



7th March 2018

LGA Review
Department of Local Government, Sport and Cultural Industries
PO Box 8349
Perth Business Centre
Western Australia 6849

To Whom It May Concern,

Re: RCCIWA Submission to Phase 1 of the Local Government Act 1995 Review

The Regional Chambers of Commerce and Industry of WA (RCCIWA) is a not-for-profit member driven association who represents 44 regional chambers of commerce or business associations who in turn represent approximately 9,000 regional businesses. Our role is to inform, connect, support and advocate on behalf of our members, to ensure businesses in regional WA have a strong voice.

We welcome this important review into the Local Government Act 1995 and thank you for the opportunity to contribute this submission on behalf of our members.

Local Government is the tier of Government that has the most and direct impact on all of our regional business communities. Not only in their decision making, practices and governance but also in the way they purchase and employ people. Many local government authorities are the biggest employer within their jurisdiction and also the biggest purchaser, so their decisions, actions and most importantly conduct has a far reaching impact and effect. Obviously this can be either positive or negative, and our hope for this review is for there to be less margin for error, tighter governance and once legislated a more consistent standard of local government is delivered throughout Western Australia.

In preparing this submission we have addressed the areas of most common importance for all regional business communities. Below are our views and recommendations in the relevant sections as per the consultation paper:

1. Relationship between Council and Administration

As with any organisation that has elected representatives and employed personnel there should be clear roles and clear separation of powers. We are of the view that the definition of a council's role is to:

- Work collectively at a strategic level in the best interest of all ratepayers, voters and residents
- Be responsible for good and sound governance in managing their local government's affairs
- Oversee and have input to the financial resourcing and budgeting
- Make decision and plans for the long term strategic planning of the council
- Determine their local government's policies

Our view of the definition of the role of the CEO and the administration is:

- The CEO is responsible for all day to day, operational, human resources and financial management of the administration.
- The CEO is responsible for employing of suitable personnel, putting in place and implementing sound operational policies and procedures

- The CEO is responsible for ensuring that the councillors are well informed in a timely manner, that they have all of the information they require to make effective decisions and that the recommendations and directives they make are acted upon and followed.
- The CEO can speak or act on behalf of the council, but only when given written approval by the Mayor/President or the delegated authority from the council.

In reviewing the roles of council and administration it is imperative that there is a clear understanding by all, of their responsibilities and boundaries. The council should be responsible for broader strategic planning and for voting on recommendations presented to them and the administration should be responsible for all operational matters.

2. Training

Having a well-informed, competent and suitably trained council is vital. Our strong recommendations for training are:

- Training should be mandatory for all elected members to ensure they fully understand their responsibilities and obligations and so that they are well positioned to perform the duties that are required of them. Mandatory training will also raise the standard and professionalism of every single local government in Western Australia.
- For first time elected members, there should be a mandatory training program that they have to complete within the first 12 months. Failure to do so should carry a penalty. Once they have completed their initial 12 month training, they then move to a personal professional development plan.
- For re-elected members, there should be mandatory ongoing professional development. This should be individually developed for each councillor, based on the skills they need to learn and areas they need to improve in. This could be in the form of attending forums and summits.
- Recognised prior learning should be taken into account when developing the professional development program for each councillor. As with most corporate boards, it is important to look at the skills set of the individual elected member, and then develop the training that addresses any areas they are not as strong in.
- The costs for training should be met by each local government and be a part of their annual budget.
- We support a basic induction workshop being developed for each and every candidates, to ensure they have a strong understanding of what will be required of them if successful. We would like to see this become a mandatory part of the nomination process.

3. The Behaviour of Elected Members

Our recommendations are:

- That each local government must adopt the model code of conduct. This will ensure there is one high standard across Western Australia and will leave no areas of ambiguity for any local government or elected member.
- The code of conduct should be enforced with penalties for breaching the code that runs for the length of each individual's term. Penalties could include suspensions and fines. We would recommend that if an elected member breached the code more than three times in one term, then they are stood down (dismissed). There must be the mechanism within the act to stand down or dismiss an individual elected member.

- We support the establishment of the Conduct Review Panel. There does need to be an efficient process in place to deal with any claims of breaches. The complaint should be investigated by the Conduct Review Panel and they should have a maximum of 12 weeks to report their findings.
- In regards to members of Not-for-Profit organisations not being able to vote, we expect that this will be problematic in regional local governments and would recommend that declaring an impartiality interest and having it recorded in the minutes is adequate to ensure transparency and accountability.

4. Local Government Administration

Our recommendation is:

- Councils to involve third-parties in CEO selection as well as adopt a CEO recruitment standard

7. Gifts

Our recommendations are:

- Elected members and council employees to declare all gifts, including tickets to events and meals. This can be a simple register and would not be too onerous. We recommend having no threshold so that everything is declared. This way there is no ambiguity for all parties.
- There is an electronic gift register that the public can access – this must be public information

8. Access to information

Our recommendations are:

- That all local governments are required have an online presence with online/electronic access to their local government information - we don't want to restrict this to using the term "website" as we cannot predict what will be available in ten years from now, and do not want to put a restrictive term in the Act.
- That all local and state-wide notices are made online and in print where appropriate. We anticipate that print notices will be phased out in the next 3 to 5 years. We suggest that the notices are run both online and in print in the immediate future, and then the local governments runs an awareness campaign informing the public that print notices will be phased out.
- That electronic disclosure is required for all information, in addition to providing it in person on request: This will increase the level of transparency. A local government could simply print out the information if requested for it in person.

9. Available Information

Our recommendations are:

- Whilst we think most information should be available online and in person, we do not think it is appropriate, particularly in regional areas to have performance reviews and salaries of the local government employees to be made publicly available.

(NB: we suggest that the word "website" is not used, as if websites becomes obsolete the Act will have to be changed just to cater for that)

Proposal	Should this be made available: No, optional, required?
Live streaming video of council meetings on local government website	Yes – required

Proposal	Should this be made available: No, optional, required?
Diversity data on council membership and employees	Yes - required
Elected member attendance rates at council meetings	Yes - required
Elected member representation at external meetings/events	Yes - required
Gender equity ratios for staff salaries	Yes - required
Complaints made to the local government and actions taken	Yes - required
Performance reviews of CEO and senior employees	No
Website to provide information on differential rate categories	Yes - required
District maps and ward boundaries	Yes - required
Adverse findings of the Standards Panel, State Administrative Tribunal or Corruption and Crime Commission.	Yes - required
Financial and non-financial benefits register	No

10. Red Tape

The majority of regulatory burden concerns that are raised by our members are not within the scope of this review however we can endorse that taking the following steps has proven successful in other organisations in reducing red tape:

- Create easy to understand and simplified forms
- Transfer as many processes to an electronic format as possible
- Reduce the requirement for printed copies of documents
- Modernise all internal processes



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11. Regional Subsidiaries

Our recommendations are:

- Regional subsidiaries to be permitted to borrow from financial institutions or from WATC.
- Regional subsidiaries to be permitted to acquire land and to conduct commercial activity.

We appreciate being able to contribute to Phase One of the Local Government Act 1995 Review. One area of priority for our members is ensuring that local content and regional price preferences for local governments are in line with State Government policies and practices. Currently they are not. The RCCIWA strongly endorses the need to review the regulations controlling allocation of local and regional purchasing preference to align this with State Government policy and the practice of its agencies.

With the imminent introduction of the Western Australian Industry Participation Strategy, which will apply to all State Government projects and procurement, we see this as the perfect opportunity for local government authority's to apply the same thresholds and practices. Having the same thresholds for both tiers of Government will ease the confusion for regional businesses, increase opportunities for regional businesses and will support the increase of local economic development and activity.

We thank you for giving us the opportunity to contribute to this review.

Yours Sincerely,

KProdonovich

Kitty Prodonovich
CEO