

Jackson McDonald supports the proposed reforms to the Local Government Act and Regulations, that in the main will provide for a stronger, more consistent framework for the local government sector in Western Australia.

The detailed submission in respect of each of the six themes is set out in the table below, with a specific submission for each proposed reform.

Please note that the following terms are used in this submission and are given the meaning set out below:

- **Act** means the Local Government Act 1995
- **CEO** means a Chief Executive Officer of a local government
- **Department** means the Department of Local Government, Sport and Cultural Industries
- **KPIs** means key performance indicators
- **WAEC** means the Western Australian Electoral Commission
- **WALGA** means the Western Australian Local Government Association

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Theme 1: Early intervention, effective regulation and stronger penalties		
1.1 Early intervention powers		
<ul style="list-style-type: none"> • The Act provides the means to regulate the conduct of local government staff and council members and sets out powers to scrutinise the affairs of local government. The Act provides certain limited powers to: <ul style="list-style-type: none"> ○ Suspend or dismiss councils ○ Appoint Commissioners ○ Suspend or, order remedial action (such as training) for individual councillors. • The Act also provides the Director General with the power to: <ul style="list-style-type: none"> ○ Conduct Authorised Inquiries ○ Refer allegations of serious or recurrent breaches to the State Administrative Tribunal ○ Commence prosecution for an offence under the Act. • Authorised Inquiries are a costly and a relatively slow response to significant issues. Authorised Inquiries are currently the only significant tool for addressing significant issues within a local government. • The Panel Report, City of Perth Inquiry, and the Select Committee Report made various recommendations related to the establishment of a specific office for local government oversight. 	<ul style="list-style-type: none"> • It is proposed to establish a Chief Inspector of Local Government (the Inspector), supported by an Office of the Local Government Inspector (the Inspectorate). • The Inspector would receive minor and serious complaints about elected members. • The Inspector would oversee complaints relating to local government CEOs. • Local Governments would still be responsible for dealing with minor behavioural complaints. • The Inspector would have powers of a standing inquiry, able to investigate and intervene in any local government where potential issues are identified. • The Inspector would have the authority to assess, triage, refer, investigate, or close complaints, having regard to various public interest criteria – considering laws such as the <i>Corruption, Crime and Misconduct Act 2003</i>, the <i>Occupational Safety and Health Act 1984</i>, the <i>Building Act 2011</i>, and other legislation. • The Inspector would have powers to implement minor penalties for less serious breaches of the Act, with an appeal mechanism. • The Inspector would also have the power to order a local government to address non-compliance with the Act or Regulations. • The Inspector would be supported by a panel of Local Government Monitors (see item 1.2). • The existing Local Government Standards Panel would be replaced with a new Conduct Panel (see item 1.3). • Penalties for breaches to the Local Government Act and Regulations will be reviewed and are proposed to be generally strengthened (see item 1.4). • These reforms would be supported by new powers to more quickly resolve issues within local government (see items 1.5 and 1.6). 	<p>We support the proposed reform to establish an independent oversight body with appropriate authority to intervene early and swiftly to address conduct issues in respect of council members and local government CEOs. Recent history in the local government sector shows that where conduct issues are not addressed promptly, more disruptive and dysfunctional behaviour tends to follow causing significant detriment to the local government. It is critically important that the Office of the Local Government Inspector is adequately resourced to promptly act and address complaints.</p> <p>We submit that by specifically excluding minor behavioural complaints from the ambit the Office of the Local Government Inspectorate and leaving these complaints to be addressed by local government is a significant gap in the framework and continues to exacerbate the current issues around lack of independent determination and resolution for minor behavioural complaints. Local governments have extremely limited investigative powers and no power to compel council members or committee members to engage in an investigation process. For local governments to self-determine minor behavioural complaints is impractical, inappropriate, unsustainable, and has the potential to lead to further dysfunction, especially where either the council or the CEO (under delegation) determines behaviour complaints. In respect of where the:</p> <ol style="list-style-type: none"> 1. council determines behavioural complaints, council member complainants and respondents are required to participate in the decision making process notwithstanding the clear conflict of interest and actual bias. The proposed reform provides no detail as to how such issues can be managed effectively. 2. CEO determines behavioural complaints, there is a significant risk the CEO's position may become untenable. Notwithstanding that a CEO has a statutory obligation to report council member serious misconduct to the Corruption and Crime Commission in accordance with the Corruption, Crime and Misconduct Act 2003, it is not the CEO's role to resolve complaints relating to council member behaviour. Council employs, reviews the performance and terminates the employment of a CEO. It is both impractical and problematic for a CEO to have any responsibility to manage and/or deal with minor behaviour complaints involving council members, who participate in the council decision-making process impacting directly on the CEO's employment.

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		We submit that the proposed Office of the Local Government Inspectorate should have the scope and authority to receive, investigate, refer or determine (depending on the seriousness of the complaint) complaints relating to council member conduct and behaviour.
1.2 Local Government monitors		
<ul style="list-style-type: none"> There are currently no legislative powers for the provision of monitors/ temporary advisors. The DLGSC provides support and advice to local governments, however there is no existing mechanism for pre-qualified, specialised assistance to manage complex cases. 	<ul style="list-style-type: none"> A panel of Local Government Monitors would be established. Monitors could be appointed by the Inspector to go into a local government and try to resolve problems. The purpose of Monitors would be to proactively fix problems, rather than to identify blame or collect evidence. Monitors would be qualified specialists, such as: <ul style="list-style-type: none"> Experienced and respected former Mayors, Presidents, and CEOs - to act as mentors and facilitators Dispute resolution experts - to address the breakdown of professional working relationships Certified Practising Accountants and other financial specialists - to assist with financial management and reporting issues Governance specialists and lawyers - to assist councils resolve legal issues HR and procurement experts - to help with processes like recruiting a CEO or undertaking a major land transaction. Only the Inspector would have the power to appoint Monitors. Local governments would be able to make requests to the Inspector to appoint Monitors for a specific purpose. <p>Monitor Case Study 1 – Financial Management</p> <ul style="list-style-type: none"> The Inspector receives information that a local government is not collecting rates correctly under the <i>Local Government Act 1995</i>. Upon initial review, the Inspector identifies that there may be a problem. The Inspector appoints a Monitor who specialises in financial management in local government. The Monitor visits the local government and identifies that the system used to manage rates is not correctly issuing rates notices. The Monitor works with the local government to rectify the error, and issue corrections to impacted ratepayers. <p>Monitor Case Study 2 – Dispute Resolution</p> <ul style="list-style-type: none"> The Inspector receives a complaint from one councillor that another councillor is repeatedly publishing derogatory personal attacks against another councillor on social media, and that the issue has not been able to be resolved at the local government level. The Inspector identifies that there has been a relationship breakdown between the two councillors due to a disagreement on council. The Inspector appoints a Monitor to host mediation sessions between the councillors. The Monitor works with the councillors to address the dispute. Through regular meetings, the councillors agree to a working relationship based on the council's code of conduct. After the mediation, the Monitor occasionally makes contact with both councillors to ensure there is a cordial working relationship between the councillors. 	We support the proposed reform to introduce Local Government Monitors however the role and scope of authority of a Local Government Monitor must be clearly defined and articulated in the Act.
1.3 Conduct Panels		
<ul style="list-style-type: none"> The Local Government Standards Panel was established in 2007 to resolve minor breach complaints relatively quickly and provide the sector with guidance and benchmarks about acceptable standards of behaviour. 	<ul style="list-style-type: none"> The Standards Panel is proposed to be replaced with a new Local Government Conduct Panel. 	We support the proposed reform to replace the Standards Panel with a new Local Government Conduct Panel that has the authority and jurisdiction to make enquiries through the Office of the Local Government Inspector in respect of matters before the Conduct Panel.

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<ul style="list-style-type: none"> Currently, the Panel makes findings about alleged breaches based on written submissions. The City of Perth Inquiry report made various recommendations that functions of the Local Government Standards Panel be reformed. 	<ul style="list-style-type: none"> The Conduct Panel would be comprised of suitably qualified and experienced professionals. Sitting councillors will not be eligible to serve on the Conduct Panel. The Inspector would provide evidence to the Conduct Panel for adjudication. The Conduct Panel would have powers to impose stronger penalties - potentially including being able to suspend councillors for up to three months, with an appeal mechanism. For very serious or repeated breaches of the Local Government Act, the Conduct Panel would have the power to recommend prosecution through the courts. Any person who is subject to a complaint before the Conduct Panel would have the right to address the Conduct Panel before the Panel makes a decision. 	<p>Any person who is subject to a complaint before the Conduct Panel should also have the right to representation.</p>
1.4 Review of penalties		
<ul style="list-style-type: none"> There are currently limited penalties in the Act for certain types of non-compliance with the Local Government Act. 	<ul style="list-style-type: none"> Penalties for breaching the Local Government Act are proposed to be strengthened. It is proposed that the suspension of councillors (for up to three months) is established as the main penalty where a councillor breaches the Local Government Act or Regulations on more than one occasion. Councillors who are disqualified would not be eligible for sitting fees or allowances. They will also not be able to attend meetings, or use their official office (such as their title or council email address). It is proposed that a councillor who is suspended multiple times may become disqualified from office. Councillors who do not complete mandatory training within a certain timeframe will also not be able to receive sitting fees or allowances. 	<p>We support the proposed reform for stronger penalties as this will provide a real deterrent to disruptive behaviour and conduct that breaches the Code of Conduct and the Act.</p>
1.5 Rapid red card resolutions		
<ul style="list-style-type: none"> Currently, local governments have different local laws and standing orders that govern the way meetings run. Presiding members (Mayors and Presidents) are reliant on the powers provided in the local government standing orders local laws. Differences between local governments is a source of confusion about the powers that presiding members have to deal with disruptive behaviours at council meetings. Disruptive behaviour at council meetings is a very common cause of complaints. Having the Presiding Member be able to deal with these problems should more quickly resolve problems that occur at council meetings. 	<ul style="list-style-type: none"> It is proposed that Standing Orders are made consistent across Western Australia (see item 2.6). Published recordings of all meetings would also become standard (item 3.1). It is proposed that Presiding Members have the power to "red card" any attendee (including councillors) who unreasonably and repeatedly interrupt council meetings. This power would: <ul style="list-style-type: none"> Require the Presiding Member to issue a clear first warning If the disruptions continue, the Presiding Member will have the power to "red card" that person, who must be silent for the rest of the meeting. A councillor issued with a red card will still vote, but must not speak or move motions If the person continues to be disruptive, the Presiding Member can instruct that they leave the meeting. Any Presiding Member who uses the "red card" or ejection power will be required to notify the Inspector. Where an elected member refuses to comply with an instruction to be silent or leave, or where it can be demonstrated that the presiding member has not followed the law in using these powers, penalties can be imposed through a review by the Inspector. 	<p>We support the proposed reform to introduce standardised, model Standing Orders as this will provide consistency across all local governments in the conduct and management of council meetings.</p> <p>We do not support the proposed "red card" system as this is superfluous considering that the Presiding Member already has powers under respective Standing Orders Local Laws to deal with disruptive and unreasonable behaviour during a council meeting.</p>
1.6 Vexatious complaint referrals		
<ul style="list-style-type: none"> No current provisions. 	<ul style="list-style-type: none"> Local governments already have a general responsibility to provide ratepayers and members of the public with assistance in responding to 	<p>We support the proposed reform to introduce legislative provisions to allow local governments to effectively deal with vexatious complaints. Recent</p>

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<ul style="list-style-type: none"> The Act already provides a requirement for Public Question Time at council meetings. 	<p>queries about the local government's operations. Local governments should resolve queries and complaints in a respectful, transparent and equitable manner.</p> <ul style="list-style-type: none"> Unfortunately, local government resources can become unreasonably diverted when a person makes repeated vexatious queries, especially after a local government has already provided a substantial response to the person's query. It is proposed that if a person makes repeated complaints to a local government CEO that are vexatious, the CEO will have the power to refer that person's complaints to the Inspectorate, which after assessment of the facts may then rule the complaint vexatious. 	<p>history in the local government sector demonstrates clear evidence of the significant detrimental impact on local governments, council members and local government employees who are subjected to persistent, targeted vexatious complaints, including:</p> <ol style="list-style-type: none"> reputational damage for the both local government and individuals; significant time and expenses incurred in investigating complaints; reallocation of resources from other services; exposure to an unsafe workplace and workers compensation claims; and increase in employee absenteeism. <p>We submit that it is critically important that the legislative provisions:</p> <ol style="list-style-type: none"> clearly articulate the criteria and process to determine that a complaint is vexatious; and are aligned with the Ombudsman's complaint handling guidelines, especially considering that the Ombudsman's position is that ... "The term used in this manual is 'unreasonable complainant conduct', meaning the unreasonable conduct by complainants. It is derived from Ombudsman legislation which allows a finding to be made that an agency's conduct is or was unreasonable. It seems logical to apply the same reasoning to complainants." (Managing Unreasonable Complainant Conduct Practice Manual, Ombudsman WA page 15).
1.7 Minor other reforms		
<ul style="list-style-type: none"> Other minor reforms are being considered to enhance the oversight of local government. Ministerial Circulars have traditionally been used to provide guidance to the local government sector. 	<ul style="list-style-type: none"> Potential other reforms to strengthen guidance for local governments are being considered. For example, one option being considered is the potential use of sector-wide guidance notices. Guidance notices could be published by the Minister or Inspector, to give specific direction for how local governments should meet the requirements of the Local Government Act and Regulations. For instance, the Minister could publish guidance notices to clarify the process for how potential conflicts of interests should be managed. It is also proposed (see item 1.1) that the Inspector has the power to issue notices to individual local governments to require them to rectify non-compliance with the Act or Regulations. 	<p>We support the proposed reform to provide stronger guidance for local governments however the Department must be required to consult with the local government sector as part of the guidance development process. Further, guidance notices should be issued by the Director General of the Department and not the Minister for Local Government to mitigate the risk of politicising the guidance advice.</p>
Theme 2: Reducing red tape, increasing consistency and simplicity		
2.1 Resource sharing		
<ul style="list-style-type: none"> The Act does not currently include specific provisions to allow for certain types of resource sharing - especially for sharing CEOs. Regional local governments would benefit from having clearer mechanisms for voluntary resource-sharing. 	<ul style="list-style-type: none"> Amendments are proposed to encourage and enable local governments, especially smaller regional local governments, to share resources, including Chief Executive Officers and senior employees. Local governments in bands 2, 3 or 4 would be able to appoint a shared CEO at up to two salary bands above the highest band. For example, a band 3 and a band 4 council sharing a CEO could remunerate to the level of band 1. 	<p>We support the proposed reform to introduce a legislative mechanism for local governments to be more efficient, share resources to deliver services, and achieve certain economies of scale that would otherwise not be achievable. We submit that the proposed reform should be designed around creating the capacity to establish fully integrated shared services function between local governments, including but not limited to systems such as finance, payroll, ICT.</p> <p>We submit that whilst local governments should be able to share resources including employees (and senior employees), it is problematic for local governments to share a CEO for the following reasons:</p> <ol style="list-style-type: none"> unmanageable conflict of interests where a shared CEO is required to implement councils' resolutions that are contrary or opposing positions; undertaking a shared CEO performance review where the councils have opposing positions on the shared CEOs performance; and

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		<p>3. where a council seeks to act unilaterally and terminate the shared CEO arrangement, noting that the CEO is required to implement council's resolution.</p> <p>We submit that the sharing of resources model should exclude sharing CEOs.</p>
2.2 Standardisation of crossovers		
<ul style="list-style-type: none"> Approvals and standards for crossovers (the section of driveways that run between the kerb and private property) are inconsistent between local government areas, often with very minor differences. This can create confusion and complexity for homeowners and small businesses in the construction sector. 	<ul style="list-style-type: none"> It is proposed to amend the <i>Local Government (Uniform Local Provisions) Regulations 1996</i> to standardise the process for approving crossovers for residential properties and residential developments on local roads. A Crossover Working Group has provided preliminary advice to the Minister and DLGSC to inform this. The DLGSC will work with the sector to develop standardised design and construction standards. 	<p>We support a consistent approach to the applicable standards for cross-overs and the approval process providing that the local government sector is consulted in respect of the standardisation criteria.</p>
2.3 Introduce innovation provisions		
<ul style="list-style-type: none"> The <i>Local Government Act 1995</i> currently has very limited provisions to allow for innovations and responses to emergencies to (such as the Shire of Bruce Rock Supermarket). 	<ul style="list-style-type: none"> New provisions are proposed to allow exemptions from certain requirements of the Local Government Act 1995, for: <ul style="list-style-type: none"> Short-term trials and pilot projects Urgent responses to emergencies. 	<p>We support the introduction of legislative provisions that provide and encourage local governments to explore new and innovative approaches to service delivery. We submit that a trial or experimental environment that is exempt from compliance with certain regulations (procurement) will provide greater innovation opportunities as short-term or pilot projects can be more easily undertaken.</p>
2.4 Streamline local laws		
<ul style="list-style-type: none"> Local laws are required to be reviewed every eight years. The review of local laws (especially when they are standard) has been identified as a burden for the sector. Inconsistency between local laws is frustrating for residents and business stakeholders. 	<ul style="list-style-type: none"> It is proposed that local laws would only need to be reviewed by the local government every 15 years. Local laws not reviewed in the timeframe would lapse, meaning that old laws will be automatically removed and no longer applicable. Local governments adopting Model Local Laws will have reduced advertising requirements. 	<p>We support the proposed reform to simplify the process to create, adopt and review local laws with particular focus on:</p> <ol style="list-style-type: none"> State-wide advertising should be replaced with local advertising considering that the local law only applies with the local jurisdiction; no requirement for advertising where a model local law is adopted; and certification of local laws by a legal practitioner instead of Parliament's Joint Standing Committee on Delegated Legislation process. <p>We submit that the Department and WALGA should jointly prepare a suite of standardised model local laws, each of which have been scrutinised and certified by a legal practitioner.</p> <p>We are generally supportive of the proposed reform to extend the timeframe within which a local law must be reviewed however an automatic 'lapsing' of local laws that are not reviewed within the timeframe is not considered the best approach. Whilst local governments should be encouraged to proactively review their local laws, or allow irrelevant and outdated local laws to be repealed, there are more appropriate mechanisms such as warnings and penalties which would facilitate review without resulting in a risk that the regulatory framework lapses unknowingly or unintentionally, having significant consequences for compliance, enforcement, public safety and general service delivery.</p>
2.5 Simplifying approvals for small business and community events		
<ul style="list-style-type: none"> Inconsistency between local laws and approvals processes for events, street activation, and initiatives by local businesses is frustrating for business and local communities. 	<ul style="list-style-type: none"> Proposed reforms would introduce greater consistency for approvals for: <ul style="list-style-type: none"> alfresco and outdoor dining minor small business signage rules running community events. 	<p>We support a consistent approach to the approvals and regulatory regime for alfresco dining, small business signage and community events.</p>

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2.6 Standardised meeting procedures, including public question time		
<ul style="list-style-type: none"> Local governments currently prepare individual standing order local laws. The <i>Local Government Act 1995</i> and regulations require local governments to allocate time at meetings for questions from the public. Inconsistency among the meeting procedures between local governments is a common source of complaints. 	<ul style="list-style-type: none"> To provide greater clarity for ratepayers and applicants for decisions made by council, it is proposed that the meeting procedures and standing orders for all local government meetings, including for public question time, are standardised across the State. Regulations would introduce standard requirements for public question time, and the procedures for meetings generally. Members of the public across all local governments would have the same opportunities to address council and ask questions. 	<p>We support the proposed reform to standardise meeting procedures/standing orders as this will provide a consistent and more simplified regulatory framework for the conduct of council meetings.</p>
2.7 Regional subsidiaries		
<ul style="list-style-type: none"> Initiatives by multiple local governments may be managed through formal Regional Councils, or through less formal "organisations of councils", such as NEWROC and WESROC. These initiatives typically have to be managed by a lead local government. In 2016-17, provisions were introduced to allow for the formation of Regional Subsidiaries. Regional Subsidiaries can be formed in line with the <i>Local Government (Regional Subsidiaries) Regulations 2017</i>. So far, no Regional Subsidiary has been formed. 	<ul style="list-style-type: none"> Work is continuing to consider how Regional Subsidiaries can be best established to: <ul style="list-style-type: none"> Enable Regional Subsidiaries to provide a clear and defined public benefit for people within member local governments Provide for flexibility and innovation while ensuring appropriate transparency and accountability of ratepayer funds Where appropriate, facilitate financing of initiatives by Regional Subsidiaries within a reasonable and defined limit of risk Ensure all employees of a Regional Subsidiary have the same employment conditions as those directly employed by member local governments. 	<p>It is commonly acknowledged that the current regional council/subsidiary model is too restrictive and complex for local governments to use. We support the proposed reform to improve the regional subsidiary provisions that focus on simplifying the process and provide for regional subsidiaries to:</p> <ol style="list-style-type: none"> undertake a shared service function for and on behalf of its local government members; undertake financial initiatives including borrowings, within defined risk parameters; own, hold, acquire, dispose and develop land holdings; conduct major trading undertakings; and undertake provision of services in a competitive market providing that the requirements of the National Competition Policy are met.
Theme 3: Greater transparency and accountability		
3.1 Recordings and live streaming of all Council meetings		
<ul style="list-style-type: none"> Currently, local governments are only required to make written minutes of meetings. While there is no legal requirement for livestreaming or video or audio recording of council meetings, many local governments now stream and record their meetings. Complaints relating to behaviours and decisions at meetings constitute a large proportion of complaints about local governments. Local governments are divided into bands with the largest falling in bands 1 and 2, and smaller local governments falling bands 3 and 4. The allocation of local governments into bands is determined by The Salaries and Allowances Tribunal based on factors such as: <ul style="list-style-type: none"> Growth and development Strategic planning issues Demands and diversity of services provided to the community Total expenditure Population Staffing levels. 	<ul style="list-style-type: none"> It is proposed that all local governments will be required to record meetings. Band 1 and 2 local governments would be required to livestream meetings, and make video recordings available as public archives. Band 1 and 2 are larger local governments are generally located in larger urban areas, with generally very good telecommunications infrastructure, and many already have audio-visual equipment. Band 1 and 2 local governments would be required to livestream meetings, and make video recordings available as public archives. Several local governments already use platforms such as YouTube, Microsoft Teams, and Vimeo to stream and publish meeting recordings. Limited exceptions would be made for meetings held outside the ordinary council chambers, where audio recordings may be used. Recognising their generally smaller scale, typically smaller operating budget, and potential to be in more remote locations, band 3 and 4 local governments would be required to record and publish audio recordings, at a minimum. These local governments would still be encouraged to livestream or video record meetings. All council meeting recordings would need to be published at the same time as the meeting minutes. Recordings of all confidential items would also need to be submitted to the DLGSC for archiving. 	<p>We support the proposed reform to require the recording of and visual live streaming of briefing sessions and council meetings as this provides greater access, participation and transparency for the community in respect of the business of local government.</p>

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3.2 Recording all votes in Council minutes		
<ul style="list-style-type: none"> A local government is only required to record which councillor voted for or against a motion in the minutes of that meeting if a request is made by an elected member at the time of the resolution during the meeting. The existing provision does not mandate transparency. 	<ul style="list-style-type: none"> To support the transparency of decision-making by councillors, it is proposed that the individual votes cast by all councillors for all council resolutions would be required to be published in the council minutes, and identify those for, against, on leave, absent or who left the chamber. Regulations would prescribe how votes are to be consistently minuted. 	<p>We support the proposed reform requiring recording of individual council member votes in the meeting minutes as this provides the most accurate and transparent record of the council decision-making process.</p>
3.3 Clearer guidance for matters that may be confidential		
<ul style="list-style-type: none"> The Act currently provides broad definitions of what type of matters may be discussed as a confidential item. There is limited potential for review of issues managed as confidential items under the current legislation. 	<ul style="list-style-type: none"> Recognising the importance of open and transparent decision-making, it is considered that confidential meetings and confidential meeting items should only be used in limited, specific circumstances. It is proposed to make the Act more specific in prescribing items that may be confidential, and items that should remain open to the public. Items not prescribed as being confidential could still be held as confidential items only with the prior written consent of the Inspector. All confidential items would be required to be audio recorded, with those recordings submitted to the DLGSC. 	<p>We support the proposed reform to introduce legislative provisions that are absolutely clear and unambiguous in respect of matters that council can debate confidentially and behind closed doors, which must include the following:</p> <ol style="list-style-type: none"> legal matters, where receiving legal advice and to maintain legal professional privilege; sensitive commercial matters both contractual and commercial; dealing with complaints to ensure natural justice and procedural fairness; and dealing with regulatory matters to not impair the effectiveness of a legal process. <p>We submit that whilst all decisions of council (including individual council member votes) must be recorded in the minutes, matters discussed and debated confidentially and behind closed doors should not be recorded. Any recording is a corporate record and subject to disclosure under the Freedom of Information Act and must be maintained in accordance with the State Records Act. Whilst it is proposed that the threshold and extent of what can be considered 'confidential' is being considered, leaving only exceptional instances such as where legal matters or sensitive commercial matters, or indeed matters where complaints by or about members of the public might be discussed. Council members must be able to debate freely without fear of jeopardising the local government's position (legally or commercially), discussing another party's position or diminishing privacy rights. Accordingly, such a provision could only be effective if recordings would be an exempt 'record' under the Freedom of Information Act or equivalent.</p> <p>We submit that the legislative provisions should provide for clear criteria for confidential items without the requirement for the Chief Inspector of Local Government to approve local government requests for discuss items confidentially.</p>
3.4 Additional online registers		
<ul style="list-style-type: none"> Local governments are required to provide information to the community through annual reports, council minutes and the publication of information online. Consistent online publication of information can substitute for certain material in annual reports. Consistency in online reporting across the sector will provide ratepayers with better information. These registers supplement the simplification of financial statements in Theme 6. 	<ul style="list-style-type: none"> It is proposed to require local governments to report specific information in online registers on the local government's website. Regulations would prescribe the information to be included. The following new registers, each updated quarterly, are proposed: <ul style="list-style-type: none"> Lease Register to capture information about the leases the local government is party to (either as lessor or lessee) Community Grants Register to outline all grants and funding provided by the local government Interests Disclosure Register which collates all disclosures made by elected members about their interests related to matters considered by council Applicant Contribution Register accounting for funds collected from applicant contributions, such as cash-in-lieu for public open space and car parking 	<p>We support the proposed reform to make information more readily and easily accessible through a local government's website.</p> <p>We submit that confidentiality and privacy requirements must be considered in respect of the following registers:</p> <ol style="list-style-type: none"> lease register should not include details of residential tenants; and contracts register should not include employment contracts.

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<ul style="list-style-type: none"> o Contracts Register that discloses all contracts above \$100,000. 		
3.5 Chief Executive Officer Key Performance Indicators (KPIs) be published		
<ul style="list-style-type: none"> • It is a requirement of the <i>Local Government Act 1995</i> that CEO performance reviews are conducted annually. • The Model Standards for CEO recruitment and selection, performance review and termination require that a local government must review the performance of the CEO against contractual performance criteria. • Additional performance criteria can be used for performance review by agreement between both parties. 	<ul style="list-style-type: none"> • To provide for minimum transparency, it is proposed to mandate that the KPIs agreed as performance metrics for CEOs: <ul style="list-style-type: none"> o Be published in council meeting minutes as soon as they are agreed prior to (before the start of the annual period) o The KPIs and the results be published in the minutes of the performance review meeting (at the end of the period) o The CEO has a right to provide written comments to be published alongside the KPIs and results to provide context as may be appropriate (for instance, the impact of events in that year that may have influenced the results against KPIs). 	<p>We do not support the proposed reform to introduce a requirement to publish the KPIs for CEOs.</p> <p>We understand that the rationale for this proposed reform centres on the role of the CEO in implementing the council's strategies and plans however transparency on key performance indicators for a local government are set out in the Corporate Business Plan, Strategic Community Plan and reported in the Annual Report, not just KPIs for CEO performance.</p> <p>We submit that it is a function of council and the CEO to determine and agree the CEOs KPIs and for council to undertake a performance review of the CEO in accordance with the agreed KPIs. This is not a function of the community. Further, the performance (including any issues with performance) of a CEO should be confidential between the CEO (employee) and the council (employer).</p>
Theme 4: Stronger local democracy and community engagement		
4.1 Community and stakeholder engagement charters		
<ul style="list-style-type: none"> • There is currently no requirement for local governments to have a specific engagement charter or policy. • Many local governments have introduced charters or policies for how they will engage with their community. • Other States have introduced a specific requirement for engagement charters. 	<ul style="list-style-type: none"> • It is proposed to introduce a requirement for local governments to prepare a community and stakeholder engagement charter which sets out how local government will communicate processes and decisions with their community. • A model Charter would be published to assist local governments who wish to adopt a standard form. 	<p>We support the proposed reform for local government to prepare and adopt a community and stakeholder engagement charter. The proposed model Community and Stakeholder Engagement Charter should set out guiding principles for community engagement to ensure consistent, meaningful and best practice engagement is undertaken.</p> <p>We submit that local governments should have the ability to contextualise their community engagement processes based on the engagement purposes and whether it is informing, consulting or engaging.</p>
4.2 Ratepayer satisfaction surveys (Band 1 and 2 local governments only)		
<ul style="list-style-type: none"> • Many local governments already commission independent surveying consultants to hold a satisfaction survey of residents/ratepayers. • These surveys provide valuable data on the performance of local governments. 	<ul style="list-style-type: none"> • It is proposed to introduce a requirement that every four years, all local governments in bands 1 and 2 hold an independently-managed ratepayer satisfaction survey. • Results would be required to be reported publicly at a council meeting and published on the local government's website. • All local governments would be required to publish a response to the results. 	<p>It is acknowledged that most local governments undertake an independent rate-payer satisfaction survey periodically that informs improvements to service delivery.</p> <p>We submit that as these surveys are based on the local government's service delivery model and each local government's own discretionary services, therefore it should be left to individual local governments to determine the best approach to undertaking the survey.</p>
4.3 Introduction of preferential voting		
<ul style="list-style-type: none"> • The current voting method for local government elections is first past the post. • The existing first-past-the-post does not allow for electors to express more than one preference. • The candidate with the most votes wins, even if that candidate does not have a majority. • Preferential voting better captures the precise intentions of voters and as a result may be regarded as a fairer and more representative system. Voters have more specific choice. 	<ul style="list-style-type: none"> • Preferential voting is proposed be adopted as the method to replace the current first past the post system in local government elections. • In preferential voting, voters number candidates in order of their preferences. • Preferential voting is used in State and Federal elections in Western Australia (and in other states). This provides voters with more choice and control over who they elect. • All other states use a form of preferential voting for local government. 	<p>We do not support the proposed reform to change the change the current first past the post method to preferential voting method for local government elections. There are advantages and disadvantages of both first past the post and preferential voting which are:</p> <ol style="list-style-type: none"> 1. First past the post voting is: <ol style="list-style-type: none"> (a) an easier voting count; (b) less costly; (c) more easily understood with the candidate with the greatest number of votes is elected; and (d) less likely to be subject political campaigning as there are no alliances or distribution of preference votes. 2. Preferential voting: <ol style="list-style-type: none"> (a) is arguably more democratic;

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		<ul style="list-style-type: none"> (b) is currently used for State and Federal elections; (c) ensures the most popular candidates are elected who best reflect the will of the voters where there is more than one candidate; and (d) allows for a greater representation and prevents elections dominated by mainstream party politics. <p>We submit that there is no compelling reason to change the current voting method and the proposed reform should more importantly consider whether participation in local government elections should be mandatory.</p>
4.4 Public vote to elect the Mayor and President		
<ul style="list-style-type: none"> • The Act currently allows local governments to have the Presiding Member (the Mayor or President) elected either: <ul style="list-style-type: none"> ○ by the electors of the district through a public vote; or ○ by the council as a resolution at a council meeting. 	<ul style="list-style-type: none"> • Mayors and Presidents of all local governments perform an important public leadership role within their local communities. • Band 1 and 2 local governments generally have larger councils than those in bands 3 and 4. • Accordingly, it is proposed that the Mayor or President for all band 1 and 2 councils is to be elected through a vote of the electors of the district. Councils in bands 3 and 4 would retain the current system. • A number of Band 1 and Band 2 councils have already moved towards Public Vote to Elect the Mayor and President in recent years, including City of Stirling and City of Rockingham. 	<p>We do not support the proposed reform for Band 1 and 2 local governments to no longer have the ability to self-determine the most appropriate method to elect their respective mayors.</p> <p>We submit that councils should have the discretion to determine the appropriate method especially considering the real risk that a mayor who is elected by electors in the district may not have the broad support of their fellow council members that may lead to an ineffective mayor and potential dysfunction.</p>
4.5 Tiered limits on the number of Councillors		
<ul style="list-style-type: none"> • The number of councillors (between 5-15 councillors) is decided by each local government, reviewed by the Local Government Advisory Board, and if approved by the Minister. • The Panel Report recommended electoral reforms to improve representativeness. 	<ul style="list-style-type: none"> • It is proposed to limit the number of councillors based on the population of the entire local government. • Some smaller local governments have already been moving to having smaller councils to reduce costs for ratepayers. • The Local Government Panel Report proposed: <ul style="list-style-type: none"> ○ For a population of up to 5,000 - five councillors (including the President) ○ population of between 5,000 and 75,000 - five to nine councillors (including the Mayor/President) ○ population of above 75,000 - nine to fifteen councillors (including Mayor). 	<p>We submit that the number of council member offices should be linked directly to the number of electors in the district.</p>
4.6 No Wards for small Councils (Band 3 and 4 Councils only)		
<ul style="list-style-type: none"> • A local government can make an application to be divided into wards, with councillors elected to those wards. • Only about 10% of band 3 and 4 local governments currently have wards. 	<ul style="list-style-type: none"> • It is proposed that the use of wards for councils in bands 3 and 4 is abolished. • Wards increase the complexity of elections, as this requires multiple versions of ballot papers to be prepared for a local government's election. • In smaller local governments, the population of wards can be very small. • These wards often have councillors elected unopposed, or elect a councillor with a very small number of votes. Some local governments have ward councillors elected with less than 50 votes. • There has been a trend in smaller local governments looking to reduce the use of wards, with only 10 councils in bands 3 and 4 still having wards. 	<p>We support the proposed reform to abolish wards for band 3 and 4 local governments as the number of electors does not justify splitting the district into wards.</p> <p>We submit that the number of wards within a council district should be linked directly to the number of electors in the district.</p>
4.7 Electoral reform – clear lease requirements for candidate and voter eligibility		
<ul style="list-style-type: none"> • A person with a lease in a local government district is eligible to nominate as a candidate in that district. 	<ul style="list-style-type: none"> • Reforms are proposed to prevent the use of "sham leases" in council elections. Sham leases are where a person creates a lease only to be able to vote or run as a candidate for council. 	<p>We support the proposed reforms to introduce provisions that prohibit the use of 'sham leases'.</p>

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<ul style="list-style-type: none"> A person with a lease in a local government district is eligible to apply to vote in that district. The City of Perth Inquiry Report identified a number of instances where dubious lease arrangements put to question the validity of candidates in local government elections, and subsequently their legitimacy as councillors. 	<ul style="list-style-type: none"> The City of Perth Inquiry Report identified sham leases as an issue. Electoral rules are proposed to be strengthened: <ul style="list-style-type: none"> A minimum lease period of 12 months will be required for anyone to register a person to vote or run for council. Home based businesses will not be eligible to register a person to vote or run for council, because any residents are already the eligible voter(s) for that address. Clarifying the minimum criteria for leases eligible to register a person to vote or run for council. The reforms would include minimum lease periods to qualify as a registered business (minimum of 12 months), and the exclusion of home based businesses (where the resident is already eligible) and very small sub-leases. The basis of eligibility for each candidate (e.g. type of property and suburb of property) is proposed to be published, including in the candidate pack for electors. 	<p>We submit that the WAEC or the Office of the Local Government Inspector should have the authority to investigate, determine and/or prosecute election conduct complaints and breaches, including the use of sham leases. Further, regulations should be developed that sets out the criteria to determine what constitutes a sham lease.</p>
4.8 Reform of candidate profiles		
<ul style="list-style-type: none"> Candidate profiles can only be 800 characters, including spaces. This is equivalent to approximately 150 words. 	<ul style="list-style-type: none"> Further work will be undertaken to evaluate how longer candidate profiles could be accommodated. Longer candidate profiles would provide more information to electors, potentially through publishing profiles online. It is important to have sufficient information available to assist electors make informed decisions when casting their vote. 	<p>We support the proposed reform for strict character limits for candidate profiles as candidates have a number of platforms (including social media) available to them to engage with electors.</p>
4.9 Minor other electoral reforms		
<ul style="list-style-type: none"> Other minor reforms are proposed to improve local government elections. 	<ul style="list-style-type: none"> Minor other electoral reforms are proposed to include: <ul style="list-style-type: none"> The introduction of standard processes for vote re-counts if there is a very small margin between candidates (e.g. where there is a margin of less than 10 votes a recount will always be required) The introduction of more specific rules concerning local government council candidates' use of electoral rolls. 	<p>We support standardised rules (legislative provisions) in relation to the vote recounts and the use of electoral rolls.</p>
Theme 5: Clear roles and responsibilities		
5.1 Introduce principles in the Act		
<ul style="list-style-type: none"> The Act does not currently outline specific principles. The Act contains a short "Content and Intent" section only. The Panel Report recommended greater articulation of principles 	<ul style="list-style-type: none"> It is proposed to include new principles in the Act, including: <ul style="list-style-type: none"> The recognition of Aboriginal Western Australians Tiering of local governments (with bands being as assigned by the Salaries and Allowances Tribunal) Community Engagement Financial Management. 	<p>We support the proposed reform to introduce the new principles providing that each principle is clearly articulated and aligned with the content of the new Act.</p> <p>We submit that a further principle to consider for inclusion is the principle of long-term sustainability of a district.</p>
5.2 Greater role clarity		
<ul style="list-style-type: none"> The Act provides for the role of council, councillor, mayor or president and CEO. The role of the council is to: <ul style="list-style-type: none"> govern the local government's affairs be responsible for the performance of the local government's functions. 	<ul style="list-style-type: none"> The <u>Local Government Act Review Panel</u> recommended that roles and responsibilities of elected members and senior staff be better defined in law. It is proposed that these roles and responsibilities are further defined in the legislation. These proposed roles will be open to further consultation and input. These roles would be further strengthened through Council Communications Agreements (see item 5.3). 	<p>We support the proposed reform to provide greater clarity on the role and responsibilities of the council, mayor, councillors and the CEO. We submit that the legislative provisions must set out a clear delineation between the functions and roles of council, council members, Mayor and the CEO.</p>

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	<p>5.2.1 – Mayor or President Role</p> <ul style="list-style-type: none"> • It is proposed to amend the Act to specify the roles and responsibilities of the Mayor or President. • While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the Mayor or President is responsible for: <ul style="list-style-type: none"> ○ Representing and speaking on behalf of the whole council and the local government, at all times being consistent with the resolutions of council ○ Facilitating the democratic decision-making of council by presiding at council meetings in accordance with the Act ○ Developing and maintaining professional working relationships between councillors and the CEO ○ Performing civic and ceremonial duties on behalf of the local government ○ Working effectively with the CEO and councillors in overseeing the delivery of the services, operations, initiatives and functions of the local government. 	<p>We support the proposed reform and submit that the Mayor’s leadership role in respect of:</p> <ol style="list-style-type: none"> 1. the council and council members; 2. facilitating council acting as a functional governing body; 3. leading council’s culture, <p>should be expressly stated and clearly articulated.</p>
	<p>5.2.2 – Council Role</p> <ul style="list-style-type: none"> • It is proposed to amend the Act to specify the roles and responsibilities of the Council, which is the entity consisting of all of the councillors and led by the Mayor or President. • While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the Council is responsible for: <ul style="list-style-type: none"> ○ Making significant decisions and determining policies through democratic deliberation at council meetings ○ Ensuring the local government is adequately resourced to deliver the local governments operations, services and functions - including all functions that support informed decision-making by council ○ Providing a safe working environment for the CEO; ○ Providing strategic direction to the CEO; ○ Monitoring and reviewing the performance of the local government. 	<p>We support the proposed reform and submit that the proposed drafting of ‘Ensuring the local government is adequately resourced’ should be more aligned to ‘Ensuring adequate resources are allocated to enable the CEO to run the local government’. Without this change and as currently drafted, the proposed reform risks blurring the line between the roles of council and the CEO, and it is critically important to reiterate that it is not council’s role to be involved in how a local government is structured or how staff are resourced.</p>
	<p>5.2.3 – Elected Member (Councillor) Role</p> <ul style="list-style-type: none"> • It is proposed to amend the Act to specify the roles and responsibilities of all elected councillors. • While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that every elected councillor is responsible for: <ul style="list-style-type: none"> ○ Considering and representing, fairly and without bias, the current and future interests of all people who live, work and visit the district (including for councillors elected for a particular ward) ○ Positively and fairly contribute and apply their knowledge, skill, and judgement to the democratic decision-making process of council ○ Applying relevant law and policy in contributing to the decision-making of the council ○ Engaging in the effective forward planning and review of the local governments’ resources, and the performance of its operations, services, and functions ○ Communicating the decisions and resolutions of council to stakeholders and the public 	<p>We support the proposed reform.</p> <p>We submit that a council member must only use their official title when ‘performing their role in an official capacity’, however if this is not clearly defined then it is likely to cause confusion and conflict. Further, consideration must be given to how this distinction impacts the application of the Code of Conduct in respect of council members and the extent that they fall within the jurisdiction of the Act and the Code of Conduct if not ‘acting in their official capacity’.</p>

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	<ul style="list-style-type: none"> ○ Developing and maintaining professional working relationships with all other councillors and the CEO ○ Maintaining and developing their knowledge and skills relevant to local government ○ Facilitating public engagement with local government. • It is proposed that elected members should not be able to use their title (e.g. "Councillor", "Mayor", or "President") and associated resources of their office (such as email address) unless they are performing their role in their official capacity. <p>5.2.4 – CEO Role</p> <ul style="list-style-type: none"> • The Local Government Act 1995 requires local governments to employ a CEO to run the local government administration and implement the decisions of council. • To provide greater clarity, it is proposed to amend the Act to specify the roles and responsibilities of all local government CEOs. • While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the CEO of a local government is responsible for: <ul style="list-style-type: none"> ○ Coordinating the professional advice and assistance necessary for all elected members to enable the council to perform its decision-making functions ○ Facilitating the implementation of council decisions ○ Ensuring functions and decisions lawfully delegated by council are managed prudently on behalf of the council ○ Managing the effective delivery of the services, operations, initiatives and functions of the local government determined by the council ○ Providing timely and accurate information and advice to all councillors in line with the Council Communications Agreement (see item 5.3) ○ Overseeing the compliance of the operations of the local government with State and Federal legislation on behalf of the council ○ Implementing and maintaining systems to enable effective planning, management, and reporting on behalf of the council. 	<p>We support the proposed reform however noting the submission above relating to the leadership role of the Mayor/President, we submit that this should be supported by the CEO having a legislative obligation to refer matters relating to council culture or council member's conduct in circumstances where such culture or conduct diminishes the:</p> <ol style="list-style-type: none"> 1. CEO's capacity to fulfil their function; or 2. functionality of the local government.
5.3 Council communication agreements		
<ul style="list-style-type: none"> • The Act provides that council and committee members can have access to any information held by the local government that is relevant to the performance of the member in their functions. • The availability of information is sometimes a source of conflict within local governments. 	<ul style="list-style-type: none"> • In State Government, there are written Communication Agreements between Ministers and agencies that set standards for how information and advice will be provided. • It is proposed that local governments will need to have Council Communications Agreements between the council and the CEO. • These Council Communication Agreements would clearly specify the information that is to be provided to councillors, how it will be provided, and the timeframes for when it will be provided. • A template would be published by DLGSC. This default template will come into force if a council and CEO do not make a specific other agreement within a certain timeframe following any election. 	<p>We support the proposed reform to introduce a requirement for a council and its CEO to enter into a council adopted Communications Agreement provided that it clearly articulates the:</p> <ol style="list-style-type: none"> 1. type of information that can be provided to council members; 2. timeframe within which requests for information will be satisfied; 3. form within which information will be provided; and 4. circumstances under which information will not be provided as the information is not relevant to a council member's role.
5.4 Local governments may pay superannuation contributions for elected members		
<ul style="list-style-type: none"> • Elected members are eligible to receive sitting fees or an annual allowance. • Superannuation is not paid to elected members. However, councillors can currently divert part of their allowances to a superannuation fund. 	<ul style="list-style-type: none"> • It is proposed that local governments should be able to decide, through a vote of council, to pay superannuation contributions for elected members. These contributions would be additional to existing allowances. 	<p>We support the proposed reform as local governments should be able to determine if their council members should receive superannuation.</p>

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<ul style="list-style-type: none"> Councils should be reflective and representative of the people living within the district. Local governments should be empowered to remove any barriers to the participation of gender and age diverse people on councils. 	<ul style="list-style-type: none"> Superannuation is widely recognised as an important entitlement to provide long term financial security. Other states have already moved to allow councils to make superannuation contributions for councillors. Allowing council to provide superannuation is important part of encouraging equality for people represented on council - particularly for women and younger people. Providing superannuation to councillors recognises that the commitment to elected office can reduce a person's opportunity to undertake employment and earn superannuation contributions. 	
5.5 Local governments may establish education allowances		
<ul style="list-style-type: none"> Local government elected members must complete mandatory training. There is no specific allowance for undertaking further education. 	<ul style="list-style-type: none"> Local governments will have the option of contributing to the education expenses for councillors, up to a defined maximum value, for tuition costs for further education that is directly related to their role on council. Councils will be able to decide on a policy for education expenses, up to a maximum yearly value for each councillor. Councils may also decide not to make this entitlement available to elected members. Any allowance would only be able to be used for tuition fees for courses, such as training programs, diplomas, and university studies, which relate to local government. Where it is made available, this allowance will help councillors further develop skills to assist with making informed decisions on important questions before council, and also provide professional development opportunities for councillors. 	<p>We support the proposed reform which will provide local governments a mechanism to establish education allowances for further education and training of council members is supported. We submit that any local government who seeks to establish education allowances must adopted a council policy and administer the allowance in accordance with the policy.</p>
5.6 Standardised election caretaker period		
<ul style="list-style-type: none"> There is currently no requirement for a formal caretaker period, with individual councils operating under their own policies and procedures. This is commonly a point of public confusion. 	<ul style="list-style-type: none"> A State-wide caretaker period for local governments is proposed. All local governments across the State would have the same clearly defined election period, during which: <ul style="list-style-type: none"> Councils do not make major decisions with criteria to be developed defining 'major' Incumbent councillors who nominate for re-election are not to represent the local government, act on behalf of the council, or use local government resources to support campaigning activities. There are consistent election conduct rules for all candidates. 	<p>We support a consistent approach across the entire local government sector to the care-taker period providing that local governments can still operate and meet its statutory obligations.</p>
5.7 Remove WALGA from the Act		
<ul style="list-style-type: none"> The Western Australian Local Government Association (WALGA) is constituted under the <i>Local Government Act 1995</i>. The Local Government Panel Report and the Select Committee Report included this recommendation. 	<ul style="list-style-type: none"> The <u>Local Government Panel Report</u> recommended that WALGA not be constituted under the <i>Local Government Act 1995</i>. Separating WALGA out of the Act will provide clarity that WALGA is not a State Government entity. 	<p>We support a preferable model for WALGA be an incorporated association that has specific legislative exemptions relating to the mutual self-insurance scheme.</p> <p>We submit that as local governments can access State Common Use Agreements, there is minimal need for WALGA to operate the preferred supplier program.</p>
5.8 Recruitment		
<ul style="list-style-type: none"> Recent amendments introduced provisions to standardise CEO recruitment. The recruitment of a CEO is a very important decision by a local government. 	<ul style="list-style-type: none"> It is proposed that DLGSC establishes a panel of approved panel members to perform the role of the independent person on CEO recruitment panels. Councils will be able to select an independent person from the approved list. 	<p>We support the proposed reform to have an independent person on a CEO recruitment panel as this ensures independent oversight over the recruitment process. However, we submit that the independent person:</p> <ol style="list-style-type: none"> should not be a voting member; should not be burdened with being the Chair of the recruitment panel;

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	<ul style="list-style-type: none"> Councils will still be able to appoint people outside of the panel with the approval of the Inspector. 	<p>3. role should be clearly articulated as one that oversees the recruitment process; and</p> <p>4. provides support to ensure processes and procedures are appropriately followed and that the agreed policies and assessment approach are followed.</p> <p>We further submit that there should be alignment to Public Sector Recruitment standards including those relating to diversity issues and procedural fairness.</p>
Theme 6: Improved financial management and reporting		
6.1 Model financial statements and tiered financial reporting		
<ul style="list-style-type: none"> The financial statements published in the Annual Report is the main financial reporting currently published by local governments. Reporting obligations are the same for large (Stirling, Perth, Fremantle) and small (Sandstone, Wiluna, Dalwallinu) local governments, even though they vary significantly in complexity. The Office of the Auditor General has said that some existing reporting requirements are unnecessary or onerous - for instance, information that is not relevant to certain local governments, or that is a duplicate of other published information. 	<ul style="list-style-type: none"> The Minister strongly believes in transparency and accountability in local government. The public rightly expects the highest standards of integrity, good governance, and prudent financial management in local government. It is critically important that clear information about the financial position of local governments is openly available to ratepayers. Financial information also supports community decision-making about local government services and projects. Local governments differ significantly in the complexity of their operations. Smaller local governments generally have much less operating complexity than larger local governments. The Office of the Auditor General has identified opportunities to improve financial reporting, to make statements clearer, and reduce unnecessary complexity. Recognising the difference in the complexity of smaller and larger local governments, it is proposed that financial reporting requirements should be tiered - meaning that larger local governments will have greater financial reporting requirements than smaller local governments. It is proposed to establish standard templates for Annual Financial Statements for band 1 and 2 councils, and simpler, clearer financial statements for band 3 and 4. Online Registers, updated quarterly (see item 3.4), would provide faster and greater transparency than current annual reports. Standard templates will be published for use by local governments. Simpler Strategic and Financial Planning (item 6.2) would also improve the budgeting process. 	<p>We support transparency and accountability in local government.</p> <p>We submit that the governance principles and compliance requirements should be same irrespective of the size or capability of the local government. Simplifying the strategic and financial planning process and reporting requirements should not denigrate from minimum compliance requirements.</p> <p>We submit that the Department should provide a greater level of support to smaller and regional local governments to meet financial transparency, accountability and reporting requirements.</p>
6.2 Simplify strategic and financial planning		
<ul style="list-style-type: none"> Requirements for plans are outlined in the Local Government Financial Management and Administration Regulations. There is also the Integrated Planning and Reporting (IPR) framework. While many councils successfully apply IPR to their budgeting and reporting, IPR may seem complicated or difficult, especially for smaller local governments. 	<ul style="list-style-type: none"> Having clear information about the finances of local government is an important part of enabling informed public and ratepayer engagement and input to decision-making. The framework for financial planning should be based around information being clear, transparent, and easy to understand for all ratepayers and members of the public. In order to provide more consistency and clarity across the State, it is proposed that greater use of templates is introduced to make planning and reporting clearer and simpler, providing greater transparency for ratepayers. Local governments would be required to adopt a standard set of plans, and there will be templates published by the DLGSC for use or adaption by local governments. 	<p>We support transparency and accountability in local government.</p> <p>We support the use of standardised template plans for reporting however we submit that this should not encumber any local governments from developing more comprehensive and detailed plans.</p> <p>In developing and adopting a Council Plan, local governments must be required to demonstrate the community and stakeholder engagement undertaken, and consideration of community views.</p>

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	<ul style="list-style-type: none"> • It is proposed that the plans that are required are: <ul style="list-style-type: none"> ○ Simplified Council Plans that replace existing Strategic Community Plans and set high-level objectives, with a new plan required at least every eight years. These will be short-form plans, with a template available from the DLGSC ○ Simplified Asset Management Plans to consistently forecast costs of maintaining the local government's assets. A new plan will be required at least every ten years, though local governments should update the plan regularly if the local government gains or disposes of major assets (e.g. land, buildings, or roads). A template will be provided, and methods of valuations will be simplified to reduce red tape ○ Simplified Long Term Financial Plans will outline any long term financial management and sustainability issues, and any investments and debts. A template will be provided, and these plans will be required to be reviewed in detail at least every four years ○ A new Rates and Revenue Policy (see item 6.3) that identifies the approximate value of rates that will need to be collected in future years (referencing the Asset Management Plan and Long Term Financial Plan) - providing a forecast to ratepayers (updated at least every four years) ○ The use of simple, one-page Service Proposals and Project Proposals that outline what proposed services or initiatives will cost, to be made available through council meetings. These will become Service Plans and Project Plans added to the yearly budget if approved by council. This provides clear transparency for what the functions and initiatives of the local government cost to deliver. Templates will be available for use by local governments. 	
6.3 Rates and revenue policy		
<ul style="list-style-type: none"> • Local governments are not required to have a rates and revenue policy. • Some councils defer rate rises, resulting in the eventual need to drastically raise rates to cover unavoidable costs - especially for the repair of infrastructure. 	<ul style="list-style-type: none"> • The Rates and Revenue Policy is proposed to increase transparency for ratepayers by linking rates to basic operating costs and the minimum costs for maintaining essential infrastructure. • A Rates and Revenue Policy would be required to provide ratepayers with a forecast of future costs of providing local government services. • The Policy would need to reflect the Asset Management Plan and the Long Term Financial Plan (see item 6.2), providing a forecast of what rates would need to be, to cover unavoidable costs. • A template would be published for use or adaption by all local governments. <p>The Local Government Panel Report included this recommendation.</p>	<p>We support a mandatory requirement for local governments to adopt a Rates and Revenue Policy which must be integrated with an Expenditure and Assets Management and Reserve Policy. This will provide greater transparency for ratepayers in respect of a local government's budgeting and rating processes and also the factors that were considered.</p> <p>We submit that when local governments adopt their annual budget and rate setting statements, that they must formally resolve whether they complied with their Rates and Revenue Policy or if not, provide specific detail of the reasons why they deviated from their own policy.</p>
6.4 Monthly reporting of credit card statements		
<ul style="list-style-type: none"> • No legislative requirement. • Disclosure requirements brought in by individual councils have shown significant reduction of expenditure of funds. 	<ul style="list-style-type: none"> • The statements of a local government's credit cards used by local government employees will be required to be tabled at council at meetings on a monthly basis. • This provides oversight of incidental local government spending. 	<p>Most local governments present their monthly warrants of payments to each council meeting for adoption by council. Including the corporate credit statements as an attachment with the warrant of payments is a logical inclusion.</p> <p>We submit that it should be a mandatory requirement for local government to present the warrant of payments for adoption by council on a monthly basis.</p>
6.5 Amended financial ratios		

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Current provisions	Proposed Reforms	Jackson McDonald Submission
<ul style="list-style-type: none"> Local governments are required to report seven ratios in their annual financial statements. These are reported on the MyCouncil website. These ratios are intended to provide an indication of the financial health of every local government. 	<ul style="list-style-type: none"> Financial ratios will be reviewed in detail, building on work already underway by the DLGSC. The methods of calculating ratios and indicators will be reviewed to ensure that the results are accurate and useful 	<p>We submit that the:</p> <ol style="list-style-type: none"> current arbitrary financial ratios are not a useful measure and need to be reviewed as they do not consider the actual financial position of a local government; and financial ratios need to consider the diversity across local government operations and strategic objectives. For example, the assets sustainability ratio does not apply consistently to a growing local government compared to a non-growing local government.
6.6 Audit committee		
<ul style="list-style-type: none"> Local governments must establish an Audit Committee that has three or more persons, with the majority to be council members. The Audit Committee is to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under the Act. The Panel Report identified that Audit Committees should be expanded, including to provide improved risk management. 	<ul style="list-style-type: none"> To ensure independent oversight, it is proposed the Chair of any Audit Committee be required to be an independent person who is not on council or an employee of the local government. Audit Committees would also need to consider proactive risk management. To reduce costs, it is proposed that local governments should be able to establish shared Regional Audit Committees. The Committees would be able to include council members but would be required to include a majority of independent members and an independent chairperson. 	<p>Whilst the Act specifically requires each local government to establish an Audit Committee, the Act does not specify what the role or purpose of the Audit Committee is as this is set out in the Local Government (Audit) Regulations.</p> <p>We submit that it is more appropriate that the role and purpose of the Audit Committee is set out in the Local Government Act as follows:</p> <ol style="list-style-type: none"> to provide independent oversight over the management and affairs of the local government; to make recommendations to Council in respect to the appointment of an internal auditor; to provide guidance and assistance in respect of carrying out audits, matters to be audited, scope of audits and functions for financial management oversight; and review and make recommendations to Council in respect of the CEO's review report on governance maturity, including risk management, internal controls and legislative compliance. <p>The Local Government (Audit) Regulations should set out the operational function and requirements in detail, with a model terms of reference or audit charter set out in a schedule.</p> <p>The role of council is to oversee the management and financial affairs of a local government. The Audit Committee is to assist Council with this function and should have a level of independence. Whilst it is problematic to require the majority of Audit Committee members to be independent members (not council members), we submit that independence can be achieved by mandating that at least one member of the Audit Committee is an independent member. The independent member/s must have the requisite skills and experience to undertake the role and assist the Audit Committee and the Local Government (Audit) Regulations should set out these requirements.</p> <p>The Chair of the Audit Committee's role is to chair and preside over the Audit Committee meetings. We submit that an independent member should not be encumbered with the additional responsibility of chairing and presiding over the Audit Committee meetings to ensure that are focused on undertaking their role of providing independent oversight.</p>
6.7 Building upgrade finance		
<ul style="list-style-type: none"> The local government sector has sought reforms that would enable local governments to provide loans to property owners to finance for building improvements. This is not currently provided for under the Act. The Local Government Panel Report included this recommendation. 	<ul style="list-style-type: none"> Reforms would allow local governments to provide loans to third parties for specific building improvements - such as cladding, heritage and green energy fixtures. This would allow local governments to lend funds to improve buildings within their district. Limits and checks and balances would be established to ensure that financial risks are proactively managed. 	<p>We submit that local governments are not lending agencies so significant resources would need to be available to develop and implement a regulated and compliant lending framework. Further, detailed financial planning and reporting would be required to ensure financial risks are managed appropriately.</p>

**Local Government Reform – Consultation on Proposed Reforms
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Current provisions	Proposed Reforms	Jackson McDonald Submission
6.8 Cost of waste service to be specified on rates notices		
<ul style="list-style-type: none"> No requirement for separation of waste charges on rates notice. Disclosure will increase ratepayer awareness of waste costs. The Review Panel Report included this recommendation. 	<ul style="list-style-type: none"> It is proposed that waste charges are required to be separately shown on rate notices (for all properties which receive a waste service). This would provide transparency and awareness of costs for ratepayers. 	<p>We support the proposed reform to display the waste charge separately from the rates charge on rates notices as this provides better transparency for the rate payer. However, we submit that there needs to be consistency across the local government sector in relation to how the waste charge is calculated and what is included to enable direct comparisons between local governments.</p>