

Department of Local Government, Sport
And Cultural Industries

Via email: actreview@dlgsc.wa.gov.au

LOCAL GOVERNMENT ACT REVIEW – PHASE 2

The Shire of Derby/West Kimberley would like to thank you for the opportunity to provide feedback to the review of the Local Government Act.

As a member, we would like to reiterate the Kimberley Zone submission. In addition, the we would like to comment on the following issues identified as priorities by our Councillors.

Beneficial Enterprises

- The Shire supports the concept to enable partnership where:
 - Service delivery is only possible with not for profit organisations such as registered Aboriginal Corporations or Churches and Charity organisations; or
 - Local Government is the ‘provider of last resort’ and the enterprise allows pooled funding with various government agencies for a collaborative response.
- Beneficial enterprises can provide an effective governance structure for collaboration when no single entity has the capacity (staff or funding) to deliver on their own and provides benefits through collective impact approaches.
- This structure would support the service delivery recommendations in the WA Coroner report into Kimberley youth suicide 2019, and particularly coordination of funding and services from multiple agencies with local community partnerships and leadership.

Meeting Communication and Attendance

- Our Shire covers 118,000 square kilometres with 260km between major townsites.
- Consideration should be given to electronic attendance not being limited to a townsite within WA.
- The Shire supports increasing the flexibility around electronic attendance at meetings but at the same time acknowledges that the impact of technology failure or impact of quorum needs to be considered. The current requirement for an absolute majority decision informs the Councillor that the attendance option is not “as of right”, which probably needs to stay given the scenarios/ questions below:
 - What happens if the meeting is at a remote community or site without phones or mobile coverage, or the coverage is unreliable and drops out?
 - How is the priority order determined if there are limited lines/channels and more Councillors than capacity for electronic attendance?

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- What if a technical fault, lack of infrastructure, or resolution not supporting the Councillor's attendance leads to Councillor disqualification under a third consecutive absence without approved leave of absence?
- Specifically regarding the disqualification of Councillors for missing three consecutive meetings the Shire notes there is no discretion to consider the reasons for absence. The Shire requests that the Minister be given the discretionary power to consider medical or exceptional circumstance reasons for absences. This is noted in State Administrative Tribunal decisions such as *Matsumoto vs Shire of Broome* [2013] WASAT 194.

Rates

- Mining rates are not secured or recoverable against property the way residential rates are.
- The continued possession of permits and tenements is not linked to any requirement to pay rates.
- Brokers for mining companies in our Shire, who coordinate permits and tenements, consistently argue for reduction in mining rates based on investment of local government but fail to consider the cost of rate write off when companies just walk away and there is no path to recovery linked to the land.
- In a commercial environment a higher risk of default attracts a higher risk premium or level of security. This is the opposite for mining rates and the Shire would welcome examination of the value of mining rates written off compared to residential rates.
- Social and low income housing rates and exemptions should have regard to the rating status of the prior owner to ensure divestment strategies are not used for rate avoidance and cost shift (through rate reduction) from any State agency to local government.

Financial Management

- Local governments can have millions of dollars in reserves but under regulations cannot use the cash to offset short term cash flow requirements, such as flood damage, where the work must be completed prior to reimbursement.
- The requirement to borrow or use overdraft at high interest, while there is significant cash in the bank, to cover temporary cash flow issues does not make any sense. Surely there can be tracking and reporting of the cash use and reinstatement to prevent losing significant ratepayer equity in high interest facilities for routine cash flow management while managing security of reserves?

Thank you for considering the Shires feedback.

Stephen Gash
Chief Executive Officer

29 March 20019

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