



Local Government Act Review
Submission

March 2019

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BACKGROUND

The Minister for Local Government commenced a review of the Local Government Act with both a community and a Local Government consultation process in 2017. Phase 2 of the Local Government Act Review Local Government Act is focused on the key themes of 'Agile, Smart and Inclusive', with the Government releasing 11 associated Detailed Discussion Papers in October 2018. This submission provides the Shire of Dandaragan's response to phase 2.

In summary the Shire generally supports the established positions of WALGA with some further comments as included below.

BENEFICIAL ENTERPRISES

The Shire of Dandaragan supports the capacity for Local Governments to establish commercial opportunities. It is expected that there would be guidelines and limitations on the extent of commercial opportunities being developed and adherence to the existing National Competition Policy framework should be embedded. These guidelines should cover aspects such as risk, insurance, financial health and prohibited business establishments.

There is a sound framework already in the legislation for a Major Trading Undertaking which ensures the public is notified of the proposal and proper business planning has been undertaken. With Council's being accountable to the community and with sound guidelines in place, additional approvals from the Minister are unnecessary.

In the rural and regional areas of the State, Local Governments are often a default provider of services and in the event of an essential business closure the capacity to quickly fill a void can have significant local economic impact for the community.

FINANCIAL MANAGEMENT

The Shire of Dandaragan supports WALGA's position statement on Financial Management. Continued reduction of bureaucratic red tape is important for improving efficiency and suitable checks and balances are in place with the role of the Auditor General and the expanded risk management legislation which has been enacted over recent years.

In particular, the increase of the tender threshold to \$250,000 will deliver efficiencies and cost savings to the community. The probity measures contained within our purchasing policies and Auditor General scrutiny should ensure appropriate risk controls are maintained.

RATES, FEES AND CHARGES

The Shire supports a review of the "charitable land use" rate exemptions to more appropriately spread the cost of delivering services and basic infrastructure to the community.

Given the increasing scope of roles and responsibilities undertaken by Local Government, a review of the fees and charges legislation is required. Statutory charges such as health and planning should meet the cost of service delivery, but provide the Council with the opportunity to reduce fees which may be used as an incentive or retention measure for business and user groups.

COMMUNITY ENGAGEMENT

The Shire supports Local Government's retaining autonomy over their scope of community engagement. The Department should provide guidance on various models of community engagement and support best practice but ultimately the Council is responsible to their own communities who will determine if their engagement practices fall short of expectations. Additional red tape in this area is likely to yield inefficient outcomes and delay sound decision making unnecessarily.

INTERGRATED PLANNING AND REPORTING

The Shire supports WALGA's position on the limited regulation and prescriptiveness of Integrated Planning and Reporting. The industry has clearly embraced the IPR process and best practice models are being implemented throughout the state with leadership being shown at all sizes of Local Government. Prescriptive regulation in this space is likely to stifle creativity, innovation and new outcomes while increasing costs and inefficiencies.

Instead of regulation, the Department should promote best practice, training and qualifications to embed the modernisation of planning into the Local Government industry. Our industry and State is a constantly changing environment and being too prescriptive in relation to review timeframes and content can result in missed opportunities and a failure to adapt to changing market conditions. Local Governments should act like private enterprise in this space and maintain a suite of integrated planning documents that are fit for purpose and fit for the current economic, social and environmental climate.

ELECTIONS

The Shire broadly supports WALGA's position on Elections. While Council doesn't believe that compulsory voting will necessarily yield improved outcomes in the industry a move to more participative forms such as the enablement of online voting will decrease barriers and facilitate higher levels of participation.

A Local Government should retain the option to decide whether postal or in-person elections are the most suitable format with online voting supplementing this process. A Local Government should also retain the right to choose whether or not to procure the services of WAEC to coordinate their election.

Council supports the notion that members seeking State or Federal Election should take a leave of absence from the Local Government once they have nominated for the applicable election. This could be an endorsed position through the Council's Code of Conduct. A Council should not however be able to rescind motions during this short period as the change in numbers may be utilised to overturn democratically made decisions.

ADMINISTRATIVE EFFICIENCIES

The Shire broadly supports WALGA's position on Administrative Efficiencies.

COUNCIL MEETINGS

The Shire is supportive of WALGA's position in relation to Council meetings. In particular the ability to attend Council meetings via teleconference where an elected member is not available to attend on site. Standardised local laws for Council meetings would also facilitate greater consistency across the state.

OTHER MATTERS

- 1) The Shire supports the reduction of the financial ratios reporting to 3 being the Operating Surplus Ratio, Net Financial Liabilities Ratio and Asset Renewal Funding Ratio. These ratios are more reflective of the financial health of the Local Government.
- 2) The Shire supports a review into the existing Local Government (Long Service Leave) Regulations.
- 3) The Shire supports the use of plain language drafting of the Local Government Act. The Act should be clearly readable and understood by the public to facilitate greater engagement with and acceptance of the legislation.