decisions on important questions before council, and also provide professional development opportunities for councillors. 	
5.6 Standardised Election Caretaker period		
<ul style="list-style-type: none"> • There is currently no requirement for a formal caretaker period, with individual councils operating under their own policies and procedures. • This is commonly a point of public confusion. 	<ul style="list-style-type: none"> • A statewide caretaker period for local governments is proposed. • All local governments across the State would have the same clearly defined election period, during which: <ul style="list-style-type: none"> ○ Councils do not make major decisions with criteria to be developed defining ‘major’ ○ Incumbent councillors who nominate for re-election are not to represent the local government, act on behalf of the council, or use local government resources to support campaigning activities. ○ There are consistent election conduct rules for all candidates. 	<p>More information is needed in this area.</p> <p>How is major to be defined?</p> <p>Small LGs often receive information with short timeframes and aren’t as well equipped with administrative resources to get all items through in advance of caretaker periods.</p> <p>Will the first meeting burden be too high on incoming councillors?</p> <p>What about statutory timeframes or timeframes of proponents?</p> <p>Is this needed for Bands 3 and 4?</p>
5.7 Remove WALGA from the Act		

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
<ul style="list-style-type: none"> The Western Australian Local Government Association (WALGA) is constituted under the <i>Local Government Act 1995</i>. The Local Government Panel Report and the Select Committee Report included this recommendation. 	<ul style="list-style-type: none"> The Local Government Panel Report recommended that WALGA not be constituted under the <i>Local Government Act 1995</i>. Separating WALGA out of the Act will provide clarity that WALGA is not a State Government entity. 	<p>Supported.</p>
5.8 CEO Recruitment		
<ul style="list-style-type: none"> Recent amendments introduced provisions to standardise CEO recruitment. The recruitment of a CEO is a very important decision by a local government. 	<ul style="list-style-type: none"> It is proposed that DLGSC establishes a panel of approved panel members to perform the role of the independent person on CEO recruitment panels. Councils will be able to select an independent person from the approved list. Councils will still be able to appoint people outside of the panel with the approval of the Inspector. 	<p>Depends.</p> <p>Should the State be able to prevent a Council from choosing their own independent person – seems like direct involvement.</p> <p>The Department would need to mandate set fees that can be charged by Panel members. CEO recruitment is already an expense on smaller LGs and it would be counter productive if this new requirement makes the costs more impactful on the community with minimal benefit.</p>

Theme 6: Improved Financial Management and Reporting

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
6.1 Model Financial Statements and Tiered Financial Reporting		
<ul style="list-style-type: none"> The financial statements published in the Annual Report is the main financial reporting currently published by local governments. Reporting obligations are the same for large (Stirling, Perth, Fremantle) and small (Sandstone, Wiluna, Dalwallinu) local governments, even though they vary significantly in complexity. The Office of the Auditor General has said that some existing reporting requirements are unnecessary or onerous - for instance, information that is not relevant to certain local governments, or that is a duplicate of other published information. 	<ul style="list-style-type: none"> The Minister strongly believes in transparency and accountability in local government. The public rightly expects the highest standards of integrity, good governance, and prudent financial management in local government. It is critically important that clear information about the financial position of local governments is openly available to ratepayers. Financial information also supports community decision-making about local government services and projects. Local governments differ significantly in the complexity of their operations. Smaller local governments generally have much less operating complexity than larger local governments. The Office of the Auditor General has identified opportunities to improve financial reporting, to make statements clearer, and reduce unnecessary complexity. Recognising the difference in the complexity of smaller and larger local governments, it is proposed that financial reporting requirements should be tiered – meaning that larger local governments will have greater financial reporting requirements than smaller local governments. It is proposed to establish standard templates for Annual Financial Statements for band 1 and 2 councils, and simpler, clearer financial statements for band 3 and 4. Online Registers, updated quarterly (see item 3.4), would provide faster and greater transparency than current annual reports. Standard templates will be published for use by local governments. 	<p>Strongly Support.</p> <p>Significant administrative burden and resources required to expend funds purchasing templates from private company. Department should provide for free.</p> <p>Needs to look at monthly, budget and budget review as well as annual.</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	<ul style="list-style-type: none"> • Simpler Strategic and Financial Planning (item 6.2) would also improve the budgeting process. 	
<p>6.2 Simplify Strategic and Financial Planning</p>		
<ul style="list-style-type: none"> • Requirements for plans are outlined in the Local Government Financial Management and Administration Regulations. • There is also the Integrated Planning and Reporting (IPR) framework. • While many councils successfully apply IPR to their budgeting and reporting, IPR may seem complicated or difficult, especially for smaller local governments. 	<ul style="list-style-type: none"> • Having clear information about the finances of local government is an important part of enabling informed public and ratepayer engagement and input to decision-making. • The framework for financial planning should be based around information being clear, transparent, and easy to understand for all ratepayers and members of the public. • In order to provide more consistency and clarity across the State, it is proposed that greater use of templates is introduced to make planning and reporting clearer and simpler, providing greater transparency for ratepayers. • Local governments would be required to adopt a standard set of plans, and there will be templates published by the DLGSC for use or adaption by local governments. • It is proposed that the plans that are required are: <ul style="list-style-type: none"> ○ Simplified Council Plans that replace existing Strategic Community Plans and set high-level objectives, with a new plan required at least every eight years. These will be short-form plans, with a template available from the DLGSC ○ Simplified Asset Management Plans to consistently forecast costs of maintaining the local government's assets. A new plan will be required at least every ten years, though local governments should update the plan regularly if the local government gains or disposes of major assets (e.g. land, buildings, or roads). A template will be provided, and methods of valuations will be simplified to reduce red tape ○ Simplified Long Term Financial Plans will outline any long term financial management and sustainability 	<p>Generally Supported.</p> <p>Considerations:</p> <p>Transitional periods needed.</p> <p>Templates need to be cognisant of size and scale, as well as diversity.</p> <p>Service and project plans are good in principle but could create an extra burden for smaller Councils with minimal benefit. Maybe consider thresholds are reducing requirement for Band 3 and 4. Small LGs tend to find budget time difficult without adding an extra layer to the process.</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	<p>issues, and any investments and debts. A template will be provided, and these plans will be required to be reviewed in detail at least every four years</p> <ul style="list-style-type: none"> ○ A new Rates and Revenue Policy (see item 6.3) that identifies the approximate value of rates that will need to be collected in future years (referencing the Asset Management Plan and Long Term Financial Plan) – providing a forecast to ratepayers (updated at least every four years) ○ The use of simple, one-page Service Proposals and Project Proposals that outline what proposed services or initiatives will cost, to be made available through council meetings. These will become Service Plans and Project Plans added to the yearly budget if approved by council. This provides clear transparency for what the functions and initiatives of the local government cost to deliver. Templates will be available for use by local governments. 	
6.3 Rates and Revenue Policy		
<ul style="list-style-type: none"> • Local governments are not required to have a rates and revenue policy. • Some councils defer rate rises, resulting in the eventual need to drastically raise rates to cover unavoidable costs – especially for the repair of infrastructure. 	<ul style="list-style-type: none"> • The Rates and Revenue Policy is proposed to increase transparency for ratepayers by linking rates to basic operating costs and the minimum costs for maintaining essential infrastructure. • A Rates and Revenue Policy would be required to provide ratepayers with a forecast of future costs of providing local government services. • The Policy would need to reflect the Asset Management Plan and the Long Term Financial Plan (see item 6.2), providing a forecast of what rates would need to be, to cover unavoidable costs. • A template would be published for use or adaption by all local governments. 	<p>Supported.</p> <p>Consideration:</p> <p>Template needs to be simple to implement for smaller LGs.</p> <p>Interesting that the last minister pushed so hard for 0% during COVID when this Minister now clearly notes the longer term impacts this deferment will have in terms of larger increases.</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	<ul style="list-style-type: none"> The Local Government Panel Report included this recommendation. 	
6.4 Monthly Reporting of Credit Card Statements		
<ul style="list-style-type: none"> No legislative requirement. Disclosure requirements brought in by individual councils have shown significant reduction of expenditure of funds. 	<ul style="list-style-type: none"> The statements of a local government’s credit cards used by local government employees will be required to be tabled at council at meetings on a monthly basis. This provides oversight of incidental local government spending. 	<p>Supported.</p> <p>Already in place at Morawa.</p> <p>The focus on expenditure reduction seems strange – in terms of protection, credit cards are relatively safe, the transactions are all traceable and instant – the use of cash and store accounts actually poses more risk. Suggest the rhetoric needs to be clearer use than reduced expenditure. There may be efficiencies in using a credit card.</p>
6.5 Amended Financial Ratios		
<ul style="list-style-type: none"> Local governments are required to report seven ratios in their annual financial statements. These are reported on the MyCouncil website. These ratios are intended to provide an indication of the financial health of every local government. 	<ul style="list-style-type: none"> Financial ratios will be reviewed in detail, building on work already underway by the DLGSC. The methods of calculating ratios and indicators will be reviewed to ensure that the results are accurate and useful. 	<p>Supported.</p>
6.6 Audit Committees		

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
<ul style="list-style-type: none"> Local governments must establish an Audit Committee that has three or more persons, with the majority to be council members. The Audit Committee is to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under the Act. The Panel Report identified that Audit Committees should be expanded, including to provide improved risk management. 	<ul style="list-style-type: none"> To ensure independent oversight, it is proposed the Chair of any Audit Committee be required to be an independent person who is not on council or an employee of the local government. Audit Committees would also need to consider proactive risk management. To reduce costs, it is proposed that local governments should be able to establish shared Regional Audit Committees. The Committees would be able to include council members but would be required to include a majority of independent members and an independent chairperson. 	<p>Disagree.</p> <p>Small LGs find it difficult enough to get people to stand for Council never mind committees. Having majority independent is an unnecessary target. To add skilled independent members to chair the committee will become even more difficult.</p> <p>All of this is likely to lead to extra costs and imposts on smaller LGs. Whilst regional audit committees may be viable, they are likely to become tick box exercises and not focus down on the individual Councils.</p> <p>Overall, this change is likely to create more work and costs for all LGs but will particularly impact smaller LGs.</p> <p>If 100% necessary, suggest a revision to introduce mandated independent member with certain skills for Band 3 and 4 but no need to be chair and open ability to attend remotely.</p>
6.7 Building Upgrade Finance		
<ul style="list-style-type: none"> The local government sector has sought reforms that would enable local governments to provide loans to property owners to finance for building improvements. This is not currently provided for under the Act. 	<ul style="list-style-type: none"> Reforms would allow local governments to provide loans to third parties for specific building improvements - such as cladding, heritage and green energy fixtures. This would allow local governments to lend funds to improve buildings within their district. Limits and checks and balances would be established to ensure that financial risks are proactively managed. 	<p>Not something I think Morawa should be doing.</p> <p>More info would be needed on the risks, costs, limits, and checks to reduce and risk of abuse or failure to repay.</p>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
<ul style="list-style-type: none"> The Local Government Panel Report included this recommendation. 		<p>Small Shire’s cannot afford to weather loan defaults.</p>
6.8 Cost of Waste Service to be Specified on Rates Notices		
<ul style="list-style-type: none"> No requirement for separation of waste changes on rates notice. Disclosure will increase ratepayer awareness of waste costs. The Review Panel Report included this recommendation. 	<ul style="list-style-type: none"> It is proposed that waste charges are required to be separately shown on rate notices (for all properties which receive a waste service). This would provide transparency and awareness of costs for ratepayers. 	<p>Supported.</p>