



Local Government Reform

Improved financial management and reporting

Clear and accurate financial management and reporting is critical for public confidence in local government. Currently, local governments across Western Australia have to comply with the same financial reporting requirements, even though local governments range from less than 200 residents to a population of more than 200,000 people.



Model Financial Statements

New standardised templates will be established for local government financial statements:

- Large (band 1 and 2) local governments will have financial statements similar to those already used, with minor amendments and streamlining where possible
- Smaller (band 3 and 4) local governments will have more streamlined standard financial statements, reflecting the generally less complex operations of smaller local governments



Rates and Revenue Policy

All local governments will adopt a short Rates and Revenue Policy. The Policy will provide greater clarity for ratepayers by linking the cost of services and the maintenance of assets (such as roads and recreation facilities) to the setting of rates.



Reforms for Financial Ratios

The financial metrics reported on the MyCouncil website will be reviewed and adjusted to ensure they best reflect the underlying financial position of the local government.



Credit Card Statements Publicly Reported to Council

New reforms will introduce a requirement that employee credit card statements are to be provided to council at meetings on a monthly basis.



Other Minor Reforms

Other changes to the legislation will provide for general improvements for financial management:

- Changes to require Audit, Risk and Improvement Committees to bolster local government oversight, and allowing regional local governments to share Audit, Risk and Improvement Committees to reduce costs.
- Reforms will enable local governments to facilitate and manage fixed-interest loans to building owners undertaking environmental or heritage upgrades to their buildings. The loans will be provided and vetted by independent financiers.
- The cost of waste collection services provided to a property will be required to be separately stated on any rates notice for that property. This provides ratepayers with clear transparency for what waste collection services cost.

The State Government is also considering potential further reform for regional subsidiaries, and other financial and risk management initiatives.