



LOCAL GOVERNMENT ACT REVIEW ►► DELIVERING FOR THE COMMUNITY

A new Local Government Act for Western Australia: **agile**

In 2017 the State Government announced a review of the Local Government Act 1995 — the first significant review since the Act was introduced more than two decades ago.

Between September 2018 and March 2019, the Department of Local Government, Sport and Cultural Industries held consultation sessions in every region, issued surveys on potential reforms, and invited written submissions.



More than 3,000 survey responses and written submissions were received from community members, ratepayer associations, industry groups, local governments, councillors, and peak bodies.



More than 100 organisations and community groups were consulted including local government staff, peak bodies, multicultural groups, young people, Aboriginal groups and seniors.

What we heard

Agile topics looked at options for local governments to best manage the financial resources needed to deliver a wide range of community services and infrastructure.

Key opportunities which emerged in the feedback include:

Procurement

Local governments are significant procurers of goods, services and capital supplies spending more than \$1.1 billion on materials and services in 2016-17.

A new Local Government Act needs to maximise opportunities for local businesses through Regional Price Preference policies, streamlined tendering practices, and participation in preferred supplier panels.



Bringing tender thresholds into alignment with the State Government could deliver a simplified, streamlined approach to public procurement in Western Australia, making it easier for small businesses to tender to both levels of government.



Understanding financial health and sustainability

The community and local governments need a clear mechanism to understand the cost of providing community services and infrastructure, and the source of funding and revenue to finance this.



The Department of Local Government, Sport and Cultural Industries has commenced a review of financial ratios which will better reflect local governments' ability to finance their activities now and into the future.

Rates

Around 80% of local governments' revenue comes from rates, fees and charges. Local governments have significant autonomy in setting rates including levying different rates in the dollar for commercial, residential or other property uses.



The introduction of Rates and Revenue Strategies could assist local governments in forecasting the rates revenue needed to deliver projects and services and enable the community to understand how public funds will be spent.

Beneficial enterprises

The local government sector advocated for additional powers to form independent corporations, known as beneficial enterprises, which could manage a local government's existing business activities or pursue new commercial opportunities.



Feedback suggests further work is needed to understand the opportunities presented by beneficial enterprises, potential impacts on business, and risks to the community.

Where to now

The Minister for Local Government has announced the formation of an independent panel to progress the development of a new Local Government Act for Western Australia. The panel will be chaired by Mr David Michael MLA, Member for Balcatta.

The **Local Government Review Panel** will consider and recommend high-level direction and guiding principles for the development of a new Local Government Act.

Feedback received during the review of the Local Government Act 1995 will form an invaluable part of the panel's deliberations.

For further information, visit DLGSC's website, www.dlgsc.wa.gov.au/lgareview