Local Government Reform - Summary of Proposed Reforms

Shire of Wagin Responses

### Current Provisions

#### 1.1 Early Intervention Powers
- 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:
  - Suspend or dismiss councillors.
  - Appoint Commissioners.
  - Suspend or order remedial action (such as training) for individual councillors.
- The Act also provides the Director General with the power to:
  - 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 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.

#### 1.2 Local Government Monitors
- 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.
- 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:
  - 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 Practicing 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.

#### 1.3 Conduct Panel
- The Local Government Standards Panel was established in 2007 to receive minor breach complaints relatively quickly and provide the sector with guidance and benchmarks about acceptable standards of behaviour.
- The City of Perth Inquiry report made various recommendations that functions of the Local Government Standards Panel be reformed.
- The Standards Panel is proposed to be replaced with a new Local Government Conduct Panel.
- 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.

#### 1.4 Review of Penalties
- There are currently limited penalties in the Act for certain types of non-compliance with the Local Government Act.
- 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 currently the only significant tool for addressing significant issues within a local government.
- It is proposed that 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.

### Proposed Reform

#### 1.1 Early Intervention Powers
- 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.
- 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 Corruption, Crime and Misconduct Act 2003, the Occupational Safety and Health Act 1984, the Building Act 2011, 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).

### Comments

- Supported
- Supported
- Supported

### Shire of Wagin Response

- Supported
1.5 Rapid Red Card Resolutions

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. 

- 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.

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: 
  - Require the Presiding Member to issue a clear first warning. 
  - Off 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. 

1.6 Vexatious Complaints

- No current provisions.
  - The Act already provides a requirement for Public Question Time at council meetings.
  - Local governments already have a general responsibility to provide ratepayers and members of the public with assistance in responding to queries about the local government’s operations. Local governments should receive queries and complaints in a respectful, transparent and equitable manner.
  - 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 Inspector, which after assessment of the facts may then rule the complaint vexatious.

1.7 Minor Other Reforms

- 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.
  - 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.

Theme 2: Reducing Red Tape, Increasing Consistency and Simplicity

2.1 Resource Sharing

- 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.

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 the level of band 1.

2.2 Standardisation of Crossovers

- 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.

- Local laws are required to be reviewed every eight years.
- Local laws not reviewed in the timeframe would lapse, meaning that old laws will automatically removed and no longer applicable.
- Local governments adopting Model Local Laws will have reduced advertising requirements.

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2.3 Introduce Innovation Provisions

- The Local Government Act 1995 currently has very limited provisions to allow for innovations and responses to emergencies to (such as the Shire of Bruce Rock Supermarket).

New provisions are proposed to allow exemptions from certain requirements of the Local Government Act 1995; for: 
- Short-term trials and pilot projects 
- Provisions to deal with emergencies.

2.4 Streamline Local Laws

- 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.

- Local governments currently prepare individual standing order local laws.
- The Local Government Act 1995 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.

- It is proposed that the Local Government Act 1995 be amended to standardise the process for approving crossovers for residential properties and residential developments on local roads.
- The Local Government Act includes powers for the Minister to give specific direction for how local governments should meet the requirements of the Local Government Act and Regulations.

- It is proposed to amend the Local Government Act to give the Minister the power to provide greater consistency for approvals for: 
  - Alfresco and outdoor dining 
  - Small business signage rules 
  - Low impact residential developments.

- Local governments would be able to adopt the Model Local Laws, which would introduce greater consistency for approvals for: 
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2.5 Simplifying Approvals for Small Business and Community Events

- Inconsistency between local laws and approvals processes for events, street activation, and initiatives by local businesses is frustrating for business and local communities.

Proposed reforms would introduce greater consistency for approvals for: 
- Street activation, and initiatives by local businesses is frustrating for business and local communities.

2.6 Standardised Meeting Procedures, Including Public Question Time

- Local governments currently prepare individual standing orders local laws.
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Theme 3: Greater Transparency & Accountability

2.7 Regional Subsidiaries

- Initiatives by multiple local governments may be managed through formal Regional Councils, or through less formal “organisations of councils”, such as NEWROC and WEIROC.
- 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 Local Government (Regional Subsidiaries) Regulations 2017).
- So far, no Regional Subsidiary has been formed.

- It is proposed that Regional Subsidiaries are made consistent across Western Australia (see item 2.9). 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: 
  - Require the Presiding Member to issue a clear first warning. 
  - Off 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 
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  - 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.

Support

Support

Support

No objection

No objection

Support

Support

Support
3.1 Recordings and Live-Streaming of All Council Meetings

Currently, local governments are only required to make written minutes of meetings.

- While there is no legal requirement for livestreaming or video/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:
  - Growth and development
  - Strategic planning issues

- Demands and diversity of services provided to the community
- Total expenditure
- Staffing levels
- 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 local governments would be required to livestream meetings, and make video recordings available as public archives.
- General 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 may stifle free debate. At the other end of the spectrum, it may result in less public exposure, as a mayor to voice support for reelection and to generally cultivate a public profile for whatever reason, rather than focusing on the most legitimate outcomes. Likely to create more problems for the sector and its image. Submission of the local government to DLGSC would be another “Red Tape” task and mission of “Big Brother”. A further disincentive for people to run for Council.

3.2 Recording All Votes in Council Minutes

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.
- To support the transparency of decision-making by councillors, it is proposed that the individual votes be recorded 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 recorded consistently.

3.3 Clearer Guidance for Meeting Items that may be Confidential

- 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.
- 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 will 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 for archiving.

3.4 Additional Online Registers

- Local governments are required to provide information to the community through annual reports, council minutes and the publication of online information.
- Consistent online publication of information can facilitate 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.
- 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:
  - 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
  - Applicants 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 open space and car parking
  - Contracts Register that discloses all contracts above $100,000.

3.5 Chief Executive Officer Key Performance Indicators (KPIs) be Published

- It is a requirement of the Local Government Act 1995 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.
- To provide for minimum transparency, it is proposed to mandate that the KPIs be agreed as performance metrics for CEOs.
- The following new registers, each updated quarterly, are proposed:
  - KPIs published in council meeting minutes as soon as they are agreed prior to (before the start of the annual period)
  - The KPIs and the results be published in the minutes of the performance review meeting (at the end of the period)
  - 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).

4.1 Community and Stakeholder Engagement

- There is currently no specific 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.

- It is proposed to introduce a requirement for local governments to develop 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.

4.2 Ratepayer Satisfaction Survey (Band 1 and 2 local governments only)

- Many local governments already commission independent surveys to hold a satisfaction survey of residents/ratepayers.
- These surveys provide valuable data on the performance of local governments.
- 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 published 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.

4.3 Introduction of Preferential Voting

- The current voting method for local government elections is first past the post.
- The existing first-past-the-post does not allow for voters 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 choices.
- It is proposed that the existing provision 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 preference.
- 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.

4.4 Public Vote to Elect the Mayor and President

- The Act currently allows local governments to have the Presiding Member (the Mayor or President) elected either:
  - by the elected members of the district through a public vote; or
  - by the council as a resolution at a council meeting.

- 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 be elected through a vote of the elected members of the district. Councils in bands 3 and 4 would retain the current system.
- The 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.

4.5 Tiered Limits on the Number of Councillors

- 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.
- 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 smaller councils to reduce costs for ratepayers.
- The Local Government Panel Report proposed:
  - for a population of up to 5,000 – five councillors (including the President)
  - population of between 5,000 and 7,500 – five to nine councillors (including the Mayor/President)
  - population of above 75,000 – nine to fifteen councillors (including Mayor).

- It is supported – This could lead to elected members being better informed by the layman, rather than allowances and may attract candidates with real substance and seeking a higher profile, as well as a more direct election for the wrong reasons. It will indirectly give more power to CEO’s, who often have to make the hard decisions in the local government elections.
5.2 Greater Role Clarity

- The Act provides for the role of council, councillor, mayor or president and CEO.
- The role of the council is to: o Govern the local government's affairs o Be responsible for the performance of the local government's functions.
- The Local Government Act Review Panel 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. o These proposed roles would be open to further consultation and input.
- These roles would be further strengthened through Council Communications Agreements (see Item 5.3).

5.2.1 - Mayor or President Role

- 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: o Representing and speaking on behalf of the whole council and the local government, at all times being consistent with the resolutions of council.
- Developing and maintaining professional working relationships between councillors and the CEO.
- o Performing civic and ceremonial duties on behalf of the local government.
- o Working effectively with the CEO and councillors in overseeing the delivery of the services, operations, initiatives and functions of the local government.

5.2.2 - Council Role

- 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: o 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.
- o Providing a safe working environment for the CEO.
- o Providing strategic direction to the CEO.
- o Monitoring and reviewing the performance of the local government.

5.2.3 - Elected Member (Councillor) Role

- 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: o 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).
- o Positively and fairly contribute and apply their knowledge, skills, and judgement to the democratic decision-making process of council.
- o Adhering to prevailing relevant law and policy in contributing to the decision-making of the council.
- o Engaging in the effective forward planning and review of the local governments' resources, and the performance of its operations, services, and functions.
- o Communicating the decisions and resolutions of council to stakeholders and the public.
- o Developing and maintaining professional working relationships with all other councillors and the CEO.
- o Maintaining and developing their knowledge and skills relevant to local government.
- o Facilitating public engagement with local government.
- o 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 an email address) unless they are performing their role in their official capacity.
5.4 Local Governments Pay Superannuation Contributions for Elected Members

-Elected members are eligible to receive setting fees or an annual allowance.
-This is currently no requirement for a format careaker period, with individual councils operating under their own policies and procedures.
-This is a common point of public confusion.

5.5 Local Governments May Establish Education Allowances

-Local government elected members must complete mandatory training.
-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.
-Novice 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.

5.6 Standardised Election Careaker period

-There is currently no requirement for a format careaker period, with individual councils operating under their own policies and procedures.

5.7 Remove WALGA from the Act

-The Western Australian Local Government Association (WALGA) is constituted under the Local Government Act 1995.
-There are written Communication Agreements between the council and the CEO.

5.8 CEO Recruitment

-Recent amendments introduced provisions to standardise CEO recruitment.
-The recruitment of a CEO is a very important decision by a local government.
-Local governments will need to have Council Communications Agreements between the council and the CEO.

6.1 Model Financial Statements and Tiered Financial Reporting

-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, Parth, Fremadit) small (Sandstone, Witi, Dalalfrin) local governments, even though they vary significantly in complexity.
-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.
-It is proposed that local governments will need to have Council Communications Agreements between the council and the CEO.
-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.
-Other states have already moved to allow councils to make superannuation contributions for councillors.

6.2 Improved Strategic and Financial Planning

-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:
-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.
-Complementing and maintaining systems to enable effective planning, management, and reporting on behalf of the council.

6.3 Local Governments May Pay Superannuation Contributions for Elected Members

-There is currently no requirement for a format careaker period, with individual councils operating under their own policies and procedures.
-This is a common point of public confusion.

6.4 Support in-principle.

6.5 Support RAMG's position of a consistent-regulated Communications Agreement.

6.6 Not supported, however if implemented that it be within the allowance cap for elected members.

6.7 Support embargo on major financial decisions during careaker periods.

6.8 Concern that this would be another bureaucratic process and a further erosion of LG autonomy.

Support reporting requirements being tiered.
6.2 Simplify Strategic and Financial Planning

- 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.

Support

6.3 Rates and Revenue Policy

- 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.

Support in principle however care would need to be taken to ensure the use of adequate reserves.

6.4 Monthly Reporting of Credit Card Statements

- No legislative requirement.
- Disclosure requirements brought in by individual councils vary widely.
- These are reported on the MyCouncil website. These ratios are intended to provide a indication of the financial health of every local government.

Support

6.5 Amended Financial Ratios

- 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.

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.

Supported

6.6 Audit Committees

- 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.

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.

The Committee would be able to include council members but would be required to include a majority of independent members and an independent chairperson.

Not supported – more unnecessary, expensive and time-consuming red tape.

Additional expense would be disproportionate to the size of many Local Governments.

Support

6.7 Building Upgrade Finance

- The local government sector has sought reforms that would enable local governments to provide loans to property owners to finance building improvements.
- This is not currently provided for under the Act.
- The Local Government Panel Report included this recommendation.

Reforms would allow local governments to provide loans to third parties for specific building improvements—such as cladding, heritage and even energy futures.

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.

Support

6.8 Cost of Waste Service to be Specified on Rates Notices

- No requirement for separation of waste changes on rates notice.
- Disclosure will increase ratepayer awareness of waste costs.
- The Review Panel Report included this recommendation.

Support

- 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.

No objection. Care would need to be taken not to inflate the attribution to depreciation and also for long term refuse site rehabilitation.