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Submission

**Select Committee into
Local Government**

August 2019

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About WALGA

The WA Local Government Association (WALGA) is working for Local Government in Western Australia. As the peak industry body, WALGA advocates on behalf of 138 Western Australian Local Governments. As the united voice of Local Government in Western Australia, WALGA is an independent, membership-based organization representing and supporting the work and interests of Local Governments in Western Australia. WALGA provides an essential voice for 1,222 Elected Members, approximately 22,000 Local Government employees (16,500 Full Time Equivalent's) as well as over 2.5 million constituents of Local Governments in Western Australia.

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Introduction

Local Governments play a key role in the Australian Federation. Local Governments in Western Australia provide democratic representation and a range of services to their respective communities which span the length and breadth of the state.

Local Governments, in one form or another, have existed in Western Australia since the arrival of settlers from Britain in the nineteenth century. The first piece of legislation to weave the fabric of today's Local Government sector was the *Towns Improvement Act of 1838*.¹ Today, Local Government is constituted and primarily regulated by the *Local Government Act 1995* but there are many other legislative instruments which impact the way Local Governments operate in their diverse array of activities.

Local Governments are a key democratic institution in Western Australia's local communities. Councils have well-established relationships with the communities they serve and represent, local businesses and organisations as well as other spheres of government.²

Services provided by the 139 Local Governments in Western Australia include the traditional roads and waste collection but also now extend to recreation, medical services and other human services.³ Often, Local Governments taking on new or expanded roles in service delivery or advocacy is as a result of gaps left by other spheres of Government reducing their service delivery, or due to community pressure for Local Governments to step into a particular space.

All Local Governments throughout Western Australia continually strive to provide the highest quality services within the constraints of Local Government revenue streams, Australia's vertical fiscal imbalance and ongoing cost-shifting from other spheres of Government, all of which are well documented by the 2003 Hawker Report⁴ and many reports on Local Government finances before and since.⁵

Local Government in Western Australia, with a presence in every community in the state represents a significant component of the State's economy. Local Government is the steward of public assets of \$48 billion, including responsibility for more than 88 percent of the public road network, employs a workforce of 22,000 people (16,500 FTEs) and spends \$4.1 billion per year.⁶

¹ WALGA (2011)

² Aulich *et al* (2011) Volume 2 p13

³ PricewaterhouseCoopers (2006)

⁴ House of Representatives Standing Committee on Economics, Finance and Public Administration, (2003)

⁵ See also PricewaterhouseCoopers (2006) and Aulich *et al* (2011) Volume 1

⁶ WALGA (2019a)

Trust in Government

The 2019 Edelman Trust Barometer, the pre-eminent study of peoples' trust in institutions around the world found, that:

- Trust in Government remains low in Australia with people generally 'distrusting' of Government, and,
- Only a minority in western democracies believe "the system is working for me".⁷,

This lack of trust in democracy and in institutions has a real impact. A lack of trust in the system leads to increased fear and increased fear erodes trust and negatively affects our collective wellbeing.

This places Local Government in a very important position and creates significant opportunities for Local Government as a legitimate and connected sphere of Government.

As trust in Government and institutions declines to an all-time low, there is a small slice of good news for Local Government. The 2014 Griffith University Constitutional Values Survey found that, of our three spheres of Government, Local Government is the most trusted.⁸

Specifically, in Western Australia, while 69.8 percent of respondents trust Local Government to do a good job in carrying out its responsibilities, 63.2 percent of respondents trust the State to do a good job and only 56.9 percent trust the Federal Government to do a good job with its responsibilities.

With global uncertainty, and the erosion of trust in government, many people are looking for community, connection and stability. The challenge being embraced by Local Governments across Western Australia is to enable and facilitate this community connection.

This Select Committee presents a tremendous opportunity to further build trust in Local Government as a legitimate and democratically mandated sphere of government. This can be achieved by highlighting the achievements of Local Government.

It would be a real shame, and an opportunity lost, if this Parliamentary Inquiry is hijacked by those with an axe to grind using the committee process to air their often unfounded or unsubstantiated grievances. Instead, this Inquiry has a tremendous opportunity to highlight the achievements of Local Government in building cohesive and resilient communities.

To that end, WALGA would like to pay tribute to Western Australia's 1,222 Elected Members who have been willing to step up and take a leadership role in their communities, often in a challenging political role in the public realm. Unfortunately, Local Government has recently

⁷ Edelman (2019)

⁸ Griffith University (2014)

attracted uninformed criticism from a small number of noisy individuals who seem to have an axe to grind.

WALGA would like to remind the Committee that it's not the critics, comfortable in their cheap seats behind anonymous social media pages who matter, it's the men and women who put themselves forward to take a leadership position in their community.

As Theodore Roosevelt famously said:

“It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly... who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly.”⁹

That's not to assert that the Local Government sector in Western Australia is perfect; of course there is room for improvement and Local Governments welcome opportunities to improve their efficiency, effectiveness and their engagement with their communities.

Local Government has embraced a range of recent initiatives to improve their efficiency, effectiveness and engagement with their communities. For instance, the Integrated Planning and Reporting Framework was introduced into Western Australia at the behest of the Local Government sector who saw the opportunity for a more integrated and strategic approach to community, financial and business planning.

Performance audits, undertaken by the Auditor General, have also been welcomed by the Local Government sector. Performance audit participants have welcomed the opportunity to have their systems and processes critically examined by an external agency, and the learnings from the performance audits have been widely shared across the sector.

The increasing prevalence of deliberative democracy techniques, such as participatory budgeting, further demonstrates the desire and willingness of Local Governments to meaningfully engage with their communities.

It is WALGA's and the Local Government sector's expectation that the Committee will take the time to consider the full range of positive examples of Local Governments continual drive to deliver services efficiently, be an effective steward of community infrastructure, and

⁹ Brown (2019)

engage meaningfully with citizens as a key component of Western Australia's vibrant democracy.

Local Government Collaboration

Local Governments, while democratically representing their communities, strive to deliver services effectively and efficiently. One way Local Governments aim to improve their service provision is by collaborating with other Local Governments in partnerships, as members of Regional Local Governments, or as members of voluntary collaborative groups.

Collaboration in Local Government has a number of drivers. A key driver for Local Governments to work together to achieve community outcomes is to strive for better, more strategic, and regionally appropriate outcomes. When Local Governments collaborate to, for example, develop aged housing facilities, or promote regional tourism, they are collaborating because together they can drive better outcomes than they could as one Local Government undertaking a task more suited to a regional scale.

Local Government collaboration is also driven by necessity. In many cases, Local Governments collaborate because the service is more efficiently provided at a regional level. For example, in metropolitan Perth, Local Governments are members of Regional Local Governments to collaboratively provide waste services at an appropriate scale and level of service.

It is important to note that Local Governments also actively seek to work collaboratively with Government agencies, industry, local business and civil society in delivery community outcomes. Across regional WA, Local Governments work closely with Regional Development Commissions and regional offices of the Commonwealth's Regional Development Australia (RDA) network to undertake regional planning, develop regional projects and leverage State and Federal funding.

WALGA recently produced a "Cooperation & Shared Services" document that provides demonstrations of the collaboration currently being undertaken in the sector.

The document can be found here: [Cooperation & Shared Services document](#) and is also attached as Addendum 1.

Legislation

a) *Whether the Local Government Act 1995 and related legislation is generally suitable in scope, construction and application*

The legislative framework governing Local Government is generally appropriate and the underpinning principle of 'general competence' is strongly supported by the Local Government sector.

However, additions and amendments since the current Local Government Act was introduced over 20 years ago have created a layered, spaghetti-like regulatory regime that needs to be untangled and simplified. Similarly, practice and procedures have changed since the current Act's introduction and, as a result, the legislative framework requires modernisation.

For these reasons, the Local Government sector has strongly supported the State Government's goal to undertake a full Review of the *Local Government Act 1995* and the associated regulations.

Local Government Act Review

WALGA has been a strong supporter of the current Review of the Local Government Act and has supported the Government's intent to streamline and modernise the legislative framework.

WALGA put forward a comprehensive submission to Government that was the culmination of a signification consultation and engagement process, and the collection of policy and advocacy positions developed over many years.

The Local Government sector participated in a comprehensive process leading up to the adoption of the advocacy positions, as detailed below:

WALGA partnered with the Department of Local Government, Sport and Cultural Industries to deliver facilitated workshops across all WALGA Zones, held throughout October and November 2018. Approximately 500 Elected Members and senior administrators attended 19 workshops held in each of the 17 WALGA Zones.

WALGA, LG Professionals and the Department of Local Government, Sport and Cultural Industries partnered to host the Future of Local Government Forum, which was held at Curtin University on Wednesday, 30 January 2019 and was attended by 230 participants.

A total of 73 member Local Governments provided responses to the WALGA consultation process, either through an individual response or a Zone/regional group response. 42

individual Local Governments responded with additional collective responses from three WALGA Zones representing a further 31 member Local Governments.

The WALGA State Council, consisting of 25 representatives from across the State, in adopting advocacy positions in March 2019 endorsed the positions unanimously. This demonstrates the veracity of the consultation process. In addition, the Department of Local Government, Sport and Cultural Industries received over 3,000 submissions from the community, Local Governments and stakeholder bodies.

Key Principles

State Council, in finalising WALGA's submission to the Local Government Act Review process, endorsed the following key principles as fundamental drivers of future Local Government legislation.¹⁰

1. Retain General Competence Powers.

The Local Government Act is founded on the general competence powers principle, which gives Local Governments the legal capacity to do anything that is not prohibited by law. This principle is uniformly supported by the Local Government sector and that it should not be diluted by over-regulating the operations of Local Government.

2. Provide Flexible, Principles-based Legislative Framework.

The Local Government Act works well when Local Governments apply their general competence powers within a legislative framework that provides for good governance, with accountability to the community for decision-making. The Local Government sector seeks a light-touch regulatory approach accompanied by best practice guidance, support and assistance.

There is concern that, without adequate care and sector input, the new Local Government Act will be overly prescriptive and mistakes of the past will be repeated. Prescriptive compliance regimes do not typically drive innovation or organisational performance; instead boxes are ticked and processes to comply are implemented leading to inefficiencies and distractions.

The Local Government Act should focus on principles and objectives, not on process. As an example, Local Governments in 2016 were given the ability to establish Regional Subsidiaries. A key feature of the model is to enable Local Governments to establish a subsidiary that is fit-for-purpose by adapting the governing charter to the subsidiary's purpose and structure. Instead, the regulations are prescriptive and a number of Local Governments have considered the model and opted not to pursue it. Best practice, guidance material and

¹⁰ WALGA (2019b)

smart people working together to solve problems drive innovation; prescriptive regulation drives compliance for the sake of compliance.

To focus on the process and not the principles and objectives risks embedding today's practice into legislation instead of allowing Local Governments the flexibility to innovate and adapt to new methods and new technologies. Not everything a Local Government should do needs to be legislated. Ultimately, Councils are considered to be generally competent and are accountable to the community through democratic elections held every two years.

3. Size and Scale Compliance Regime

There is a marked appetite in the response to the Facilitated Workshops, Detailed Discussion Papers and Future of Local Government Statewide Forum for differentiation between Local Governments based on size and scale.

- 4. Promote enabling legislation that empowers Local Government to carry out activities beneficial to its community taking into consideration the Local Government's role in creating a sustainable and resilient community through:**
- i. Economic development;**
 - ii. Environmental protection; and,**
 - iii. Social advancement.**

The need to provide enabling legislation with a 'menu of opportunities' for the sector. The State Government needs to set legislation that enables Local Governments to carry out activities, even though all Local Governments may not want to carry the activity; those that wish to, should be permitted to. A good example of this is the proposed introduction of beneficial enterprises.

5. Avoid Red Tape and de-clutter the extensive regulatory regime that underpins the Local Government Act.

WALGA has called for the de-cluttering of the extensive regulatory regime that underpins the Local Government Act. The Act Review provides a timely reminder that the legislative burden on Local Government is vast and burdensome; the Local Government Act itself runs to over 500 pages and the 9 associated Regulations combine to approximately 400 additional pages. It would not be unfair or unkind to observe that few within each Local Government's administration, and fewer Elected Members, would grasp the level of detail contained throughout the Act and Regulations, creating of its own accord a compliance burden.

This scale of legislation represents a considerable challenge to the delivery of effective and efficient governance. WALGA echoes the sentiments of Dr David Cox, Chair of the Law Reform Commission of Western Australia, who stated at the Local Government Act Forum in January 2019:

“Consideration in drafting (the new Act) is to think about who you are drafting it for? Consider who has to read it and write it for normal people – not law graduates. People want to know what’s governing them and they need to understand it.”¹¹

6. The State Government must not assign legislative responsibilities to Local Governments unless there is provision for resources required to fulfil the responsibilities.

The State Government should not impose responsibilities to Local Governments without adequate resourcing. This principle is contained within the British Columbia Community Charter¹² and is supported by the Local Government sector.

Key Policy Positions

The following key policy positions are considered very important to the sector;

Rates, Fees and Charges

Rating Exemptions

- Rating Exemptions - Request that a broad review be conducted into the justification and fairness of all rating exemption categories, Sector Revenue foregone 2017/18 - \$45.6m;
- Local Government Act should eliminate exemptions for commercial (non-charitable) business activities of charitable organisations;
- Support for exemptions of genuine Charitable activities that qualify under the Commonwealth Aged Care Act 1997;
- Eliminate exemptions for Government Trading Enterprises;
- Support for the principle that all users of Local Government services should make a contribution to these services.

Rating Restrictions – State Agreement Acts

- Resource projects covered by State Agreement Acts should be liable for Local Government rates.

Imposition of Fees and Charges: Section 6.16

- That a review be undertaken to remove fees and charges from legislation and Councils be empowered to set fees and charges for Local Government services.

¹¹ Cox, D. (2019)

¹² British Columbia (2019)

No Rate Capping

The Local Government sector opposes rate capping or any externally imposed limit on Local Government's capacity to raise revenue as appropriately determined by the Council.

Beneficial Enterprises

The *Local Government Act 1995* should be amended to enable all Local Governments to establish Beneficial Enterprises (formerly known as Council Controlled Organisations).

Beneficial Enterprises are:

- Arm's length entities to deliver projects and services required by the community;
- Vehicle for greater efficiency and improved partnering practices for Local Government;
- Provide services & facilities that are not attractive to private investors;
- Cannot carry out any regulatory function of a Local Government;
- Skills Based Board – Alternate governance model;
- Not about outsourcing essential services.

Building Upgrade Finance

That WALGA advocate for amendments to the Local Government Act that enable a Building Upgrade Finance mechanism in Western Australia.

The Building Upgrade Finance position is advocating for reforms to Western Australian legislation that would enable local governments to guarantee finance for building upgrades for non-residential property owners. In addition to building upgrades to achieve environmental outcomes, advocates have identified an opportunity to use this approach to finance general upgrades to increase the commercial appeal of buildings for potential tenants. In this way, Building Upgrade Finance is viewed as means to encourage economic investment to meet the challenges of a soft commercial lease market in Perth and achieve economic growth.

Community Engagement Policy

That the Local Government Act 1995 include a requirement for Local Governments to adopt a Community Engagement Policy, with each Local Government to determine how to implement community engagement strategies.

Additional Policy Positions

A complete schedule of the Local Government sectors adopted policy positions, grouped according to the Government's three themes of agile, smart and inclusive, relating to specific

elements of the Local Government legislative regime were included in WALGA's submission to the Review of the Local Government Act which can be found [here](#) and is also attached as Addendum 2.

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Scope of Activities of Local Government

b) The scope of activities of local governments

Local Government is an important sphere of Government that undertakes functions most appropriately implemented at the local level. As the sphere of Government closest to the people, Local Government affects the daily lives of all people and businesses and is well-positioned to have unique insight into the needs and aspirations of their communities.¹³

Across Western Australia, there is significant diversity in the range of functions and services that are provided by Local Government.

While there is some diversity of function across Local Governments in Western Australia, all Local Governments undertake a number of regulatory functions such as authorisation of planning and building developments, waste management, administration of food safety laws, regulation of companion animals, and provision of local roads. Most Local Governments provide social services as well, including provision of recreation and community facilities, economic development promotion and community festivals and events.

Local Governments in Western Australia manage a vast road network, of approximately 127,500km, and significant other built assets. On behalf of the community, Local Governments are responsible for nearly \$14 billion of built assets (excluding transport assets). These primarily comprise recreation facilities, including ovals and pitches for a wide range of sports, swimming pools, tennis courts, and gymnasiums, libraries, arts and other community centres. Local Governments with coastal or river frontage provide and maintain recreational boat launching facilities and associated infrastructure.

Some of the diversity of functions and services is driven by financial capacity. For instance, small, remote Local Governments do not have the financial resources to provide the community recreation services that a large metropolitan Local Government provides.

Diversity of functions can also be driven by community demand. For instance, Local Governments in country Western Australia deliver services, such as health services, that would otherwise be provided by the market or the State Government in metropolitan Perth. Local Governments in non-metropolitan regions also often provide housing and other incentives to attract and retain health and other professionals.

Evolution of Local Government's role to encompass human, social and community services is in response to the dynamics on the ground, including the withdrawal of services from other spheres of Government or in response to the democratic aspirations of the community.

¹³ Productivity Commission (2017)

The retreat from service provision from the State Government often means that Local Government, at the behest of the community through the democratically elected Council, will step up to fill the gaps. For example, a number of Local Governments provide security services in their suburbs and communities. Often this sort of service eventuates due to the demands of citizens for a safer community. Similarly, a number of Local Governments are actively becoming involved in seeking to address homelessness in their communities. While the State Government's Department of Communities is the lead agency responsible for addressing homelessness, Local Governments often play a role in coordinating agencies and not-for-profit service providers, again filling a gap in service provision from another sphere of Government.

Waste Management and Resource Recovery

The Local Government sector provides contemporary waste management (and often resource recovery) services as an essential service to their communities in order to maintain public health standards and minimise the environmental impact of municipal solid waste, with the *Waste Avoidance and Resource Recovery Act 2007*, the *Health Act 1911* and the *Local Government Act 1995* providing the primary heads of power. Resource recovery operations are subject to international commodity price fluctuations, foreign environmental import standards and contamination rates that impact the quality of the commodities recovered. Importantly, recycling also generates three-to-one employment opportunities compared to traditional landfill.

The 2016-17 Census of Local Government Waste and Recycling Services found that Local Governments in Western Australia spent \$295 million in collecting 1.5 million tonnes of domestic waste in 2016-17.¹⁴ 16 Local Governments reported investing in new waste and recycling infrastructure and/or initiatives in 2016–17.

These investments included:

- New or upgraded transfer stations (completed or commenced construction) in the shires of Dardanup, Harvey, Moora, Cuballing and the City of Busselton;
- A new landfill cell in the Shire of Augusta–Margaret River;
- The installation of a landfill weighbridge in the Shire of Broome;
- A new regional waste facility in the Shire of Ravensthorpe;
- A new green waste kerbside collection service in the City of Subiaco; and,
- The introduction of a fortnightly kerbside recycling service in the City of Karratha and the Shire of Coorow.

36 Local Governments reported recycling their own construction and demolition waste and 73 Local Governments reported recycling green waste from their own operations, and a

¹⁴ Waste Authority (2018a)

number of metropolitan Local Governments are investing in waste to energy solutions for residual waste. 52 Local Governments and regional councils reported spending a total of approximately \$3 million in waste and recycling education programs in 2016–17. About half (52 per cent) was expended by regional councils.

All of this innovation is being achieved with minimal strategic planning or financial support from State or Commonwealth Governments. The new State Waste Strategy is uncosted and unfunded. It is important to note that in 2017, the Waste Avoidance and Resource Recovery Levy generated approximately \$76m in receipts, of which 75 percent went to consolidated revenue, with the Minister for Environment approving the allocation of just \$19 million to the WARR Account.¹⁵ Of the \$19m, approximately half went to underwriting the waste branch of the Department of Water and Environmental Regulation, leaving approximately \$8.5m for strategic waste initiatives.

Local Government contends that there are a number of improvements that would assist in delivering more efficient and effective outcomes – including meeting the targets of the State Waste Strategy – primarily through hypothecating all funds collected from the Waste Avoidance and Resource Recovery Levy into strategic waste management activities (as identified in the State Waste Strategy and Action Plan). Strategic investments could then include 50:50 funding for FOGO (3 bin) infrastructure, state-wide and regional waste infrastructure plans to direct future public and private investments, the State Government mandating sustainable procurement policies across all departments and agencies, and matching funding for Local Government regional landfill upgrades. A State/Local Government Partnership Agreement on Waste Management and Resource Recovery would provide the required governance framework to achieve this.

Roads, Bridges, Paths and Drains

Local Governments are responsible for 127,500km of roads in Western Australia, which represents 88 percent of the public road network.

With just 10.5 percent of the national population, Western Australian Local Governments are responsible for 19.4 percent of the Local Government road length. This equates to 49.4km of road per person, which is nearly double the National average of 26.8km of Local Government road per person. For comparison, NSW Local Governments are responsible for just 18.6km of roads per person. This reflects both the extensive nature of the road network in WA and the responsibility of Local Government in Western Australia for all but the highest order roads (primarily freeways and highways). This has clear ramifications for the capacity to fund road maintenance and renewal. This issue is discussed further in the section relating to Local Government funding.

¹⁵ Waste Authority (2018)

To support active transport (walking, cycling) Local Governments provide and maintain more than 15,800km of sealed walking and cycling paths and an additional 715km of gravel paths.

There are 894 bridges managed by Local Governments across Western Australia.

Effective drainage is critical but typically unseen infrastructure provided and maintained by Local Governments to avoid damage to public and private infrastructure from inundation.

With an estimated replacement value of \$27.18 billion at June 2018, the roads, paths, bridges and drains are one of the most valuable State assets in a financial sense as well as underpinning the connectivity of communities and industries.

Local Governments spent \$982 million on roads, bridges and paths during 2017/18. Nearly half of this expenditure is funded by Councils from rates and other revenues. The balance is funded by the Federal Government (22 percent) and the State Government (28 percent).

Local Governments are also seeking to innovate in the construction of roads and paths with many utilising recycled material.

Transport Planning

Almost every journey involves the road and path network under the control of Local Governments. Consequently, Local Governments are actively involved in transport planning to ensure that community and industry expectations for access and safety are delivered. This activity assists to address key issues of congestion, particularly around activity centres, parking and integration between modes, particularly public transport.

In industrial, rural and regional areas, freight movements are an important consideration as efficient movement of freight underpins the economic growth of these areas.

In the five years to 2017, 50.4 percent of those killed and 59 percent of those seriously injured in road crashes were on roads under the control of Local Governments. Identifying high risk locations, suitable treatments to ameliorate the risks and sourcing funding for these projects is an important Local Government function.

Provision of transport related services and infrastructure accounts for nearly 30 percent of total Local Government expenditure.¹⁶

Local Governments are innovating in their transport planning responsibilities as much as possible. For instance, Local Governments are utilising data from mobile phones and vehicle navigation systems to inform transport planning, using drones and other remote sensing

¹⁶ Western Australian Local Government Grants Commission (2018)

technology to improve efficiency and reduce risks, and building and providing charging infrastructure for electric vehicles.

Town Planning

Local Governments' town planning function aims to maintain and improve the wellbeing of local communities. Local Government has been involved in planning for its local communities since the *Town Planning and Development Act 1928* took effect in 1929. This Act provided for planning and development control to be achieved primarily through 'town planning schemes' prepared by local governments and approved by the Minister. Over the years, the level of detail and content of local planning schemes has evolved, guided by State Government requirements to address numerous state-wide planning issues and concerns at a local level to ensure the consideration of local perspectives and preservation of community values. Each Local Planning Scheme has been endorsed by the State Planning Agency (of the day) and has been granted formal approval by the Planning Minister to guide development in the local area.

Western Australian Local Governments are providing effective planning frameworks for the consideration of planning matters within their jurisdictions. Confirmation of this effectiveness was affirmed in a recent review of the planning and development performance of 19 Local Governments. These Local Governments encompass 90 percent of the total population of the Greater Perth region and 84.5 percent of the region's population growth between 2016 and 2017. The project provided an excellent representation of how the sector is achieving its strategic and statutory planning functions and meeting statutory timeframes of the planning and building approvals processes.

Key findings from this detailed review include:

- 99 percent of all building applications were approved by Local Governments within statutory timeframes.
- 98 percent of all planning applications were approved or responded to within the statutory timeframes. Planning applications include all development applications, subdivision referrals and clearances, building strata clearances (Form 26s) and building permits.
- 97 percent of applications were approved under delegated authority, allowing Council officers to assess and approve the application rather than being considered at a full Council meeting.
- Of the total time taken to process a scheme amendment, on average 40 percent is spent with the WA Planning Commission, Minister for Planning or the Environmental Protection Authority.
- On average each Local Government has seven strategic planning documents which support land use planning functions, including: Strategic Community Planning, Community infrastructure, Commercial, Housing, Environment, Economic, Transport,

Activity Centres, Heritage and an Public Open Space. This demonstrates that Local Governments consider a complex array of planning matters when assessing planning applications, yet still meet statutory timeframe requirements.

There are a number of improvements that would assist the Local Government sector in fulfilling its planning responsibilities, including:

- Release of the Government's response to the Independent Planning Reforms 'Green Paper', which aims to streamline the WA planning framework and clarify roles and responsibilities;
- Resourcing the Department of Planning Lands and Heritage to assist in the implementation of the proposed Planning Reform measures that will be outlined in the response to the 'Green Paper';
- Review of the State Government Planning framework, given the large number of policies, guidelines, manuals and position statements to which Local Government must refer;
- Review of the Local Planning Strategy process given the massive amount of information expected to be included in the document, as outlined in the Local Planning Manual. The review should also include the connection to the State's Integrated Planning Framework and provide scalability of the content for smaller local governments;
- Providing legislated timelines for all referral agencies to provide advice on both strategic and statutory proposals;
- Timeframes for State Planning Policy review processes, as some 'reviews' have been underway for numerous years which affect a Local Government's ability to incorporate this proposed information into their local planning framework; and
- A review of the Planning Fees and Charges, which have been frozen since 2013.

Other issues being faced by the sector which inhibit its capacity to fulfil its planning responsibilities include:

- The dichotomy between the current focus on the standardisation of all Local Governments' local planning controls and the clear role of a Local Planning Scheme in upholding the specific local character and objectives of an area;
- A lack of a full cost benefit analysis of Development Assessment Panels (DAPs), to determine the effectiveness of the system, and what is an appropriate level of DAP involvement within the WA Planning system;
- Planning for waste in the peri-urban areas in a strategic manner, rather than each Local Government having to consider applications in an ad hoc manner;
- Lack of clarity and assistance in resolving financial and liability concerns in coastal planning implementation after completing a coastal hazard risk management plan;
- Different requirements and expectations of the various State Agencies in the implementation of Bush Fire Planning mechanisms; and

- Lack of coordinated state-wide planning for the provision of Regional Open Space. Local Governments are collaborating to try and achieve this outcome.¹⁷ Also compounded by the spending of the funds within Metropolitan Region Improvement Fund in order to progress regional open space and other regional infrastructure items, to ensure that the regions continue to grow.

Building

Local Government has been involved in building control for its local communities since the 1960s, providing for the health and safety of its residents through the assessment and issuing of building licences and monitoring of the licence conditions. A major change in the Building functions occurred in 2012, with the private sector able to be more involved in the process, in regards to the private certification of Building Permit Applications.

Local Governments are Permit Authorities under the *Building Act 2011*. Building Permits are issued by Local Government for any building work for which a building permit application is required pursuant to the *Building Act 2011* (Part 5) and the *Building Regulations 2012* and are assessed using the National Construction Codes, *Building Act 2011* and *Building Regulations 2012*, relevant Australian Standards, Local Laws and other relevant legislation.

A recent Office of Auditor General report found that the Local Government entities reviewed in the audit were properly assessing permit applications against requirements in the *Building Act 2011* and issuing most building permits within the legislated timeframes. Combined with the statistics from the recent Performance Monitoring project – specifically that 99 percent of all Building Applications were approved within the statutory timeframes – the sector is effectively performing its building permit function.

There are a number of improvements that could assist the Local Government sector in fulfilling its Building responsibilities including:

- A review of the operation of the *Building Act 2011* and associated regulations, and the improvements that the Local Government sector requires, in order to effectively administer the Act; specifically on the following topics:
 - clarity of information required to be submitted to Local Government;
 - mandatory inspections, including when and how they are undertaken;
 - time frames and fees;
 - amended plans process;
 - difficulties in building in bush fire prone areas;
 - appropriate infringements;
 - ongoing training and training of swimming pool inspectors;

¹⁷ See www.gapp.org.au/

- registration of technical specialists;
 - role of the Department of Fire and Emergency Services; and
 - Clarity on the other prescribed approvals that are required.
- A review of the fees and charges to ensure cost recovery is able to be achieved for the entire building process, not just the Building Permit assessment process.

Other issues being faced by the sector which inhibit its capacity to fulfil its building responsibilities include:

- The constant Industry pressure to introduce a full private certification model as occurs in the Eastern States, without the acknowledgement that a full regime of inspections would also need to be included to protect the consumer;
- Resources within a Local Government to provide a service, as the fees currently only pay for a portion of the Building Permit issuing function;
- Lack of workforce planning, encouraging more people to enter into a Building Surveying function in Local Government. The funds from the Construction Training Levy Fund does not include Local Government building surveyor trainees; and
- Lack of clarity and advice from the Building Commission on the operation of the Building Act. Some Local Governments spend significant time and resources obtaining advice from other Local Governments or from legal experts, in order to effectively implement the Act.

Emergency Management

Emergency Management is a relatively new Local Government responsibility. The roles assigned to Local Governments under the *Bushfires Act 1954* could be considered a traditional role of Local Government, as have been in place since 1954 and currently affect approximately 120 Local Governments. The Bushfires Act is primarily related to the management of bushfire brigades, enforcement of bushfire preparation and enforcement measures for non-compliance.

The *Emergency Management Act 2005* prescribed further responsibilities to Local Governments including requirements to:

- Undertake Emergency Risk Management assessments;
- Establish and chair a Local Emergency Management Committee;
- Develop and maintain local emergency management arrangements;
- Manage Recovery following an emergency; and,
- Appoint a Local Recovery Coordinator.

Furthermore in 2015, Bushfire Risk Management Planning was enshrined in State Emergency Management Policy (SEMP 2.9, Management of Emergency Risks). This policy

identifies AS/NZS ISO 3100:2009 Risk Management – Principles and Guidelines as the standard for emergency risk management in Western Australia. Schedule 3 of this policy identifies Local Governments with high or extreme level of bushfire risk require a specific plan. Local Governments named in the schedule are required to develop an integrated plan with participation from other agencies and landowners, and are named as the custodians of the plan for ongoing review. As this program matures, Local Governments are now facing the implications of undertaking works to mitigate the identified risks. The State is yet to embed mitigation policy and funding mechanisms into the State framework.

Since 2017, the Local Government sector has been adapting to the responsibilities outlined in Australia's strategy for protecting crowded places from terrorism. The Strategy has introduced the concept of 'shared responsibility' to counter terrorism which has not featured as strongly within the existing counter terrorism arrangements in Western Australia.

This has posed many challenges to Local Governments as outlined most recently in the Community Development and Justice Standing Committee Inquiry into crowded places. In brief, the sector is currently grappling with the implementation of the Strategy including:

- The strategy is not linked to any legislation or policy framework within WA and is therefore not mandatory;
- With no identified standards for compliance, there is a lack of clarity on the role of Local Governments as an owner operator and / or as the approver of events,
- The strategy lacks coordination across government with many State Government agencies acting independently on their own interpretation of their responsibilities,
- A risk management based approach to event approvals and consideration of mitigation measures is the preferred approach by Local Governments,
- There has been no funding provided to assist and support Local Governments to undertaken these responsibilities or in implementing mitigation measures,
- Local Governments are concerned with the implications of these measures on events that are being hosted by community groups. Many Local Governments are challenged by asking these groups to be considering counter terrorism when it is the intention of these groups to be building community connections and wellbeing;
- The costs associated with implementing mitigation measures is cost prohibitive for community groups and Local Governments.

Climate Change

Any objective analysis of how each of the three spheres of government is tackling the issue of climate change would indicate that it is Local Government that is determined not to allow short term politics to impede good long term public policy, and action. No level of government wants to scare its community, but there is a clear duty of care to ensure that decisions made benefit the community in the long term. Whether we like it or not, we are now in a climate emergency.

Across a range of priority areas, from understanding local risks of climate change, to reducing operational energy costs and carbon intensity, to planning for the impacts of coastal erosion and bush fire risk, to driving innovations in water use efficiency, Local Governments are engaging with, listening to, and responding to their communities on climate change. A number of Local Governments have long committed to energy reduction targets for their own operations, to drive innovation and cost savings for their communities.

Local Government has identified a number areas where the State Government can assist:

1. Accelerated action and fast tracked reform to remove regulatory barriers and facilitate the transition to a low carbon, energy efficient economy.

Local Governments are already active in renewable energy and energy efficiency projects, but State level regulations continue to hamper Local Governments from undertaking or supporting a range of high impact cost-effective energy efficiency and renewable energy projects. For example, LED street lighting retrofits and large scale renewable energy projects, including power purchase agreements and community energy projects. Local Governments are also seeking amendments to Regulation 54 of the *Local Government (Financial Management) Regulations 1996* to include 'renewable energy infrastructure' as a prescribed charge. This would allow Local Governments to fund the installation of solar panels on the roof of residents that opt in, and then the resident is able to repay the cost of the panels over 10 years by adding a small amount onto the resident's rates bill. It would provide an economic stimulus to SME's in the solar industry, and address a major barrier to low social-economic households transitioning to a low carbon economy, realising savings on their energy bills, and countering rising electricity prices.

2. A State level emissions reduction target and/or renewable energy target.

Western Australia is the only State or Territory without an emissions reduction target or a renewable energy target. The State Government has previously indicated it considers it the responsibility of the Federal Government to enact any targets, however following the recent Federal election, there is a now a stronger argument to be put for setting a state level target. The Premier recently "warned that States such as WA could go it alone on climate policy unless the Morrison Government comes up with a workable national approach to reducing greenhouse gases and supply certainty to investors".¹⁸

¹⁸ The West Australian (31 May 2019)

3. Planning for climate proof communities (incl. funding for innovative climate change projects).

This priority speaks to the need for State Government and Local Government to work in partnership to build healthy, resilient communities by ensuring that climate change considerations (both mitigation and adaptation) are embedded in Government policies and regulations. A key aspect of this is a State Planning regime that adequately incorporates climate change in planning policies, along with related environmental issues such as urban forestry, biodiversity, water security and emergency management.

4. Comprehensive, effective adaptation planning.

It is recognised that there is planning around coastal adaptation currently occurring, but effective planning needs to take in comprehensive identification of, and response to, the effects of climate change. It also needs to expand out to other effects of climate change such as heat waves and other extreme weather events, bush fire planning and water management.

By way of an existing example, an increasing number of the 44 coastal Local Governments are undertaking Coastal Hazard Risk Management and Adaptation Plans to identify and understand the level of risk on the assets in coastal areas. Through this process, with assistance from the WAPC, Local Governments are able to investigate management and adaptation measures that are appropriate to minimise the identified risks to a more acceptable level. What is not clear, without a State Climate Change Policy, and coastal specific legislation, is how such risks can be addressed in an efficient, effective and equitable manner.

A State/Local Government Partnership Agreement on Climate Change and Sustainability would provide the required governance framework to achieve these outcomes for Local Government on behalf of the people and communities of Western Australia.

Economic Development

The Local Government sector has recognised that Local Government plays a key role in creating sustainable and inclusive economic growth as a way to support local communities and contribute to the Western Australian economy. Attention is now turning to ways to diversify the economy and position WA as a vibrant and innovative place to live, invest and do business. While economic development is typically seen to be the responsibility of State and Federal Governments, the role that Local Governments can and do play in creating economic conditions is often overlooked.

Far from the traditional responsibilities of 'roads rates and rubbish' which necessarily reflected the function of Local Government in its emerging role at the turn of the 19th century,

Local Government is now a legitimate partner with State and Federal Governments in developing local, regional, State and National economies.

The Local Government sector's responsibilities are broad and include a wide range of functions, all of which have an impact on the economic and business environment. The sector is also responsible for overseeing hundreds of local laws which influence the behaviour of businesses and consumers. Local Governments also derive powers from other State legislation and are tasked with implementing a broad range of regulations on behalf of the state, such as the *Planning and Development Act 2005*, the *Building Act 2012* and the *Public Health Act 2016*.

The sector's economic footprint is significant and clearly positions it as a major contributor to the State's economy. In 2016/17 WA Local Governments spent \$4.1 billion on important services for the community, and managed assets worth more than \$48 billion. Local Government raised \$2.2 billion in rates revenue in order to fund community services and collected \$976 million in fees and charges. In terms of its contribution to the State's employment targets, the sector employs 22,000 people (approximately 16,500 FTEs).

Local Governments clearly have an important role in supporting economic activity at a local and regional level through:

- Local leadership in setting a framework that fosters economic development
- Planning for the future
- Providing economic infrastructure such as roads, bridges, public spaces and facilities
- Minimising regulatory and compliance burdens on businesses, in particular the planning system
- Providing for appropriate land for business, industry and residential development
- Undertaking local procurement
- Creating liveable communities
- Marketing and promoting the local area
- Tourism
- Supporting the private sectors' wealth creation
- Building commercial relationships
- Coordinating and collaborating with stakeholders including other levels of government and the business sector
- Advocating to other levels of government
- Seed funding ventures where private sector funding is not available

In response to Local Government's increasing focus on its role in economic development, in 2019 after a sector-wide consultative process, WALGA launched its *'Economic Development*

*Framework for Local Government*¹⁹ and through the review of the Local Government Act, the sector has agreed to imbed economic development as a key role of the Local Government sector.

Airports and Airfields

There are approximately 150 airports and airstrips owned, maintained and operated by Local Governments across regional Western Australia. Of these, 23 Local Government airports serve regular passenger transport (RPT) services. These facilities provide access to essential services, including medical services as well as facilitate industry and tourism across the State. They range in scale from gravel airstrips without services, to Karratha Airport which served 448,000 passengers in the year ending May 2019. The Shire of East Pilbara managed Newman airport served 318,000 passengers in the year to May 2019²⁰ and the City of Kalgoorlie-Boulder managed airport grew passenger numbers by 13.1 percent to 295,000 in the year to May 2019.

Other Services

As can be seen, Local Governments have evolved to be far more than roads, rates and rubbish. This is not empire building. Local Governments are responding to their community's aspirations and expectations.

Other Services include:

- Aged Care
- Child Care
- Parks and Recreation facilities and programs
- Libraries
- Museums
- Community Events
- Lifeguard and Beach control services

¹⁹ Available from: <https://walga.asn.au/Policy-Advice-and-Advocacy/Economic-Development/Economic-Development-Framework>

²⁰ Bureau of Infrastructure, Transport and Regional Economics (2019)

Department of Local Government

c) The role of the department of state administering the Local Government Act 1995 and related legislation

WALGA and the Local Government sector have a strong working relationship with the Department of Local Government, Sport and Cultural Industries, which is comprised of committed and dedicated officers and executives.

Notwithstanding, it is WALGA's observation that, over several years, the Department of Local Government has been diminished in its resources and, consequently, its ability to quickly respond to issues in the sector has been compromised. This decline in the Department's capacity over a number of years manifests itself in a number of ways.

Firstly, there is significant benefit in many cases in early interventions in relationship breakdowns, which, if not addressed, can deteriorate into substantial governance issues. An early intervention when there are signs of declining relationships or issues beginning to arise can arrest a downward spiral that may lead to the suspension of the Council, appointment of one or more commissioners and a formal inquiry into a particular Local Government, all of which impart significant cost to public funds, reduce trust in Government generally, and deprive a community of democratic representation while the inquiry is underway.

Secondly, the decline in service from the Department of Local Government to the Local Government sector represents a cost shift from the State to Local Government. WALGA has, over the past ten years, enhanced its governance and advice service offering to Local Governments, in part to fill the gap left by the State.

While WALGA is well placed to provide advice, support and capacity building initiatives for and on behalf of the Local Government sector, as a membership-based organisation without legislative mandate WALGA is not in a position to intervene in the affairs of a Local Government in the same way that the Department of Local Government can intervene with its legislative backing.

As part of WALGA State Council's deliberations relating to the current Review of the *Local Government Act 1995*, State Council adopted the following position relating to the Department of Local Government's role:

- a) *“Support the continuance of the Department of Local Government, Sport and Cultural Industries as a direct service provider of compliance and recommend the Department fund its capacity building role through the utilisation of third party service providers; and,*
- b) *Call on the State Government to ensure there is proper resourcing of the Department of Local Government, Sport and Cultural Industries to conduct timely inquiries and*

interventions when instigated under the provisions of the Local Government Act 1995.”²¹

The rationale for the position adopted above was listed as follows:

“The addition of item (b) is in recognition of the sector’s response that intervention strategies proposed in the Local Government Act Review (Phases 1 and 2) are only one part of the challenge to providing an adequate response when a breakdown in good governance occurs. The sector seeks both a just and timely resolution when intervention is needed. For the Department to provide a timely response it must be properly resourced to avoid unnecessary delay in the intervention process. Undue delay in determining an outcome and corrective action is also an undue delay in returning good governance to the community of an affected Local Government.”²²

WALGA does not seek to criticise or impugn the commitment and dedication of officers or executives of the Department of Local Government; the issues are systemic and relate to the broader State Government’s commitment to appropriately funding the Department to fulfil its capacity building, regulatory, compliance and early intervention mandate.

Other Related Legislation

In addition to the requirement to administer the Local Government Act, Local Governments are directly affected by other state legislation such as the following:

- Aboriginal Heritage Act
- Agriculture and Related Resources Protection Act
- Animal Welfare Act
- Aquatic Resources Management Act
- Auditor General Act
- Biosecurity & Agricultural Management Act
- Biodiversity Conservation Act
- Building Act
- Building and Construction Industry Training Fund and Levy Collection Act
- Building Service (Complaint Resolution and Administration) Act
- Bush Fires Act
- Caravan Parks & Camping Grounds Act
- Cat Act
- Cemetery Act
- Child Care Services Act

²¹ WALGA (2019b) p25

²² WALGA (2019b) p25-26

- City of Perth Act
- Commercial Tenancy (Retail Shops) Agreements Act
- Conservation and Land Management Act
- Contaminated Sites Act
- Control of Vehicles (Off-road Areas) Act
- Corruption, Crime and Misconduct Act
- Country Housing Act
- Criminal Code Act Compilation Act 1913
- Defamation Act
- Disability Services Act
- Dividing Fences Act
- Dog Act
- Electoral Act
- Emergency Management Act
- Environmental Protection Act
- Equal Opportunity Act
- Fire Brigades Act
- Fire and Emergency Services Act
- Food Act
- Freedom of Information Act
- Health (Miscellaneous Provisions) Act
- Heritage Act
- Land Administration Act
- Legal Deposit Act
- Library Board of Western Australia Act
- Liquor Control Act
- Local Government Grants Act
- Local Government (Miscellaneous Provisions) Act
- Main Roads Act
- Marine and Harbours Act
- Mental Health Act
- Metropolitan Redevelopment Authority Act
- Mining Act
- National Redress Scheme for Institutional Child Sexual Abuse Act
- Occupational Safety and Health Act
- Planning & Development Act
- Port Authorities Act
- Public Health Act
- Public Interest Disclosure Act
- Public Transport Authority Act
- Public Works Act
- Rates and Charges (Rebates and Deferments) Act

- Regional Development Commissions Act
- Residential Tenancies Act
- Residential Parks (Long-stay Tenants) Act
- Retail Trading Hours Act
- Retirement Villages Act 1992
- Rights in Water and Irrigation Act
- Road Traffic Act
- Road Traffic (Administration) Act
- Royalties for Regions Act
- Salaries and Allowances Act
- Soil and Land Conservation Act
- State Administrative Tribunal Act
- State Records Act
- Statistics Act
- Strata Titles Act
- Swan and Canning Rivers Management Act
- Transfer of Land Act
- Trustees Act
- Waste Avoidance and Resource Recovery Act
- Water Services Act
- Waterways Conservation Act
- Workers Compensation and Injury Management Act

The above list relates to State legislation. There is a myriad of Commonwealth legislation that also applies to Local Government.

Roles of Elected Members and Chief Executive Officers

d) The role of elected members and chief executive officers / employees and whether these are clearly defined, understood and accepted

The *Local Government Act 1995* clearly defines the role of a Councillor:

A councillor —

- (a) represents the interests of electors, ratepayers and residents of the district; and*
- (b) provides leadership and guidance to the community in the district; and*
- (c) facilitates communication between the community and the council; and*
- (d) participates in the local government's decision-making processes at council and committee meetings; and*
- (e) performs such other functions as are given to a councillor by this Act or any other written law.*

The role of the Council is generally considered to be strategic in nature, with the Council employing a Chief Executive Officer to manage the day-to-day operations of the Local Government in accordance with the Council's strategic direction.

The role of a Councillor is challenging. Councillors are responsible for overseeing a complex business – that provides a broad range of functions, manages significant public assets, and employs in some cases hundreds of staff – all in a political and publicly accountable environment.

Councillor vs Council

It is also important to acknowledge, contrary to some community understanding, individual Councillors, including the Mayor or President, have little power as individuals. The power and authority of a Councillor only exists as a member of a Council making formal decisions at a legally constituted Council meeting.

The then Department of Local Government and Communities, in guidance for prospective candidates in advance of the 2017 Local Government elections are absolutely clear on this point. The Fact Sheet states:

“Generally, local government council members, who include the mayor, president and councillors, do not have any authority to act or make decisions as individuals. They

*are members of an elected body that makes decisions on behalf of a local government through a formal meeting process.*²³

This may be contrary to community expectations, particularly in relation to the Mayor or President, elected on a mandate to make certain changes or to fulfil certain commitments, which may not be achievable due to the wishes of the Council as a collective.

In Victoria, the review of their Local Government Act addressed this very issue:

*“The role of mayors is not properly understood by the community. Many councillors argue that mayors are ‘first among equals’ and that the role is merely ceremonial—such as representing council at public functions like citizenship ceremonies—as well as chairing council meetings. Out in the community, people often have a completely different view: that the mayor has an important leadership role in council; that they are responsible for holding councillors to account for their actions and have the power to do so; and that they also have broader responsibilities for how the council, including its administration, fulfils its role.”*²⁴

It may be the case that some of the public disquiet about Local Government relates to the misalignment between the public understanding of the role of individual Councillors including the Mayor or President, and the actual role defined by the *Local Government Act 1995*.

Councils are not Boards

There has been some commentary in recent times that Councils are equivalent to a Board of Directors. This misunderstands and misrepresents the fundamental role of Council to make *political* decisions in a *public* setting.

Councillors are very much encouraged to adopt ‘board-like behaviour’ in their deliberations and decision making in Council meetings and their dealings with constituents.

Councillors are community representatives – not professional directors that would be found in the private sector – tasked with a number of complex and often competing roles, such as providing good democratic government, supporting the community, managing places, delivering and maintaining infrastructure, and delivering services efficiently while ensuring rates are kept low.²⁵ Again, these roles are performed in a publicly and contested political environment.

²³ Department of Local Government and Communities (2017)

²⁴ The State of Victoria Department of Environment, Land, Water and Planning (2016), p38

²⁵ Skatssoon (2019)

Training and Professional Development

The complexity of the role, coupled with its public and political nature, demonstrates that training, professional development, capacity building and ongoing advice and support for Elected Members is essential. For this reason, WALGA, as the Local Government sector peak body, has invested significant resources in ensuring training and advice are available to Elected Members at all levels.

WALGA is a Registered Training Organisation (RTO) that offers a range of Nationally-Accredited Elected Member professional development courses that have been designed to provide the essential knowledge and skills to support Councillors to perform their role as defined in the *Local Government Act 1995*.²⁶

With a range of flexible courses to choose from, including a qualification specifically developed to meet the needs of Elected Members in Western Australia, there are a variety of ways for Elected Members to maintain and develop their professional capabilities.

Completion of training and assessment activities from all three Stages of WALGA's Learning and Development Pathway, will result in the achievement of the Diploma of Local Government (Elected Member) qualification. Since 2011, 35 Elected Members have completed the Diploma qualification and there are a further 36 currently enrolled.

Role of the Chief Executive Officer

The *Local Government Act 1995* clearly defines the role of a Local Government Chief Executive Officer:

The CEO's functions are to —

- (a) advise the council in relation to the functions of a local government under this Act and other written laws; and*
- (b) ensure that advice and information is available to the council so that informed decisions can be made; and*
- (c) cause council decisions to be implemented; and*
- (d) manage the day to day operations of the local government; and*
- (e) liaise with the mayor or president on the local government's affairs and the performance of the local government's functions; and*
- (f) speak on behalf of the local government if the mayor or president agrees; and*
- (g) be responsible for the employment, management supervision, direction and dismissal of other employees (subject to section 5.37(2) in relation to senior employees); and*

²⁶ WALGA (2019)

- (h) ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law; and
- (i) perform any other function specified or delegated by the local government or imposed under this Act or any other written law as a function to be performed by the CEO.

The Chief Executive Officer is the principal adviser to the Council and assists Elected Members to perform their role by providing advice and information so they can make informed decisions that are legally within the Council's powers while taking account of financial and resource constraints.²⁷

The CEO implements Council's decisions and is answerable to the Council for the performance of the Local Government in delivering services and facilities to the community.²⁸ Employment, management and supervision of all other staff is the responsibility of the CEO, who is responsible for managing operations on a day-to-day basis.

Given the Council has only one employee – the Chief Executive Officer – it is crucial that the Council makes a good decision when employing a CEO, and also that Council is able to effectively manage the performance of the CEO. As Councillors are often community representatives, who may not be experienced or qualified in contemporary human resource management practices, employment, management and performance appraisal of the CEO may be one of the Council's most significant challenges.

The *Local Government Act 1995* requires that performance criteria for the purpose of reviewing the CEO's performance are established. Similarly, development of these performance criteria are crucial for the Council to get right.

For these reasons, WALGA offers an Elected Member training course on CEO Performance Appraisals, and provides Elected Members with significant advice and assistance through the CEO recruitment and performance appraisal cycle.

It is also acknowledged that the recent amendments to the Local Government Act in June 2019 provide for guidelines to be produced for the CEO recruitment and performance review process.

Chief Executive Officer Remuneration

At times, there has been uninformed commentary in the public realm about the pay of Chief Executive Officers in the Local Government sector. The remuneration of Chief Executive Officers is subject to a determination every year by the Salaries and Allowances Tribunal,

²⁷ WALGA (2019a)

²⁸ WALGA (2019a)

the same body that determines the pay and conditions for Members of Parliament, senior executives of Government Trading Entities such as Synergy and the Water Corporation, and Judges and Magistrates.

The Salaries and Allowances Tribunal's process for determining CEO remuneration is transparent and well-established.

To criticise Local Government CEOs for 'earning more than the Premier', which seems to be a common trope among the uninformed, is misguided. The Premier occupies a political office; a Local Government CEO occupies an executive management administrative office and is often responsible for management of significant sums of public money.

In the case of large metropolitan Local Governments, the Chief Executive Officer may be responsible for an organisation with \$170 million in annual revenue and 1,000 employees. To suggest that someone with such responsibility would not command a significant remuneration package is naïve and misguided.

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Funding and Financial Management

e) *The funding and financial management of local governments*

The removal of constraints to Local Government revenue capacity is a critical success factor for an improved system of Local Government in Western Australia.

The place of Local Government in Australia's Federation and in the context of the vertical fiscal imbalance has been well documented and well researched. The revenue constraints impacting on Local Government in virtue of its role in the Federation is perhaps best summarised by the Systemic Sustainability Study Panel:

"The positioning of Australian Local Government in jurisdictional roles, determined by State legislation and with revenue sourced from State and Commonwealth sources along with own-source rates and charges, provides significant scope for role and funding tensions between the three levels of government."²⁹

This tension sometimes manifests in commentary about Local Government rate setting, which occasionally degenerates to a discussion about the merits or otherwise of specific rate increases. A debate of this nature can be destructive; rate rises above the consumer price index may be essential for a number of reasons, and may be a manifestation of a democratic mandate for the Local Government to provide specific services to a certain level of service.

Rates are Local Governments' only taxation mechanism available to fund the myriad of services expected by the community. This is because other sources of income are subject to varying degrees of control by other spheres of government: fees and charges may be set or capped by regulation and not increased over time and grants and transfers are not subject to Local Government control. Secondly, due to a large infrastructure backlog, there is a need for Local Governments to raise sufficient revenue to fund future obligations for infrastructure replacement and renewal. Failure to do this represents an inequitable transfer of liabilities to future generations of ratepayers.

A significant infrastructure backlog is a tangible manifestation of Local Governments' revenue constraints. In 2017-18 there was a \$136 million shortfall between the \$717 million estimated to be required to maintain the road network in its current condition and the \$584 million that was spent by Local Governments on road preservation. This gap has grown by around \$48 million per year over the past five years. The gap between actual and required expenditure on roads is largest in the Wheatbelt region and has been for many years. The cumulative effect of this is clear in road condition data across the network, where between 20 and 25 percent of the sealed roads are in a poor or very poor condition. This challenge is not able to be resolved by Local Governments alone. In the Wheatbelt South Region it has been calculated that, in aggregate, Local Governments would have to spend 100 percent of their

²⁹ WALGA (2006) p19

revenue raising capacity (a theoretical maximum calculated by the WA Local Government Grants Commission) in addition to the grants received in order to meet their road preservation needs. The increased service levels required by high productivity vehicles (over-mass, road trains) add to the challenges faced by Local Governments in these regions.

Remote regions are heavily dependent on Federal and State Governments to fund road maintenance and renewal. In the Gascoyne Region, around 90 percent of road funding is from Federal and State Governments, and in the Kimberley around 80 percent of funding is from Federal and State Governments.

Beyond acknowledging Local Government's place in Australia's Federal system of Government, characterised by a significant vertical fiscal imbalance, there are some practical reforms that would enhance the revenue capacity of Local Governments and improve equity in the community.

Rates

Rates, which represent Local Governments' only tax instrument and primary form of own-source of revenue, are a tax on wealth, not tied to any specific services, but rather used to fund a broad range of community facilities and services.³⁰

Local Government is a legitimate and essential sphere of Government with the democratically enshrined mandate to raise revenue through rates to fund infrastructure and services for the benefit of their community.

Councils' deliberative rate setting processes reference their Integrated Planning Framework – a thorough strategic, financial and asset management planning process – and draw upon the community's willingness and capacity to pay.

The Henry Tax Review puts forward five key principles that the tax system should seek to address:³¹

1. Equity
2. Efficiency
3. Simplicity
4. Sustainability
5. Policy Consistency

It can be seen in the following table that rates perform well when assessed against the principles of taxation.

³⁰ Deloitte Access Economics (2013)

³¹ Commonwealth of Australia (2010)

Principle	Definition³²	How rates perform
Equity	The tax and transfer system should treat individuals with similar economic capacity in the same way, while those with greater capacity should bear a greater net burden. Further, the tax system should be progressive.	As rates are directly related to property value, those with higher valued properties will pay more in rates than those with lower valued properties in the same jurisdiction.
Efficiency	The tax and transfer system should raise and redistribute revenue at the least possible cost to economic efficiency and with minimal administration and compliance costs.	Rates are a relatively efficient tax as they are unlikely to substantially affect economic decision-making. In fact, the Henry Tax Review contends that “the estimated welfare losses of municipal rates and land tax are lower than, or similar to, those of the GST, and a lot lower than for personal tax on labour income and company income tax.” ³³
Simplicity	The tax and transfer system should be easy to understand and simple to comply with.	Rates are simple, easy to understand, easy to comply with, and difficult to avoid.
Sustainability	A principal objective of the tax system is to raise revenue to fund government programs... [and] should have the capacity to meet the changing revenue needs of government on an ongoing basis.	Rates are sustainable. As a tax on land, which is immobile, revenue from rates is relatively fixed when compared to other forms of taxation.
Policy Consistency	Tax and transfer policy should be internally consistent.	Rates are not inconsistent with other forms of taxation and there is a direct link between rates and services provided to the property and the broader community.

³² Commonwealth of Australia (2010)

³³ Commonwealth of Australia (2010),

http://www.taxreview.treasury.gov.au/content/FinalReport.aspx?doc=html/publications/papers/Final_Report_Part_1/chapter_1.htm#Chart_1_5

Rate Exemptions

Rating exemptions undermine the efficacy of rates in relation to the criteria outlined in the table above.

Exemptions from rates represent significant revenue leakage for Local Governments and this transfers the rate burden to remaining ratepayers. The Local Government sector supports a broad review into the justification and fairness of all rating exemption categories currently prescribed under section 6.26 of the *Local Government Act 1995*. Rate exemptions can be particularly perverse where commercial operations are clearly evident.

To understand the impact of ratings exemptions on the sector, WALGA conducted a survey of its members during July 2018. The survey sought to quantify the impact of ratings exemptions during the 2017-18 financial year.

Some 100 Local Governments responded to the survey, representing Local Governments of all sizes and from across both metropolitan and regional WA. 30 respondents were from the metropolitan area, 63 were from regional WA, and the remainder did not state their location.

The total value of revenue foregone in 2017-18 as a result of ratings exemptions was \$45,633,541. This represents approximately two percent of total rates revenue (based on 2016-17 figures). The impost of rates exemptions was relatively evenly spread across the sector, with the largest share of revenue forgone attributed to the City of Stirling (11 percent) and City of Greater Geraldton (9 percent).

In dollar terms, the largest overall financial impost to the sector from rating exemptions related to land used exclusively for charitable purposes (\$16,564,788), followed by crown land (\$7,522,264), and land used as a non-government school (\$7,247,816). It is noted that some Local Governments had difficulties accessing gross rental values for crown land and so the revenue forgone is potentially much higher.

The most common type of property that was exempt from rating during the 2017-18 financial year was land which is property of the crown (13,905 properties). This was followed by land used exclusively for charitable purposes (2,919 properties) and land owned by a regional local government (2,811 properties).

Charitable Purposes Rating Exemption

Of particular concern to the Local Government sector is the rate exemption relating to charitable purposes. In 2005, the Local Government Advisory Board inquired into the

operation of section 6.26(2)(g) of the *Local Government Act 1995*.³⁴ This section provides that “land used exclusively for charitable purposes” is exempt from Local Government rates.

In principle, this section of the Act is supported by the Local Government sector. Clearly, Local Government, like any sphere of government, ought to continue to play a role in supporting and encouraging charitable organisations in their work for the benefit of the community. Accordingly, advocacy by the Local Government sector for legislative amendments relating to this section of the Act should not be misinterpreted as disregard for the positive work of charities in the community.

The Local Government sector contends that exemptions under this section of the Act have extended beyond the original intention and now provide rating exemptions for non-charitable purposes, which increase the rate burden to other ratepayers.

The most prominent example of this is the exemption provided under this section of the Act to Independent Living Units (ILU), which is well documented in the Local Government Advisory Board’s Report.³⁵ It was estimated by the Local Government Advisory Board that approximately \$3 million of revenue was foregone by Local Governments in 2005 as a result of this section of the Act.³⁶ This figure has significantly increased since the Advisory Board’s report published over a decade ago, with WALGA’s 2018 survey of Local Governments suggesting that \$16.5 million of rate revenue is forgone due to the charitable purposes rate exemption.

If this issue is not addressed, the rate burden on other ratepayers will continue to increase as the demand for Independent Living Units increases as the population ages.

The Local Government Advisory Board recommended in 2005 that Independent Living Units should not be exempt from rates.³⁷ The Legislation Reform Working Group recommended in 2010 that Independent Living Units should not be exempt from rates.³⁸ WALGA’s policy position on this issue is that the *Local Government Act 1995* should be amended to remove the rate exemption for Independent Living Units. There may be an argument for exemptions to be granted by State or Federal legislation. Examples include exemptions granted by the Commonwealth *Aged Care Act 1997* and group housing for the physically and intellectually disabled which is supported under a government scheme such as a Commonwealth-State Housing Agreement or Commonwealth-State Disability Agreement.

The sphere of government that determines that exemptions should be granted should fund the exemption. This will ensure that funding the revenue shortfall will be equitably and

³⁴ Local Government Advisory Board (2005)

³⁵ Local Government Advisory Board (2005) p14-22

³⁶ Local Government Advisory Board (2005) p3

³⁷ Local Government Advisory Board (2005) p22

³⁸ Legislation Reform Working Group (2010) p2

appropriately distributed amongst taxpayers. For example, the State Government have a compensatory fund of this nature relating to pensioner discounts for the payment of rates.

The *Local Government Act 1995* needs to be amended to provide clarification on rating of land used for charitable purposes.

Rate Equivalency Payments

A similar issue relates to rate exemptions for State Government trading entities.

A particular example is the exemption granted to LandCorp by the *Land Authority Act 1992*. In 1998, the Act was amended to include provisions for LandCorp to pay the Treasurer an amount equal to that which would have otherwise been payable in Local Government rates, based on the principle of 'competitive neutrality'.

This matter is of serious concern to Local Governments with significant LandCorp holdings in their district. The shortfall in rates are effectively paid by other ratepayers, which means ratepayers have to pay increased rates because LandCorp has a presence in the district.

The current situation involving the Perth Airport demonstrates that such a system is appropriate and can work in practice. In this case, the Commonwealth Government requires the lessee to make a rate equivalency payment to the relevant Local Government and not the Commonwealth. There is no reason why a similar system cannot be adopted for State Government Trading Entities.

State Agreement Acts

Before the 1980s, State Government conditions of consent for major resources projects in WA included the requirement for purpose-built towns in close proximity to project sites. These conditions were detailed in State Agreement Acts, which are essentially contracts between the State Government and proponents of major resources projects that are ratified by the State Parliament.

The requirement to provide community services and infrastructure meant State Agreement Acts typically included a Local Government rating restriction clause. Many of these towns have since been 'normalised' due to Local Governments, the State Government and utility providers assuming responsibility for services and infrastructure.

In 2011, the State Government introduced a new policy on 'the application of Gross Rental Valuation to mining, petroleum and resource interests' (the GRV mining policy). The policy would apply for a 3 year trial period from 1 July, 2012. The trial period was recently extended until 30 September, pending the outcomes of a review of the policy. The primary objectives

of the policy were to clarify the circumstances where Local Governments could apply GRV rating to mining land and enable the use of GRV rating on new (i.e., initiated after June 2012) mining, petroleum and resource interests. This included the application of GRV rating to new State Agreement Acts.

However, existing State Agreement Acts continue to restrict Local Government rating. Local Governments can only rate projects covered by existing Agreements in the unlikely event of 'both parties agree[ing] to adopt the policy'. Alternatively, the State Government has also stated that 'projects that operate under existing State Agreements and currently exempt from rates may apply the policy as part of their respective Agreement Variation processes with the Department of State Development during the trial period'. Again, this statement suggests it is unlikely that the rating exemptions will be removed for existing State Agreements since variations are infrequent and there is no real requirement to remove the exemptions.

Rating exemptions on State Agreement Acts mean that Local Governments are denied an efficient source of revenue. There are also equity issues associated with the existing exemptions since they only apply to a select group of mining companies whose projects are subject to older State Agreement Acts. Removing the rates exemption clauses from the pre-July 2012 State Agreement Acts would provide a fairer outcome for all other ratepayers, including the proponents of new resources projects.

Restrictions on Borrowings

Another Local Government finance issue is a disincentive for Local Government investment in community infrastructure due to borrowing restrictions in the *Local Government Act 1995*. Section 6.21(2) states that a Local Government can only use its 'general funds' as security for borrowings to upgrade community infrastructure, and is restricted from using its assets to secure its borrowings.

This provision severely restricts the borrowing capacity of Local Governments and reduces the scale of borrowing that can be undertaken to the detriment of the community.

This is particularly relevant since the Global Financial Crisis. Treasury now requires member Local Governments to show as contingent liabilities in their balance sheet their proportion of contingent liabilities of the Regional Local Government of which they are a member. Given that the cost of provision of an Alternative Waste Disposal System is anything up to \$100 million, the share of contingent liabilities for any Local Government is significant. Even under a 'Build-Own-Operate' financing method, the unpaid (future) payments to a contractor must be recognised in the balance sheet of the Regional Local Government as a contingent liability.

This alone is likely to prevent some Local Governments from borrowing funds to finance its own work as the value of contingent liabilities are taken into account by Treasury for borrowing purposes.

Fees and Charges

Fees and charges are, on average, the second largest source of Local Government discretionary revenue.³⁹ Local Governments are able to charge users for specific, often incidental, services. Examples include dog registration fees, fees for building approvals and swimming pool entrance fees.

In some cases, Local Governments will recoup the entire cost of providing a service or even make a profit. In other cases, user charges may be set below cost recovery to encourage a particular activity with identified community benefit, such as sporting ground user fees or swimming pool entry fees.⁴⁰

Currently, fees and charges are determined according to three methods:

- By legislation
- With an upper limit set by legislation⁴¹
- By the Local Government.

Fees determined by State Government legislation are of particular concern to Local Governments and represent significant revenue leakage. Examples of fees and charges of this nature include dog registrations fees, town planning fees and building permits. Since Local Governments do not have direct control over the determination of fees set by legislation, this revenue leakage is recovered from rate revenue.

Under the principle of 'general competence' there is no reason why Local Governments should not be empowered to make decisions regarding the setting of fees and charges for specific services.

There may be an argument that certain fees and charges should be consistent across the State or the metropolitan area; however it is not clear why dog registration fees, as an example, should be the same in every Local Government area. Local Governments in most other states are able to set animal registration fees.

Car registration fees are not the same in every State and few would argue they ought to be; setting fees, charges and tax rates is a core function of government and Local Governments, as a legitimate sphere of government, should be able to make policy decisions regarding their services and revenue streams.

Councils should be empowered to make policy decisions regarding user-paid services provided by the Local Government.

³⁹ WALGA (2008) p80

⁴⁰ WALGA (2008b) p81

⁴¹ See Section 6.17(3) of the *Local Government Act 1995*

Grants

Grants and transfers from other spheres of Government are the other main revenue source for Local Government. Financial Assistance Grants, provided by the Commonwealth and distributed by the State Government's Local Government Grants Commission are a key funding source for many Local Governments.

The Department of Local Government, Sport and Cultural Industries website explains Financial Assistance Grants:

“Local Government Financial Assistance Grants funded by the Commonwealth Government are distributed among 137 local governments in Western Australia each year. The grants are the State's entitlement for financial assistance from the Commonwealth Government, paid in equal quarterly instalments for a financial year, under the Australian law, Local Government (Financial Assistance) Act 1995. The distribution of Financial Assistance Grants is for local government purposes, to achieve equitable levels of services by reasonable effort.

Western Australia's share of Commonwealth funding for 2018-19 is \$293,275,889, which equals 11.93 per cent of the national allocation of \$2.457 billion. The allocation has increased from \$287.355m. The funding is untied; there are no conditions on how the funds should be spent. The amount is divided into two parts, a general purpose component and a local roads component.”⁴²

Particularly for smaller, more remote Local Governments, financial assistance grants can comprise of a significant portion of revenue. As the Australian Local Government Association (ALGA) notes, Financial Assistance Grants are particularly important in areas with a low rate base, and/or high growth rate, and rapidly expanding service and infrastructure needs.⁴³

Local Governments in Western Australia strongly support ALGA's advocacy campaign to restore Financial Assistance Grants to one percent of Commonwealth taxation revenue, which was the level of funding provided in 1996.⁴⁴ Since then, despite the Australia's Gross Domestic Product growing strongly, Financial Assistance Grants funding has eroded to now represent approximately 0.55 percent of Commonwealth taxation revenue.⁴⁵

This decline in revenue support from the Commonwealth coincides with the responsibilities and demands of Local Government increasing as the State Government reduces services to address budget issues and Local Government seeks to address the infrastructure backlog, which improves the economic capacity of Western Australia's communities.

⁴² Department of Local Government, Sport and Cultural Industries (2019)

⁴³ ALGA (2019)

⁴⁴ ALGA (2019a)

⁴⁵ ALGA (2019a)

Other Related Matters

- f) Any other related matters the select committee identifies as worthy of examination and report*

Transparency and Accountability

Local Government is a unique combination of a complex organisation, operating in the public realm with significant transparency and accountability requirements.

Appropriately, given Local Government's role as steward of public assets and public funds, there is a high level of public scrutiny related to Local Government operations and decision-making. In particular, Council meetings, with limited exceptions, are open to the public, and community members can avail themselves of public question time at Council meetings. Further, Local Governments are required to hold a public meeting of electors annually, and members of the community are able to petition for special electors meetings to be held to address specific issues.

In addition, the role of an Elected Member includes a role in facilitating communication between the community and the Council. Elected Members are generally approachable and make themselves available to be contacted about community issues in person at events or via telephone, email or social media. Information, including agendas and minutes, is available on each Local Government's website, meaning that Council decisions are generally accessible.

Local Governments embrace accountability, openness and transparency. Accusations to the contrary are fundamentally misguided, given the existing legislative transparency requirements coupled with Local Government practice that enhances transparency even further.

A prime example of Local Government's culture of openness is highlighted by the commencement of performance audits by the Office of the Auditor General. Despite the resource requirement in facilitating an audit of this nature, Local Governments have embraced the opportunity for an independent agency to access their organisation and provide recommendations on how performance can be improved to reduce risk or enhance efficiency or effectiveness.

The performance audits conducted by the Office of the Auditor General are not only relevant to the subset of Local Governments chosen for audit, but also provide learnings for other Local Governments. It is a credit to the Local Government sector that the performance audits have been welcomed by Local Governments, and not resisted.

State Local Government Partnership Agreement

In August 2017, the following State and Local Government sector leaders signed the Western Australian State Local Government Agreement:⁴⁶

- Premier – Hon Mark McGowan MLA;
- Minister for Local Government – Hon David Templeman MLA;
- President, WALGA – Cr Lynne Craigie; and,
- President, Local Government Professionals Australia WA – Mr Jonathan Throssell.

The objectives of the partnership agreement are to facilitate the State Government and the Local Government sector working together to enhance communication and consultation between the two spheres of Government, and to provide good governance for the people of Western Australia.

Importantly, the Agreement sets out a communication and consultation framework that commits the State Government to thoroughly consulting with the Local Government for 12 weeks for proposals that “will have a significant impact on Local Government responsibilities or operations.”⁴⁷

Further, the Agreement establishes the State and Local Government Partnership Group comprising the following State and Local Government leaders:

- Premier;
- Treasurer;
- Minister for Local Government;
- Minister for Planning / Transport;
- WALGA President;
- LG Professionals President; and,
- Such other Ministers and Local Government representatives as appropriate to the subject matter on the agenda.

The Partnership Agreement provides opportunities for both the State Government and the Local Government sector.

For the Local Government sector, the commitment to consultation timeframes and regular, formal access to key Government leaders, such as the Premier and Treasurer, are important.

For the State Government, there are opportunities to leverage Local Government’s reach in every community in Western Australia in the pursuit of State Government objectives.

⁴⁶ Government of Western Australia, Local Government Professionals Australia WA, and WALGA (2017)

⁴⁷ Government of Western Australia, Local Government Professionals Australia WA, and WALGA (2017)

For example, WALGA commissioned a piece of work to review the WA Plan for Jobs and provide information to Local Government about opportunities for leveraging the State's work in this space.⁴⁸ This provided Local Governments with options and opportunities at the regional and local level, allowing Local Governments to develop their local and regional economies in line with State objectives.

Similarly, as part of the Review of the Local Government Act, WALGA partnered with the Department of Local Government, Sport and Cultural Industries to host workshops around Western Australia leveraging WALGA's Zones to provide consolidated input into the State's review process.

State Industrial Relations Review

WALGA would like to draw the Committee's attention to the ongoing State Industrial Relations Review.

Although there is a State Local Government Partnership Agreement, there are times when there are differing views on particular issues. The recent Ministerial review of the WA Industrial Relations system is a case in point.

This particular example is where the State Government are proposing an agenda that disadvantages the Local Government sector.

The WA State Government has undertaken a review of the WA Industrial Relations System. The review considered as part of the Terms of Reference (Item 8) whether Local Government employers and employees in WA should be regulated by the State Industrial relations system.

Currently 88 percent of Local Governments are in the federal system which represents 93 percent of all employees in the WA Local Government sector.

The State Government has endorsed the following recommendations:

- *Local Government employers and employees be regulated by the State industrial relations system.*
- *To facilitate this recommendation, the State Government introduce legislation into the State Parliament that declares, by way of a separate declaration, that each of the bodies established for a Local Government purpose under the Local Government Act 1995 (WA) is not to be a national system employer for the purposes of the 2018 IR Act.*

⁴⁸ WALGA (2018)

- *If the declaration is passed by the State Parliament, the State expeditiously attempt to obtain an endorsement under s 14(2)(c) and s 14(4) of the FW Act by the Commonwealth Minister for Small and Family Business, the Workplace and Deregulation, to make the declaration effective (the endorsement).*

WALGA's position, after a thorough consultation process with the sector, is the legislation **should not be** imposed prescribing that Local Governments be exclusively regulated by the State IR system.

After more than a decade operating in the Federal system, Local Governments have become used to a modernised Industrial Relations system, with the National Employment Standards, as well benefiting from the Award Modernisation process. State Awards have not been reviewed, updated or modernised during this time, nor has there been any significant changes made to the way the State IR system operates.

The State Government has advised that they will not be carrying out a modernisation process of the State IR system.

Ultimately, this political decision will have a significant impact on the Local Government sector and result in Local Governments undertaking a review of the viability of services and operations provided to determine if they are viable.

WALGA is of the view that Local Government employers and employees in WA should not be exclusively regulated by the State IR system.

Conclusion

WALGA would like to take the opportunity to thank the Committee for considering this submission.

As this submission demonstrates, Local Governments, across the breadth and width of Western Australia, deal with a wide range of issues and strive to provide efficient services and effective democratic representation on behalf of their constituents and communities.

This Committee Inquiry presents a tremendous opportunity for best practice and innovation to be highlighted. While no Local Government is perfect, WALGA contends that the Local Government sector contains countless examples of dedicated Elected Members, executives and staff striving to achieve positive outcomes on behalf of the community.

WALGA President, Cr Lynne Craigie OAM, and Chief Executive Officer, Nick Sloan, would welcome the opportunity to present to the Committee on the matters contained in this submission or any other matters relevant to the Inquiry.

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INFOPAGE



To: All Elected Members and Local Government Officers **From: Tony Brown**
Executive Manager, Governance and Organisational Services

Date: 9 July 2019
Priority: High

Subject: Select Committee into Local Government

IN BRIEF:

Operational Area:	Chief Executive Officer – Council
Key Issues:	<ul style="list-style-type: none">• The Legislative Council passed a motion to establish a Select Committee into Local Government.• The Terms of Reference are broad and listed below• WALGA will prepare a draft submission for sector input• Local Governments are encouraged to prepare submissions and request an appearance before the Committee.
Action Required:	Note: Feedback on WALGA's draft submission required between 26 July and 13 August 2019

The Legislative Council passed a motion to establish a Select Committee into Local Government. The motion is as per below incorporating the terms of reference;

- (1) That a Select Committee into Local Government is established.
- (2) The Select Committee is to inquire into how well the system of Local Government is functioning in Western Australia, with particular reference to —
 - (a) whether the *Local Government Act 1995* and related legislation is generally suitable in its scope, construction and application;
 - (b) the scope of activities of Local Governments;
 - (c) the role of the Department of State administering the *Local Government Act 1995* and related legislation;
 - (d) the role of Elected Members and Chief Executive Officers/employees and whether these are clearly defined, delineated, understood and accepted;
 - (e) the funding and financial management of Local Governments; and
 - (f) any other related matters the Select Committee identifies as worthy of examination and Report.
- (3) The Select Committee shall comprise five Members.
- (4) The Select Committee shall report by no later than 12 months after the motion for its establishment is agreed to and may, if it sees fit, provide interim reports to the House.

The membership of the Select Committee is as follows:

Chair: Hon Simon O'Brien, MLC
Deputy Chair: Hon Laurie Graham, MLC
Members: Hon Diane Evers, MLC
Hon Martin Aldridge, MLC
Hon Charles Smith, MLC



The Select Committee has advised that submissions are being called and close on 23 August 2019.

WALGA's process for preparing a submission and assisting the sector is as follows;

- WALGA will prepare a draft Submission for sector input and also for Local Governments to use the information in their own submissions.
- The draft submission will be circulated to Local Governments for sector input on 26 July and we request feedback by 13 August 2019.
- Following the receipt of any feedback, WALGA will review the feedback from the sector and finalise an interim submission to be considered by State Council's Executive Committee by the due date of 23 August 2019.

WALGA encourages all Local Governments to provide submissions and to request to appear before the Select Committee.

It is important to make the distinction between the Select Committee process and the Local Government Act Review process. These are separate and unrelated processes. The Minister for Local Government is continuing with phase two of the Act review process which is working towards the development of a new Local Government Act.

WALGA will keep the sector informed as to the progress of the Select Committee.

For further information please contact:

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WALGA

WORKING FOR LOCAL GOVERNMENT

Cooperation & Shared Services

JUNE 2019



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June 2019

Local Governments in Western Australia have a strong history of working collaboratively to maximise resources to deliver outcomes that would be difficult to achieve alone.

They do this in a number of ways, through formal legislative arrangements for specific services such as Regional Councils, through less formal governance arrangements such as Voluntary Groups of Local Governments (VROCs) for regional planning and projects, and by using a range of other arrangements such as Incorporated Bodies, Memorandums of Understanding and Service Delivery Agreements on a fee for service basis for specific services or functions.

They have access to a range of governance arrangements ranging from formal legislative structures to less formal and ad hoc arrangements which together provide Local Governments with flexibility and scalability relative to risk, scope, capacity and capability and the collaborating Local Governments.

It is important to note that Local Governments also actively seek to work collaboratively with Government agencies, industry, local business and civil society in delivery community outcomes. Across regional WA, Local Governments work closely with Regional Development Commissions and regional offices of the Commonwealth's Regional Development Australia (RDA) network to undertake regional planning, develop regional projects and leverage State and Federal funding.

This compilation of Cooperation and Shared Services across Western Australia is a result of information gathering from the sector and may not be exhaustive.

Any additions or corrections should be sent to Tony Brown at tbrown@walga.asn.au



Regional Cooperation

Regional Councils can be established under section 3.61-3.68 of the Local Government Act 1995 for formal entities that operate with the same governance requirements as Local Governments. Regional Councils were established primarily to provide regional waste services, however some have gradually diversified the provision of service delivery to their member Councils.

Regional Local Governments

Eastern Metropolitan Regional Council (EMRC)	Western Metropolitan Regional Council
Bassendean	Claremont
Bayswater	Cottesloe
Belmont	Mosman Park
Kalamunda	Peppermint Grove
Mundaring	Subiaco
Swan	
Rivers Regional Council	Bunbury Harvey Regional Council
Armadale	Harvey
Gosnells	Bunbury
Mandurah	
Murray	Murchison Regional Vermin Council
Serpentine-Jarrahdale	Cue
South Perth	Meekatharra
	Mt Magnet
South Metropolitan Regional Council (SMRC)	Sandstone
Cockburn	Yalgoo
East Fremantle	
Fremantle	Mindarie Regional Council
Kwinana	Cambridge
Melville	Joondalup
	Perth
Tamala Park Regional Council	Stirling
Cambridge	Victoria Park
Joondalup	Vincent
Perth	Wanneroo
Stirling	
Victoria Park	
Vincent	
Wanneroo	



Regional Cooperation

A number of voluntary organisations of Councils have been established to work collaboratively for regional planning and shared projects that benefit a region. Governance arrangements can vary, but most operate under a memorandum of understanding with administrative support provided by the members Councils.

Voluntary Regional Organisation of Councils

4WDL VROC	NEWROC (North Eastern Western Wheatbelt)
Lake Grace	Koorda
Wagin	Mount Marshall
West Arthur	Mukinbudin
Williams	Nungarin
Woodanilling	Trayning
Dumbleyung	Wyalkatchem
AROC (Avon)	ROEROC – Roe District
Chittering	Corrigin
Dowerin	Kondinin
Goomalling	Kulin
Northam	Narembeen
Toodyay	EAVROC
Victoria Plains	Cunderdin
CMVROC (Central Midlands)	Tammin
Dalwallinu	Quairading
Moora	SEAVROC – South East Avon
Victoria Plains	Beverley
Wongan Hills	Brookton
GVROC (Goldfields)	York
Coolgardie	WEROC – Wheatbelt East
Dundas	Bruce Rock
Esperance	Kellerberrin
Kalgoorlie-Boulder	Merredin
Laverton	Westonia
Leonora	Yilgarn
Menzies	CAPEROC – Cape Naturaliste & Cape Leeuwin
Ngaanyatjarraku	Augusta-Margaret River
Ravensthorpe	Busselton
Wiluna	



Regional Cooperation

Voluntary Regional Organisation of Councils Continued

Southern Link VROC	Kimberley Regional Group
Cranbrook	Broome
Kojonup	Derby-West Kimberley
Plantagenet	Halls Creek
Broomehill-Tambellup	Wyndham-East Kimberley
WESROC – Western Suburbs	
Claremont	
Cottesloe	
Mosman Park	
Peppermint Grove	
Nedlands	
Subiaco	



Regional Cooperation

Some Local Governments have established and participate in other forums, most commonly incorporated bodies, and often with an economic development focus. Some forums include other stakeholders apart from Local Governments.

Other Cooperative Bodies & Forums

South Coast Alliance Inc.	Peron Naturaliste Partnership
Albany	Bunbury
Denmark	Busselton
Plantagenet	Capel
Hotham Williams Economic Development Alliance	Dardanup
Boddington	Harvey
Wandering	Mandurah
Williams	Murray
WA Regional Capitals Alliance	Rockingham
Albany	Waroona
Broome	Growth Alliance Perth and Peel (GAPP)
Bunbury	Armadale
Greater-Geraldton	Cockburn
Kalgoorlie-Boulder	Gosnells
Karratha	Kwinana
Port Hedland	Mandurah
Northam	Rockingham
Central East Aged Care Alliance Collaboration for the provision of independent living units in all shires through an incorporated body	Serpentine-Jarrahdale
Bruce Rock	Swan
Kellerberrin	Wanneroo
Koorda	Warren Blackwood Alliance of Councils
Merredin	Bridgetown-Greenbushes
Mt Marshall	Donnybrook-Balingup
Mukinbudin	Manjimup
Nungarin	Nannup
Trayning	
Westonia	
Wyalkatchem	
Yilgarn	



Regional Cooperation

Other Cooperative Bodies & Forums Continued

Innovation Central Midlands	Wheatbelt South Aged Housing Alliance (WSAHA)
Moora	Wickepin
Dalwallinu	Cuballing
Wongan-Ballidu	Corrigin
Cockburn Sound Coastal Alliance	Kondinin
Cockburn	Kulin
Fremantle	Narembeen
Kwinana	Narrogin
Rockingham	Wandering
MZSG (Murchison Zone Strategy Group) MEG (Murchison Executive Group)	South West Group
Cue	Cockburn
Meekatharra	East Fremantle
Mt Magnet	Fremantle
Murchison	Kwinana
Sandstone	Melville
Yalgoo	Rockingham



Shared Services

Many Local Governments across Western Australia work collaboratively with other Local Governments to maximise their resources for the delivery of specific services.

Arrangements may be ad hoc or more formalised through contracts and shared service arrangements, often on a fee for service basis.

In 2018 WALGA undertook a project to identify where Local Governments across the State are working collaboratively with each other to maximise their resources. Forty nine valid responses were received across a wide range of areas including:



BUILDING SERVICES



FINANCIAL SERVICES



PLANNING SERVICES



COMMUNITY SERVICES



HEALTH AND AGED CARE SERVICES



PLANT & EQUIPMENT



ECONOMIC DEVELOPMENT



ICT & COMMUNICATIONS



RANGER SERVICES



RECORDS MANAGEMENT



EMERGENCY MANAGEMENT



LANDCARE AND ENVIRONMENTAL MANAGEMENT



TOURISM



ENVIRONMENTAL HEALTH



LIBRARY SERVICES



WASTE MANAGEMENT



Shared Services

Although not exhaustive, the following summary provides a snapshot of the range and longevity of many collaborative arrangements in operation that often respond to capacity challenges. This demonstrates how Local Government as a sector has been consistently looking for innovative ways to create efficiencies, improve productivity, and deliver important services to their communities.



LOCAL GOVERNMENTS IDENTIFIED THE FOLLOWING BENEFITS OF COOPERATION:

Access to cost effective additional expert staff resources

Increased sharing of knowledge and expertise improves decision-making

Maximising human, capital and financial resources on an 'as needs' basis

Increased success with grant funding applications

Stronger advocacy and negotiating position

Ability to provide important services that would be otherwise unaffordable



DESPITE THE BENEFITS, THE FOLLOWING CHALLENGES WERE IDENTIFIED:

Resources required or initial start-up of a cooperative arrangement including time, money, shared expectations, agreement on deliverables

Establishing systems and processes

Travel distances for shared staff

Dealing with conflict

Parochialism



Shared Services



KEY SUCCESS FACTORS:

Formalising governance and service delivery arrangements

Meeting legislative and compliance requirements

Shared commitment at all levels (political and administrative)

Consistent communication and messaging

Flexibility

Access to professional staff

Community satisfaction with outcomes

Council satisfaction with outcomes



OTHER AREAS TO EXPLORE COOPERATION OPPORTUNITIES WERE IDENTIFIED AS:

Asset Management

Road Maintenance

Community Development



THE SECTOR WOULD APPRECIATE ASSISTANCE WITH:

Model Agreement/Template Contracts

Facilitation of regional cooperation

Shared portal of useful resources and case studies



Current Shared Services

Building Services

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Albany	Jerramungup	Provision of Building Services by City of Albany	Service Agreement with Fee for Service	
Chittering	Chittering Gingin	Provision of Building Services by Shire of Chittering	Service Agreement with Fee for Service	< 2
Cottesloe	Cottesloe Peppermint Grove	Provision of Building Services by Town of Cottesloe	Service Agreement with Fee for Service	2-5
Cuballing	Cuballing Broomehill-Tambellup Gnowangerup Katanning	Provision of Building Services by Shire of Cuballing	Service Agreement with Fee for Service	2-5
Dandaragan	Coorow Cocos-Keeling	Provision of Building Services by Shire of Dandaragan	Service Agreement with Fee for Service	Coorow 2 Cocos 1
Greater Geraldton	Greater Geraldton Carnamah Carnarvon Northampton Perenjori Morawa Three Springs Mingenew Shark Bay Irwin	Provision of Building Services by City of Greater Geraldton	Memorandum of Understanding	< 2
Kalamunda	Kalamunda Bruce Rock Corrigin Narembeen Wandering	Provision of Building Services by Shire of Kalamunda	Memorandum of Understanding	2-5
Kojonup	Kojonup Cranbrook	Provision of Building Services by Shire of Kojonup	Shared Service with Fee for Service	< 3
Leonora	Leonora Laverton Menzies	Provision of Building and Environmental Health Services by Shire of Leonora	Shared Service with Fee for Service	2-5
Murray	Murray Warooka	Provision of Building Services by Shire of Murray	Service Agreement with Fee for Service	< 2
Narrogin	Narrogin Wickepin Kent Woodanilling Dumbleyung	Provision of Building Services by Shire of Narrogin	Service Agreement with Fee for Service	2-10



Current Shared Services

Building Services Continued

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Northampton	Northampton Chapman Valley Shark Bay	Provision of Building Services by Shire of Northampton	Agreement with Fee for Service	5-10
Karratha	Karratha Ashburton	Provision of Building Services by City of Karratha	Service Agreement with Fee for Service	2-5
Mt Marshall	Mount Marshall Mukinbudin Nungarin Trayning Wyalkatchem Koorda	Provision of Environmental Health Services includes shared environmental health and building officer	Contracted Shared Service with fee for service operating within NEWROC structure (MOU)	5+
Wagin	Wagin Williams	Provision of Building Services by Shire of Wagin	Service Agreement with Fee for Service	-

Community Services & Community Development

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Joondalup & Stirling	Joondalup Stirling	Annual Skate & BMX Event	Memorandum of Understanding	-



Current Shared Services

Economic Development

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Shared	Cue Meekatharra Mount Magnet Murchison Sandstone Yalgoo	Regional cooperation on projects that contribute to regional economic development outcomes. Development of the Murchison sub-Regional Economic Development Plan aligned with Midwest Development Commission Regional Blueprint	Murchison Executive Group (MEG) Voluntary Regional Group Murchison Economic Development Strategy	< 2
Joondalup & Wanneroo	Joondalup Wanneroo	Cooperation and liaison between respective Economic Development Units for information sharing, advocacy and cooperation for the region	Ad Hoc	5-10
Toodyay	Toodyay Dowerin Goomalling Northam York	Regional cooperation on projects that contribute to regional economic development outcomes including regional aged care needs, recreation facilities audit, freight network funding, events and distribution of the regional component of the Country Local Government Fund.	Voluntary Regional Group-Avon Regional Organisation of Councils (AROC)	10+
Williams	Williams Woodanilling West Arthur Wagin Lake Grace Kent Dumbleyung	Regional cooperation on projects that contribute to regional economic development outcomes including the construction of well-aged housing across all Shires	Voluntary Regional Group – 4WDL ROC	5-10
Plantagenet	Broomehill-Tambellup Cranbrook Kojonup Plantagenet	Regional cooperation on projects that contribute to regional economic development outcomes including the construction of well-aged housing across all Shires	Southern Link VROC	
Augusta-Margaret River (rotates)	Augusta-Margaret River Busselton	Regional cooperation on projects that contribute to regional economic outcomes	Voluntary Regional Group-Cape ROC	
Shared	Bridgetown-Greenbushes Manjimup Nannup Donnybrook-Balingup Boyup Brook	Development of Residential Prospectus resulting from Talison Lithium Expansion in Greenbushes	Collaboration with South West Development Commission and Talison Lithium	< 2



Current Shared Services

All Local Governments across Western Australia participate in Local Emergency Management Committees and share Local Emergency Management Arrangements in accordance with the Emergency Management Act 2005 in partnership with Department of Fire and Emergency Services (DFES). In addition to their obligations under the Act, many Local Governments work collaboratively to ensure they can meet these obligations and add value to the important task of keeping their communities safe, which often includes the sharing of a Community Emergency Services Manager (CESM) under a Memorandum of Understanding with DFES. The following are initiatives additional to these arrangements.

Emergency Management

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Wanneroo	Wanneroo Joondalup Bassendean Kalamunda Mundaring Stirling Swan	Metro North & East Recovery Group for the provision of mutual aid for recovery during emergencies	Partnering Agreement	10+
Shared	Murray Mandurah Rockingham Waroona	Shared emergency recovery activities in case of a regional emergency recovery event	Memorandum of Understanding	2-5
Shared	Karratha East Pilbara Ashburton Port Hedland	Shared emergency recovery activities in case of a regional emergency recovery event	Memorandum of Understanding	-2
Shared	South West Zone of WALGA (12 Local Governments)	Shared emergency recovery activities in case of a regional emergency recovery event	Memorandum of Understanding	5-10



Current Shared Services

Environmental Health

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Albany	Jerramungup Plantagenet	Provision of Environmental Health Services by City of Albany		
Dandaragan	Coorow Cocos-Keeling Moora Gingin	Provision of Environmental Health Services by Shire of Dandaragan	Service Agreement with Fee for Service	Coorow – 2 Cocos – 1 Moora – 2 Gingin – as needs
Greater Geraldton	Mid West Local Governments	Provision of Environmental Health Services (Ad hoc on request)	Fee for Service upon request	As required
Northampton	Northampton Chapman Valley Shark Bay	Provision of Environmental Health Services by Shire of Northampton	Service Agreement with Fee for Service	5-10
Joondalup & Wanneroo Shared	Joondalup Wanneroo	Midge Management Strategy Partnership for the management of nuisance midges within the wetland system of Yellagonga Regional Park	Midge Partnership Agreement	10+
Corrigin	Corrigin Kondinin Kulin Narembeen Lake Grace	Provision of Environmental Health Services to members of RoeROC plus Lake Grace	Agreement under Voluntary Regional Group (RoeROC)	5-10
Cottesloe	Cottesloe Peppermint Grove	Provision of Environmental Health Services by Town of Cottesloe	Service Agreement with fee for service	2-5
Irwin	Irwin Carnamah Mingenew Three Springs	Provision of Environmental Health Services – shared environmental health officer – by Shire of Irwin	Memorandum of Agreement	< 2
Kojonup	Kojonup Katanning Kent Woodanilling Broomehill-Tambellup Perenjori	Provision of Environmental Health Services-shared environmental health officer – by Shire of Kojonup	Contracted Shared Service with fee for service	< 2
Leonora	Leonora Laverton Menzies	Provision of Environmental Health Services – shared environmental health officer – by Shire of Leonora	Contracted Shared Service with fee for service	2-5
Merredin	Merredin Kellerberrin	Provision of Environmental Health Services by Shire of Merredin	Contracted Shared Service with fee for service	< 2



Current Shared Services

Environmental Health Continued

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Mt Marshall	Mount Marshall Mukinbudin Nungarin Trayning Wyalkatchem Koorda	Provision of Environmental Health Services includes shared environmental health and building officer	Contracted Shared Service with fee for service operating within NEWROC structure (MOU)	> 5
Murray	Murray Waroona	Provision of Environmental health Services by Shire of Murray	Service Agreement with fee for service	2-5
Narrogin	Narrogin Wickepin	Provision of Environmental Health Services by Shire of Narrogin	Legal Contract	< 2
Wagin	Wagin Williams Wandering	Provision of Environmental Health Services by Shire of Wagin	Service Agreement with Fee for Service	10+

Financial Services

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Williams	Williams Wandering	Provision of Financial Management Service	Memorandum of Understanding	< 2
Cunderdin	Cunderdin Tammin	Rates, Debtors and Property Shared Resource	Cunderdin invoices Tammin on hours worked	2-5



Current Shared Services

Health & Aged Care Services

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Shared	Cottesloe Peppermint Grove Mosman Park Claremont	Provision of Home and Community Care (HACC) Services (Shine Community Services)	Legal Contract	5-10
Pingelly	Pingelly Brookton Beverley	Provision of Aged Support and Care Services	Memorandum of Understanding	2-5
Williams	Williams Dumbleyung Lake Grace Wagin West Arthur Woodanilling	Provision of Well-Aged Housing	Voluntary Regional Group (4WDL ROC)	5-10
Shared	Joondalup Wanneroo Stirling	Tri-Cities Agreement to align the development of Age-Friendly Strategies, coordinate priorities and collaborate on shared projects.	Ad Hoc	< 2

ICT/Communications

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Greater Geraldton	Chapman Valley	Synergy Software patch updates	Upon request for fee for service	Ad hoc
Greater Geraldton	Perenjori Chapman Valley	Hosting of servers and storage for both Production and Disaster Recovery	Contracted Service via Geraldton data centre – Shared Services Agreement	> 1
Manjimup	Manjimup Nannup	Provision of ICT Services	Service Agreement with fee for service	10+
Murray	Murray Waroona	Provision of Information Technology and GIS Mapping Services	Memorandum of Understanding	5-10



Current Shared Services

Landcare & Environmental Management

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Shared	Joondalup Wanneroo	Yellagonga Integrated Catchment Management Plan in partnership with Department of Biodiversity, Conservation and Attractions (DCA)	Memorandum of Understanding	5-10
Melville	Melville Cockburn East Fremantle Fremantle Kwinana	Regional Management of Environmental Assets in the South West Metropolitan Region	Consultant Contract Reference Group chaired by Elected Member	Reference Group since 2013 Consultant Contract 2016/17 – 2019/20
Mount Magnet	Mount Magnet Cue Meekatharra Sandstone Yalgoo	Murchison Regional Vermin Council – construction and maintenance of vermin fences	?	10+
Nedlands	Nedlands Cambridge Claremont Cottesloe Mosman Park Subiaco Peppermint Grove	Cooperation between environmental officers for endorsement of joint projects by regional group of Chief Executive Officers. Projects include feral animals, Corella control, trails and water re-use	Voluntary Regional Group – Western Suburbs Regional Group of Councils (WESROC)	10+
Shared	Williams Wandering Cuballing Boddington	Funding of a Natural Resource Management (NRM) Coordinator who is managed by the Peel Harvey Catchment Council and supports the Local Governments	Memorandum of Understanding	2-5
Shared	Gosnells Armadale Serpentine-Jarrahdale	Collaboration in the work of a Landcare Group to deliver the environmental education program 'Switch Your Thinking'	Alliance	10+
Wagin	Wagin Woodanilling	Provision of a Natural Resource Management Officer	Memorandum of Understanding	10+



Current Shared Services

Many Local Governments across regional Western Australia participate in a Regional Library Scheme under an Agreement with the State Library of WA. Under this arrangement, a regional public library provides support services to small public libraries in accordance with an agreed Annual Activity Plan. Regional Libraries receive funding from the State Government via the State Library for the provision of this service. These arrangements have not been included in the list of examples of cooperation and shared services between public libraries below.

However in addition to these regional services, the City of Albany, the City of Port Hedland, the City of Karratha the City of Greater Geraldton and the Shire of Merredin seek additional funds from Local Governments within their region for a range of services such as coordinating author visits, providing training and workshops, providing bulk loans and supporting a regional library computer management system (LMS). Some also host an annual professional development forum with contributing funding from libraries in the region and the State Library

Library Services

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Dardanup	Dardanup Nannup Manjimup Harvey Donnybrook-Balingup Capel Busselton Bridgetown-Greenbushes Boyup Brook Boddington	South West Libraries Consortia – shared cost of a Library Management System to connect and combine the shared resources of libraries across the South West	Legal Contract	< 2
Greater Geraldton	Carnarvon Chapman Valley Dandaragan Mingenew Northampton Coorow	Coordination of the Mid-West Sirsi Dynix Consortium for Library Management System (LMS)		
Wanneroo Swan Joondalup (shared)	Wanneroo Swan Joondalup	Reciprocal agreement to lend locally owned library materials via inter library loan between the Local Governments.	Memorandum of Understanding	5-10
Peppermint Grove	Subiaco Nedlands Claremont Cottesloe Peppermint Grove Mosman Park	Western Suburbs Regional Library Services Group (WSLG) – includes a shared Library Management System hosted by the City of Nedlands and a WSLG Strategic Plan.	Joint Tender process for procurement of LMS. Shared Strategic Plan	10+
Melville	Melville Mandurah Canning Victoria Park	Consortia arrangement for purchase of e-books	Consortia Agreement	< 1



Current Shared Services

Ranger Services

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Cottesloe	Cottesloe Peppermint Grove	Provision of Ranger Services	Service Agreement with Fee for Service	2-5
Narrogin	Narrogin Cuballing Wickepin	Provision of Ranger Services	Service Agreement with Fee for Service	< 2
Carnamah	Carnamah Mingenew Three Springs	Provision of Ranger Services	Service Agreement with Fee for Service	< 2
Shared	Northam Goomalling Toodyay Victoria Plains	Ad hoc Ranger Relief Services	Ad hoc	< 2
Merredin	Merredin Nungarin Westonia	Provision of Ranger Services	Memorandum of Understanding	5-10
Murray	Murray Waroona	Provision of Contract Ranger and Administration Services	Legal Contract	2-5
	Laverton Leonora Menzies	Animal Control	Contracted Shared Service with Fee for Service	2-5
Narrogin	Narrogin Williams	Shire of Williams occasionally engages Ranger Services from Shire of Narrogin	Service Agreement with Fee for Service	< 2



Current Shared Services

Records Management

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Coolgardie	Coolgardie Dundas Esperance Kalgoorlie-Boulder Laverton Leonora Menzies	Storage and Disposal of Records	Administered through the Goldfields Voluntary Regional Group (GVROC)	2-5
Broomehill-Tambellup	Broomehill-Tambellup Cranbrook Kojonup Plantagenet	Shared Resource for the Shared Archive Repository	Administered through the Southern Link Voluntary Regional Group	5-10
Broomehill-Tambellup	Broomehill-Tambellup Cranbrook Kojonup Plantagenet	Archive Storage Facility	Memorandum of Understanding	2-5
Greater Geraldton	Perenjori	Review of Record Keeping Plan and preparation for Submission to State Records Officer (SRO)	Fee for Service upon request	Ad Hoc
Greater Geraldton	Mingenew	Application of General Disposal Authority (GDA) and End Of year Disposal Preparation	Fee for Service upon request	Ad Hoc



Current Shared Services

Waste Management

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Corrigin	Corrigin Kondinin Kulin Narembeen	Shared Waste Contract for collection services and ownership of a shared landfill facility	Roe Voluntary Group of Councils (RoeROC)	5-10
Greater Geraldton	Chapman Valley Irwin Northampton	Refuse Removal and Disposal for the Region	Legal Contract	2-5
Wagin	Wagin Cuballing Narrogin Williams Wickepin	Great Southern Regional Waste Group (GSRWG) – shared approach to some waste management activities	Ad hoc	>10
Toodyay	Toodyay Dowerin Goomalling Northam Victoria Plains York	Waste Minimisation Plan	Avon Regional Organisation of Councils (AROC)	2-5



Current Shared Services

Planning Services

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Chapman Valley	Chapman Valley Carnamah Coorow Mingenew Perenjori Three Springs	Provision of Planning Services on a needs basis	Ad hoc	5-10
Dandaragan	Coorow Cocos-Keeling	Provision of Planning Services	Service Agreement with Fee for Service	Coorow – 2 Cocos – 1
Narrogin	Narrogin Wickepin	Provision of Planning Services	Legal Contract	< 2

Procurement

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Peppermint Grove	Peppermint Grove Cottesloe Mosman Park	Construction and Management of a Shared Library – The Grove	Legal Contract	5-10



Current Shared Services

Across the State, particularly in regional Western Australia, Local Governments support tourism in number of ways. This ranges from the provision of infrastructure and services to support visitors; regional promotion; development of trails, museums and visitors' centres; to supporting local and regional tourism associations and destination marketing organisations. The following represents a range of approaches adopted by Local Governments.

Tourism

LEAD ORGANISATION	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Amazing South Coast Inc	Albany Denmark Plantagenet	Regional Tourism Destination Marketing	Incorporated Association	
Pioneers Pathway	Dowerin Goomalling Nungarin Merredin Toodyay Trayning Wyalkatchem	Tourism trail	MOU for Advisory Committee	
Mandurah and Peel Tourism Organisation Inc. (MAPTO)	Boddington Mandurah Murray Serpentine-Jarrahdale Waroon	Independent local tourism body for the Peel Region	Incorporated Association	
	Ashburton East Pilbara Karratha Port Hedland	Joint planning, investing and advocacy for the development of key tourist infrastructure including increased accommodation options, tourism attractions and signage		< 2
Joondalup	Joondalup Stirling Wanneroo	Production of the Sunset Coast Holiday Planner	Service Agreement with Fee for Service	5-10



Current Shared Services

Tourism Continued

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Central Wheatbelt Visitors Centre	Bruce Rock Corrigin Cunderdin Dowerin Kellerberrin Kondinin Koorda Kulin Lake Grace Merredin Mt Marshall Mukinbudin Narembeen Nungarin Quairading Tammin Trayning Westonia Wyalkatchem Yilgarn	Coordination of Visitor Services	Memorandum of Understanding	5-10
Avon Valley Tourism	Beverley Chittering Goomalling Northam Toodyay Victoria Plains York	Avon Valley Tourism: Sub-regional Tourism Organisation	Incorporated Association	> 10
Hidden Treasures	Broomehill-Tambellup Cranbrook Gnowangerup Katanning Kent Kojonup Plantagenet Woodanilling			



Current Shared Services

Tourism Continued

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Hidden Treasures: Regional Tourism Organisation	Incorporated Association			
Exploring Wildflower Country Group Inc.	Carnamah Coorow Dalwallinu Greater Geraldton Irwin Mingenew Moora Morawa Perenjori Three Springs	Joint planning and investigating tourism infrastructure needs in the region	Incorporated Association	>10
	Greater Geraldton Northampton	Joint Planning and Investigating Tourism Infrastructure Update to the Pink Lake	Collaboration with Mid West Development Commission	
Australia's Coral Coast	Coorow Greater Geraldton Irwin Northampton	Development of a Collaborative model for visitor Information Services	Collaborative Project across the Coral Coast Region	
Great Geraldton	Carnamah Coorow Greater Geraldton Irwin Morawa	Regional Events Calendar		
Outback Pathways	Cue Meekatharra Mt Magnet Murchison Sandstone Upper Gascoyne Wiluna Yalgoo	Collaboration on promotion of Regional Tourism including funding to Australian's Golden Outback for 'Outback Pathways', working with Mid West Development Commission on Geo Tourism Strategy and Regional Visitors' Planner	Murchison Executive Group	
Marradong Country	Boddington Wandering Williams	Sub Regional Economic Development and Tourism including Marradong Self Drive Tourist Trail	Incorporated Body	



Current Shared Services

Tourism Continued

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Wheatbelt Way	Koorda Mount Marshall Mukinbudin Nungarin Trayning Wyalkatchem Dowerin Westonia	NEWTravel Tourism organisation initiated by the North East Wheatbelt Regional Organisational of Councils (NEWROC)	Incorporated Body	> 5
Southern Forests and Blackwood Valleys Tourism Association	Warren Blackwood Alliance of Councils	Regional Tourism Organisation	Incorporated Body with funding from Alliance and representation on the Board	< 1
Bridgetown-Greenbushes	Warren Blackwood Alliance of Councils	Warren Blackwood Stock Route -horse trails through 3 Local Governments with dedicated campsites	Memorandum of Agreement	< 2



Current Shared Services

Other

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Shared	Joondalup Stirling Swan South Perth	Shared Strategic Safety Resource	Memorandum of Understanding with Local Government Insurance Services	
Dandaragan	Coorow	Provision of Support for Sporting Club Development	Service Agreement between Shire of Dandaragan and DLGSC and support provided to Shire of Coorow	Coorow – 5
Albany	Albany Broomehill-Tambellup Cranbrook Denmark Gnowangerup Jerramungup Katanning Kent Kojonup Plantagenet Woodanilling	Great Southern Peer Support Program for Integrated Planning & Reporting	Memorandum of Understanding	< 2
Inner City Collaboration	Perth Subiaco South Perth Victoria Park Vincent	Collaboration on Common Strategic Issues	Memorandum of Understanding	< 1
Swan	Swan East Pilbara	Graduate Engineers Exchange Program to share resources for project, asset and facility management services	Memorandum of Understanding	< 1
Laverton	Laverton Leonora Menzies Wiluna	Statutory Compliance Services provided by Third Party	Tender Process for Provider of Services for a 4 Year Contract. Annual fee averaged for participating Local Governments and charged to each Local Government by Provider	< 1



Current Shared Services

Local Governments often initiate or participate in inter agency forums to focus on critical community issues. Other agencies come from State Government and the not for profit sector and may involve community groups and representatives.

Inter Agency Collaboration

LEAD LOCAL GOVERNMENT	PARTICIPATING LOCAL GOVERNMENTS	DESCRIPTION	GOVERNANCE MECHANISM	YEARS OPERATING
Rockingham	Rockingham Kwinana	Homelessness Interagency Network	Memorandum of Understanding	5
Rockingham	Rockingham Kwinana	Family Domestic Violence Network	Memorandum of Understanding/Alliance	4
Rockingham	Rockingham Kwinana	Kwinana Rockingham Action for Tomorrow's Youth	Alliance	10
Rockingham	Rockingham Kwinana	Local Drug Action Group	Alliance	10
Shared	Mandurah Rockingham Kwinana	Community Safety Network	Alliance	2
Shared	Wanneroo Joondalup	Establishment of the Joondalup Wanneroo Interagency Homelessness Action Group (JWIHAG) which includes 15 local agencies and community groups to develop a Regional Homelessness Strategy	Ad Hoc	5-10
Shared	Mandurah Rockingham Murray Waroona	Peel Mosquito Management Group works to control mosquitoes in the Peel Regional working with the Department of Health	Memorandum of Understanding	5



Mechanisms for Cooperation and the Provision of Shared Services

MECHANISM	STRUCTURE	PURPOSE
Regional Council	<i>The Local Government Act 1995</i> refers to Regional Local Governments in Part 3 (Division 4) as 'two or more Local Governments; who may (subject to Minister's approval) establish a regional Local Government to do things, for the participants, for any purpose for which a Local Government can do things under this Act or any other Act.	Regional Local Governments or Regional Councils (as they are often known) may exist in specialist areas and are formed to oversee management of a particular function, traditionally waste management services. A landfill site, for example, may serve six Local Governments, rather than each of them having individual facilities. A Regional Council may then be established, consisting of members of each Council, to manage this facility. Some Regional Councils have extended the scope of services provided to their member Local Governments beyond the management of waste and waste facilities. There are currently eight Regional Councils in Western Australia in both metropolitan and regional areas.
Voluntary Regional Organisations of Councils (VROCs)	Governance arrangements can vary, but most operate under a Memorandum of Understanding generally with administrative support provided by the members Councils on a rotational basis. Memorandums of Understanding commonly outline the scope of activities, membership arrangements, funding arrangements and administrative support.	VROCs are established to work collaboratively for regional planning and shared projects that benefit a region. Projects are often related to regional service delivery, environmental issues, regional facility planning, tourism projects, waste management and strategic issues in common. There are currently sixteen VROCs operating in Western Australia in both metropolitan, and more commonly, regional areas.
Incorporated Bodies	Some Local Governments participate in associations or alliances formed for a specific purpose under the WA Incorporated Associations Act.	Some Local Governments collaborate to form incorporated associations in order to provide a formal governance arrangement for the conduct of a particular activity most often outside the normal functions of a local government. These associations often include members that are not a Local Government. They may be formed to undertake tourism/economic development activities or to deliver a specific regional project or service, such as aged housing.



Mechanisms for Cooperation and the Provision of Shared Services Continued

MECHANISM	STRUCTURE	PURPOSE
Regional Subsidiaries	<p>A Regional Subsidiary is a semi-independent collaborative organisation established by two or more local governments to provide new or existing services that can be more effectively delivered together than by one local government alone.</p> <p>It is established under the Local Government Act 1995 with the agreement of two or more local governments. Local Governments wishing to establish a Regional Subsidiary must develop a Charter and Business Plan and seek feedback from their respective communities. Each Local Government must approve the Charter and Business Plan before seeking the approval of the Minister for Local Government, Sport and Cultural Industries.</p>	<p>A Regional Subsidiary can deliver one or more services currently delivered or functions performed by a local government. These could include rating services, records management, environmental health services, finance functions, procurement to name a few. It can also initiate new opportunities such as tourism, aged care, procurement, etc.</p> <p>The purposes of a Regional Subsidiary are captured in its Charter and Business Plan.</p>
Beneficial Enterprises	<p>Beneficial Enterprises (or Council Controlled Organisations) are arms-length entities that can deliver projects and services required by the community. They provide a vehicle for greater efficiency and improved partnering practices for Local Government and can provide services & facilities that are not attractive to private investors or where market failure occurs.</p> <p>Beneficial Enterprises cannot carry out any regulatory function of a Local Government and have a Skills Based Board.</p> <p>They are not intended for outsourcing essential services.</p> <p>Example activities could be:</p> <ul style="list-style-type: none"> • Affordable housing projects; • Urban regeneration; • Measures to address economic decline in Regional WA • Arts Facilities-Activity requiring flexibility 	<p>WALGA is currently advocating for Local Governments to be able to establish Beneficial Enterprises. This is included in Part 2 of the Review of the Local Government Act 1995.</p>





WALGA

WORKING FOR LOCAL GOVERNMENT

LOCAL GOVERNMENT ACT REVIEW PRINCIPLES

1. That State Council endorse a 'Principles over Prescription' approach to the Local Government Act Review and actively promote the benefits of the general principles listed below, intended to safeguard against the new Local Government Act becoming overly prescriptive:
 - (a) Uphold the General Competence Principle currently embodied in the Local Government Act;
 - (b) Provide for a flexible, principles-based legislative framework;
 - (c) Promote a size and scale compliance regime;
 - (d) Promote enabling legislation that empowers Local Government to carry out activities beneficial to its community taking into consideration the Local Governments role in creating a sustainable and resilient community through;
 - i. Economic Development
 - ii. Environmental Protection
 - iii. Social Advancement;
 - (e) Avoid red tape and 'de-clutter' the extensive regulatory regime that underpins the Local Government Act; and
 - (f) The State Government must not assign legislative responsibilities to Local Governments unless there is provision for resources required to fulfil the responsibilities.

2.
 - (a) Support the continuance of the Department of Local Government, Sport and Cultural Industries as a direct service provider of compliance and recommend the Department fund its capacity building role through the utilisation of third party service providers.

 - (b) Call on the State Government to ensure there is proper resourcing of the Department of Local Government, Sport and Cultural Industries to conduct timely inquiries and interventions when instigated under the provisions of the Local Government Act 1995.

State Council Resolution March 2019 – 06.3/2019
December 2017 – 120.6/2017

THEME - AGILE

Beneficial Enterprises	
Position Statement	The Local Government Act 1995 should be amended to enable all Local Governments to establish Beneficial Enterprises (formerly known as Council Controlled Organisations).

Background This model is available to Local Governments in New Zealand where they are used for a variety of purposes. The model allows one or more Local Governments to establish a wholly Local Government owned commercial organisation.

The Association has developed the amendments required for the Beneficial Enterprises model to be implemented in Western Australia.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 121.6/2017
 October 2010 – 107.5/2010
 October 2010 – 114.5/2010

Supporting Documents Beneficial Enterprises Summary (2018)

FINANCIAL MANAGEMENT

No Rate Capping	
Position Statement	The Local Government sector opposes rate capping or any externally imposed limit on Local Government's capacity to raise revenue as appropriately determined by the Council.

Background The Local Government sector fundamentally opposes 'rate capping' based on the following rationale:

I. Local Government is a legitimate and essential sphere of Government with the democratically enshrined mandate to raise revenue through rates to fund infrastructure and services for the benefit of their community.

II. Councils deliberative rate setting processes reference their Integrated Planning Framework – a thorough strategic, financial and asset management planning process – and draw upon the community's willingness and capacity to pay.

III. Rate-capping prejudices Local Government's long-term financial management and can, as experienced in other jurisdictions, have detrimental long-term effects on Local Government asset management, with chronic under-rating leading to significant infrastructure maintenance and renewal backlogs.

IV. Rate capping places undue pressure on sound financial management at a time when Local Governments are subjected to increasing costs beyond their control, often imposed by other spheres of Government.

V. Local Government rates have remained steady for many years at approximately 3.7 percent of GDP in Australia; meaningful tax reform would require thorough investigation of the total taxation burden, not an external cap on Local Government rates.

State Council Resolution March 2019 – 06.3/2019
 September 2015 – 96.6/015
 December 2015 – 118.7/2015

Supporting Documents Rate Setting Policy Statement

Financial Management Review – Part 6	
Position Statement	Conduct a complete review of the Financial Management provisions under Part 6 of the Local Government Act and associated Regulations

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 121.6/2017

Tender Threshold	
Position Statement	WALGA supports an increase in the tender threshold to align with the State Government tender threshold (\$250,000) with a timeframe of one financial year for individual vendors.

Background The tender threshold should be increased to allow Local Governments responsiveness when procuring relatively low value good and services.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 121.6/2017
 July 2015 – 74.4/2015
 September 2014 – 88.4/2014

Restrictions on Borrowings: Section 6.21	
Position Statement	That Section 6.21 of the Local Government Act 1995 should be amended to allow Local Governments to use freehold land, in addition to its general fund, as security when borrowing.

Background

Borrowing restrictions in the *Local Government Act 1995* act as a disincentive for investment in community infrastructure. Section 6.21(2) states that a Local Government can only use its 'general funds' as security for borrowings to upgrade community infrastructure, and is restricted from using its assets to secure its borrowings. This provision severely restricts the borrowing capacity of Local Governments and reduces the scale of borrowing that can be undertaken to the detriment of the community.

This is particularly relevant since the Global Financial Crisis. Treasury now requires member Local Governments to show as contingent liabilities in their balance sheet their proportion of contingent liabilities of the Regional Local Government of which they are a member. Given that the cost of provision of an Alternative Waste Disposal System is anything up to \$100 million, the share of contingent liabilities for any Local Government is significant. Even under a 'Build-Own-Operate' financing method, the unpaid (future) payments to a contractor must be recognised in the balance sheet of the Regional Local Government as a contingent liability.

This alone is likely to prevent some Local Governments from borrowing funds to finance its own work as the value of contingent liabilities are taken into account by Treasury for borrowing purposes.

State Council Resolution

March 2019 – 06.3/2019
 December 2017 – 123.6/2017
 January 2012 – 8.1/2012

Member Interests - Exemption from AASB 124	
Position Statement	Regulation 4 of the Local Government (Financial Management) Regulations should be amended to provide an exemption from the application of AASB 124 'Related Party Transactions' of the Australian Accounting Standards (AAS).

Background

That an exemption be allowed from the implementation of AASB 124 'Related Party Transactions' due to the current provisions in the Act on declarations of interest at meetings and in Primary and Annual returns. This is regarded as providing appropriate material declaration and disclosure of interests associated with function of Local Government.

Regulation 4 of the Financial Management Regulations provides a mechanism for an exemption from the Australian Accounting Standards (AAS). Regulation 16 is an example of the use of this mechanism, relieving Local Governments from the requirement to value land under roads.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 123.6/2017

Financial Ratios	
Position Statement	<p>That Regulation 50 of the Local Government (Financial Management) Regulations be reduced and amended to the following financial ratios :</p> <ul style="list-style-type: none"> - <i>Operating Surplus ratio</i> - <i>Net Financial Liabilities ratio</i> - <i>Asset Renewal Funding Ratio</i> <p>Target ratios for Local Governments be considered in line with the size and scale principle. A review of the formulas for the ratios be undertaken.</p>

Background Regulation 50 of the Local Government (Financial Management) Regulations require Local Governments to report on seven (7) financial ratios, being:

- (a) the current ratio; and
- (b) the asset consumption ratio; and
- (c) the asset renewal funding ratio; and
- (d) the asset sustainability ratio; and
- (e) the debt service cover ratio; and
- (f) the operating surplus ratio; and
- (g) the own source revenue coverage ratio

Recent feedback from Local Governments, also highlighted in the Financial Sustainability of WA Local Governments report produced by Deloitte in 2017, recommended the following three (3) ratios be required;

- Operating Surplus ratio
- Net Financial Liabilities ratio
- Asset Renewal Funding Ratio

State Council Resolution March 2019 – 06.3/2019

Building Upgrade Finance	
Position Statement	That WALGA advocate for amendments to the Local Government Act that enable a Building Upgrade Finance mechanism in Western Australia.

Background

The Building Upgrade Finance position is advocating for reforms to Western Australian legislation that would enable local governments to guarantee finance for building upgrades for non-residential property owners. In addition to building upgrades to achieve environmental outcomes, advocates have identified an opportunity to use this approach to finance general upgrades to increase the commercial appeal of buildings for potential tenants. In this way, BUF is viewed as means to encourage economic investment to meet the challenges of a soft commercial lease market in Perth and achieve economic growth.

BUF enables building owners to obtain finance that they may not normally have access to. For local government, the approach may allow for the achievement of strategic community objectives and provide an additional revenue stream. For lenders, the scheme is said to be a way for financiers to participate in environmentally conscious investments and support technology like solar and have additional security because in the event of bankruptcy, recovery of the BUF takes precedence over other outstanding payments.'

Building Upgrade Finance (BUF) is a mechanism that allows non-residential building owners access to funds from select commercial lenders to upgrade the sustainability performance of their buildings.

Loans obtained under BUF differ from standard commercial loans in the way the loan is repaid. In BUF, there is a financier, a building owner and a local government.

- The BUF-approved financier provides funds to a building owner to upgrade a building.
- The building owner engages consultants and contractors to design, manage and complete the upgrade in a way that creates operational savings in energy and/or water consumption.
- The local government collects the loan repayments and passes them onto the financier.

Loan repayments are collected from the building owner via a *Building Upgrade Charge* (BUC) levied by the local government against the land on which the building is situated. The BUC is paid quarterly by the building owner to the local

government as repayment for the loan.

The BUC means that the loan is tied to the property rather than property owner. Responsibility to pay for the loan shifts if ownership of the property changes. In other Australian States that have employed this approach, the local government is not, by law, financially liable for any non-payment by the building owner. Local governments are required to use their best endeavours to recover the loan. As the loan is recovered via the same powers as rates or a service charge, in the event of non-payment, local governments have the same powers available to recover unpaid rates or service charges. This can include taking possession of the land and selling the property.

The BUC also secures the loan, making the loan 'senior debt' in the eyes of the financier in the event of a default. This means that should the building owner go bankrupt, the financier can be satisfied they will be paid back as a priority. Because of this reduction in risk, finance terms can be made more attractive than for standard commercial loans.

State Council Resolution March 2019 – 06.3/2019

Energy Infrastructure Service Charge	
Position Statement	That WALGA advocate for amendment to Regulation 54 of the Local Government (Financial Management) Regulations to include 'renewable energy infrastructure' as a prescribed charge.

Background

The City of Fremantle and City of Cockburn propose an amendment to Regulation 54 of the Local Government (Financial Management) Regulations to include 'renewable energy infrastructure' as a prescribed service charge. This will permit Local Governments to offer a group scheme that will assist property owners (at the owners' discretion) to install environmental initiatives as an improvement to their property, with the Local Government to recoup the cost via a charge against the land.

Victorian legislation permits a service charge of this type and the City of Darebin is an example of a Local Government promoting a renewable energy infrastructure scheme. This proposal requires no amendment to Section 6.38(1) of the Local Government Act. The regulatory amendment would simply read:

54. Works etc. prescribed for service charges on land - Act's. 6.38 (1)

For the purposes of section 6.38(1), the following are prescribed as works, services and facilities:

- (a) property surveillance and security;*
- (b) television and radio rebroadcasting;*
- (c) underground electricity;*
- (d) water; and*
- (e) renewable energy infrastructure.***

State Council Resolution March 2019 – 06.3/2019

RATES, FEES AND CHARGES

Imposition of Fees and Charges: Section 6.16	
Position Statement	That a review be undertaken to remove fees and charges from legislation and Councils be empowered to set fees and charges for Local Government services.

Background

Local Governments are able to impose fees and charges on users of specific, often incidental, services. Examples include dog registration fees, fees for building approvals and swimming pool entrance fees.

In some cases, Local Governments will recoup the entire cost of providing a service. In other cases, user charges may be set below cost recovery to encourage a particular activity with identified community benefit, such as sporting ground user fees or swimming pool entry fees.

Currently, fees and charges are determined according to three methods:

- By legislation
- With an upper limit set by legislation
- By a Local Government under Section 6.16.

Fees determined by State Government legislation are of particular concern to Local Governments and represent significant revenue leakage because of:

- Lack of indexation
- Lack of regular review (fees may remain at the same nominal levels for decades)
- Lack of transparent methodology in setting the fees (fees do not appear to be set with regard to appropriate costs recovery levels).

Examples of fees and charges of this nature include dog registrations fees, town planning fees and building permits. Since Local Governments do not have direct control over the determination of fees set by legislation, this revenue leakage is recovered from rate revenue. This means all ratepayers end up subsidising the activities of some ratepayers.

When fees and charges are restricted by legislation, rather than being set at cost recovery levels, this sends inappropriate signals to users of Local Government services, particularly when the consumption of those services is discretionary. When legislative limits allow consumers to pay below 'true cost' levels for a discretionary service, this will lead to overprovision and a misallocation of resources.

Under the principle of 'general competence' there is no reason why Local Governments should not be empowered to make decisions regarding the setting of fees and charges for specific services.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 121.6/2017
 December 2012 – 133.6/2012
 January 2012 – 8.1/2012

Supporting Documents Metropolitan Local Government Reform Submission 2012

Rating Exemptions – Section 6.26	
Position Statement	Request that a broad review be conducted into the justification and fairness of all rating exemption categories currently prescribed under Section 6.26 of the Local Government Act.

Background Sector commentary focused on the desire of the sector to review all rate exemption categories under Section 6.26 of the Act, and to introduce a system that requires some level of rating particularly where commercial operations are evident. There is continuing support for Government Trading Entities and Authorities to pay rates to Local Government rather than Consolidated Revenue.

State Council Resolution March 2019 – 06.3/2019

Rating Exemptions – Charitable Purposes: Section 6.26(2)(g)	
Position Statement	<ol style="list-style-type: none"> 1. Amend the Local Government Act to clarify that Independent Living Units should only be exempt from rates where they qualify under the Commonwealth Aged Care Act 1997; and 2. Either: <ol style="list-style-type: none"> (a) amend the charitable organisations section of the Local Government Act 1995 to eliminate exemptions for commercial (non-charitable) business activities of charitable organisations; or (b) establish a compensatory fund for Local Governments, similar to the pensioner discount provisions, if the State Government believes charitable organisations remain exempt from payment of Local Government rates.

Background Exemptions under this section of the Act have extended beyond the original intention and now provide rating exemptions for non-charitable purposes, which increase the rate burden to other ratepayers. There may be an argument for exemptions to be granted by State or Federal legislation. Examples include exemptions granted by the Commonwealth Aged Care Act 1997

and group housing for the physically and intellectually disabled which is supported under a government scheme such as a Commonwealth-State Housing Agreement or Commonwealth-State Disability Agreement.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 122.6/2017
 December 2015 – 118.7/2015
 January 2012 – 5.1/2012

Supporting Documents Metropolitan Local Government Reform Submission 2012

Rating Exemptions – Rate Equivalency Payments	
Position Statement	Legislation should be amended so rate equivalency payments made by LandCorp and other Government Trading Entities are made to the relevant Local Governments instead of the State Government.

Background

A particular example is the exemption granted to LandCorp by the *Land Authority Act 1992*. In 1998, the Act was amended to include provisions for LandCorp to pay the Treasurer an amount equal to that which would have otherwise been payable in Local Government rates, based on the principle of ‘competitive neutrality’.

This matter is of concern to Local Governments with significant LandCorp holdings in their district. The shortfall in rates is effectively paid by other ratepayers, which means ratepayers have to pay increased rates because LandCorp has a presence in the district.

The current situation involving the Perth Airport demonstrates that such a system is appropriate and can work in practice. In this case, the Commonwealth Government requires the lessee to make a rate equivalency payment to the relevant Local Government and not the Commonwealth. There is no reason why a similar system cannot be adopted for State Government Trading Entities.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 121.6/2017
 January 2012 – 6.1/2012

Rating Restrictions – State Agreement Acts	
Position Statement	Resource projects covered by State Agreement Acts should be liable for Local Government rates.

Background

Before the 1980s, State Government conditions of consent for major resources projects in WA included the requirement for purpose-built towns in close proximity to project sites. These conditions were detailed in State Agreement Acts, which are essentially contracts between the State Government and proponents of major resources projects that are ratified by the State Parliament.

The requirement to provide community services and infrastructure meant State Agreement Acts typically included a Local Government rating restriction clause. Many of these towns have since been 'normalised' due to Local Governments, the State Government and utility providers assuming responsibility for services and infrastructure.

In 2011, the State Government introduced a new policy on 'the application of Gross Rental Valuation to mining, petroleum and resource interests' (the GRV mining policy). The policy would apply for a 3 year trial period from July 1, 2012. The trial period was recently extended until 30 September, pending the outcomes of a review of the policy. The primary objectives of the policy were to clarify the circumstances where Local Governments could apply GRV rating to mining land and enable the use of GRV rating on new (i.e., initiated after June 2012) mining, petroleum and resource interests. This included the application of GRV rating to new State Agreement Acts.

However, existing State Agreement Acts continue to restrict Local Government rating. Local Governments can only rate projects covered by existing Agreements in the unlikely event of 'both parties agree[ing] to adopt the policy'¹. Alternatively, the State Government has also stated that 'projects that operate under existing State Agreements and currently exempt from rates may apply the policy as part of their respective Agreement Variation processes with the Department of State Development during the trial period'². Again, this statement suggests it is unlikely that the rating exemptions will be removed for existing State Agreements since variations are infrequent and there is no real requirement to remove the exemptions.

¹ Barnett, C (Minister for State Development) & Castrilli J (Minister for Local Government) 2011, *Communities benefit from resources projects policy*, media release.

² Ibid.

Rating exemptions on State Agreement Acts mean that Local Governments are denied an efficient source of revenue. There are also equity issues associated with the existing exemptions since they only apply to a select group of mining companies whose projects are subject to older State Agreement Acts. Removing the rates exemption clauses from the pre-July 2012 State Agreement Acts would provide a fairer outcome for all other ratepayers, including the proponents of new resources projects.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 121.6/2017
 September 2014 – 89.4/2014
 March 2014 – 10.1/2014
 October 2011 – 116.5/2011

Basis of Rates: Section 6.28	
Position Statement	That Section 6.28 be reviewed to examine the limitations of the current methods of valuation of land, Gross Rental Value or Unimproved Value, and explore other alternatives including simplifying and providing consistency in the rating of mining activities.

Background

The method of valuation of land to be used as the basis of rating in Western Australia is either: Gross Rental Value for predominantly non-rural purpose; or unimproved value of land for rural purposes. These are the only two methods available under the Section 6.28 of the Local Government Act in Western Australia.

Eastern State Local Governments can elect to rate on one of the following options:

- Site Value - levy on the unimproved value of land only and disregards the value of buildings, personal property and other improvements;
- Capital Value - value of the land including improvements;
- Annual Value - rental value of a property (same as GRV).

Alternative land valuation methods came under the scope of the WALGA Systemic Sustainability Study, particularly Capital Improved Valuations which is in operation in Victoria and South Australia.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 123.6/2017

THEME - SMART

ADMINISTRATIVE EFFICIENCIES

Simple / Absolute Majority Decisions	
Position Statement	That WALGA support a review of those decisions requiring simple and absolute majority.

State Council Resolution March 2019 – 06.3/2019

Notification of Affected Owners: Section 3.51	
Position Statement	<p>Section 3.51 of the Local Government Act 1995 concerning “Affected owners to be notified of certain proposals” should be amended to achieve the following effects:</p> <p>a) to limit definition of “person having an interest” to those persons immediately adjoining the proposed road works (i.e. similar principle to town planning consultation); and</p> <p>b) to specify that only significant, defined categories of proposed road works require local public notice under Section 3.51 (3) (a).</p>

Background

The objectives outlined above aim to instil clarity and certainty when Local Governments are required to comply with Section 3.51 of the Local Government Act when planning road works. It is proposed this can be achieved by engaging in discussion with the Department of Local Government to develop instructions for the drafting of suitable amendments to the Act that will result in the desired outcome.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 123.6/2017
 February 2009 – 480.1/2009

Control of Certain Unvested Facilities: Section 3.53	
Position Statement	WALGA seeks consideration that Section 3.53 be repealed and that responsibility for facilities located on Crown Land return to the State as the appropriate land manager.

Background

The Local Government Act 1995 includes a provisions, under Section 3.53, that is carried forward from Section 300 of the former Local Government Act 1960.

Former Section 300 stated:

300. A council has the care, control, and management of public places, streets, ways, bridges, culverts, fords, ferries, jetties, and drains, which are within the district, or, which although not within the district, are by this Act placed under the care, control, and management, of the council, or are to be regarded as being within the district,

except where and to the extent that under an Act, another authority has that care, control, and management.

Section 3.53 refers to infrastructure as an ‘otherwise unvested facility’, and is defined to mean: “*a thoroughfare, bridge, jetty, drain, or watercourse belonging to the Crown, the responsibility for controlling or managing which is not vested in any person other than under this section.*”

Section 3.53 places responsibility for an otherwise unvested facility on the Local Government in whose district the facility is located. Lack of ongoing maintenance and accreting age has resulted in much infrastructure falling into a dilapidated state. This, together with the uncertain provenance of many of these facilities, particularly bridges, is reported as placing an unwarranted and unfunded burden on a number of Local Governments.

State Council Resolution March 2019 – 06.3/2019
December 2017 – 123.6/2017

Disposal of Property and Commercial Enterprises : Section 3.58 and 3.59:	
Position Statement	That WALGA include in the Local Government Act 1995 Review submission, a review of Section 3.58 ‘Disposing of Property’ and Section 3.59 ‘Commercial Enterprises’ to be redrafted to reflect current commercial and contractual practices in Western Australia.

State Council Resolution March 2019 – 06.3/2019
December 2017 – 124.06/2017

Proposal to the Advisory Board, Change of Boundaries or Amalgamation: Schedule 2.1	
Position Statement	WALGA seeks inclusion of a proposal to allow electors of a Local Government affected by any boundary change or amalgamation proposal entitlement to petition the Minister for a binding poll under Schedule 2.1 of the Local Government Act.

State Council Resolution March 2019 – 06.3/2019
December 2017 – 121.6/2017
December 2014 – 108.5/2014

Proposal to the Advisory Board, Number of Electors : Schedule 2.1	
Position Statement	<p>That Schedule 2.1 Clause 2(1)(d) be amended so that the prescribed number of electors required to put forward a proposal for change increase from 250 (or 10% of electors) to 500 (or 10% of electors) whichever is fewer.</p> <p>For Local Governments with total electors of less than 500, then the requirement be a minimum of 25% of electors.</p>

State Council Resolution March 2019 -06.3/2019
 December 2017 – 123.6/2017

Schedule 2.2 – Proposal to amend names, wards and representation, Number of Electors	
Position Statement	<p>That Schedule 2.2 Clause 3(1) be amended so that the prescribed number of electors required to put forward a submission increase from 250 (or 10% of electors) to 500 (or 10% of electors) whichever is fewer.</p> <p>For Local Governments with total electors of less than 500, then the requirement be a minimum of 25% of electors.</p>

State Council Resolution March 2019 -06.3/2019
 December 2017 – 123.6/2017

Proof in Vehicle Offences may be shifted: Section 9.13(6)	
Position Statement	<p>That Section 9.13 of the Local Government Act be amended by introducing the definition of 'responsible person' to enable Local Governments to administer and apply effective provisions associated with vehicle related offences.</p>

Background

This proposal emerged due to an increase in cases when progressing the prosecution of vehicle related offences in court (at the request of the vehicle owner) resulted in dismissal of charges by the Magistrate when the owner of the vehicle states that he does not recall who was driving his vehicle at the time of the offence.

The *Litter Act 1979* was amended in 2012 to introduce the definition of 'responsible person' (as defined in *Road Traffic Act 1974*) so that a 'responsible person' is taken to have committed an offence where it cannot be established who the driver of the vehicle was at the time of the alleged offence. This also removes the ability for the responsible person to be absolved of any responsibility for the offence if they fail to identify the driver. It is suggested that a similar amendment be made to Section 9.13 of the Act in order to ensure that there is consistent enforcement in regards to vehicle related offences.

State Council Resolution March 2019 -06.3/2019
December 2017 – 123.6/2017

Regional Local Governments: Part 3, Division 4	
Position Statement	The compliance obligations of Regional Local Governments should be reviewed.

Background Currently, Regional Local Governments are treated by the *Local Government Act 1995* for the purposes of compliance, as if they were a Local Government.

The Association believes that this places an overly large compliance burden on Regional Local Governments. The large compliance burden reduces potential cost savings that aggregated service delivery may achieve through increased efficiency and acts as a disincentive for Local Governments to establish Regional Local Governments.

State Council Resolution March 2019 -06.3/2019
December 2017 – 123.6/2017
January 2012 – 9.1/2012

Local Government (Long Service Leave) Regulations	
Position Statement	That a review be undertaken of the Local Government (Long Service Leave) Regulations to identify opportunities to amend and improve the Regulations to address ambiguity and readability to enable consistent interpretation and application of a key sector entitlement.

Background Many long service leave questions arise from the poor construction of wording in the Regulations and a lack of clarity around how LSL can be administered, which makes interpretation difficult for Local Government employers and their employees. For example, how casual employment is defined and treated for the purposes of accruing LSL, the portability of pro-rata LSL between Local Governments and how the entitlement to LSL is treated where an employee has multiple roles at the same or different Local Governments.

Approximately 32% of Local Government and Regional Council enterprise agreements contain clauses to allow employees to take pro-rata LSL after seven years' or less of continuous service which is inconsistent with the current Regulations and creates legal interpretation issues for Local Governments.

The superfluous and anachronistic nature of the current provisions can be attributed to the Regulations being under the former *Long Service Leave Act 1958*, and then transitioned via the *Local Government (Miscellaneous Provisions) Act 1960*.

The last amendment to the Regulations occurred in 2001 and a full review is essential.

State Council Resolution March 2019 – 06.3/2019
December 2017 – 123.6/2017

Audit Committee	
Position Statement	Remove the requirement to hold a separate Audit Committee meeting if all Elected Members are appointed to the Audit Committee.

State Council Resolution March 2019 – 06.3/2019

COMPLAINTS MANAGEMENT

Querulous, Vexatious and Frivolous Complainants	
Position Statement	<p>That a statutory provision be developed, permitting a Local Government to :</p> <ul style="list-style-type: none"> • Enable Local Government discretion to refuse to further respond to a complainant where the CEO is of the opinion that the complaint is trivial, frivolous or vexatious or is not made in good faith, or has been determined to have been previously properly investigated and concluded, similar to the terms of section 18 of the <i>Parliamentary Commissioner Act 1971</i>. • Provide for a complainant, who receives a Local Government discretion to refuse to deal with that complainant, to refer the Local Government’s decision for third party review. • Enable Local Government discretion to declare a member of the public a vexatious or frivolous complainant for reasons, including: <ul style="list-style-type: none"> - Abuse of process; - Harassing or intimidating an individual, Elected Member or an employee of the Local Government in relation to the complaint; - Unreasonably interfering with the operations of the Local Government in relation to the complaint.

Background

WALGA seeks inclusion of commentary and questions relating to Local Governments adopting within their proposed complaints management framework, the capacity to permit a Local Government to declare a member of the public a vexatious or frivolous complainant, subject to the declaration relating to the nature of complaint and not to the person.

State Council Resolution March 2019 – 06.3/2019
December 2017 – 123.6/2017

COUNCIL MEETINGS

Electors' General Meeting: Section 5.27	
Position Statement	Section 5.27 of the Local Government Act 1995 should be amended so that Electors' General Meetings are not compulsory.

Background There is adequate provision in the Local Government Act for the public to participate in Local Government matters and access information by attending meetings, participating in public question time, lodging petitions, and requesting special electors' meetings.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 121.6/2017
 February 2011 – 09.1/2011

Special Electors' Meeting: Section 5.28	
Position Statement	That Section 5.28(1)(a) be amended: (a) so that the prescribed number of electors required to request a meeting increase from 100 (or 5% of electors) to 500 (or 5% of electors), whichever is fewer; and (b) to preclude the calling of Electors' Special Meeting on the same issue within a 12 month period, unless Council determines otherwise. For Local Governments with total electors of less than 500, then the requirement be a minimum of 25% of electors.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 123.6/2017

Minutes, contents of: Administration Regulation 11	
Position Statement	Regulation 11 should be amended to require that information presented in a Council or Committee Agenda must also be included in the Minutes to that meeting.

State Council Resolution March 2019 -06.3/2019
 December 2017 – 123.6/2017

Revoking or Changing Decisions: Administration Regulation 10

Position Statement	That Regulation 10 be amended to clarify that a revocation or change to a previous decision does not apply to Council decisions that have already been implemented.
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Background Regulation 10 provides a mechanism for the revocation or change to a previous decision of Council. It does not however, contain any provision clarifying that the provisions do not apply to Council decisions that have already been implemented. This regulatory deficiency is currently managed administratively, but warrants an appropriate amendment to assist clarify the rights of a Councillor to seek a revocation or change

State Council Resolution March 2019 -06.3/2019
December 2017 – 123.6/2017

Attendance at Council Meetings by Technology: Administration Regulation 14A

Position Statement	That there be a review of the ability of Elected Members to log into Council meetings.
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State Council Resolution March 2019 -06.3/2019
December 2017 – 123.6/2017

INTERVENTIONS

Remedial intervention; Powers of appointed person; Remedial action process

Position Statement	<p>In respect to remedial intervention, the appointed person should be a Departmental employee with the required qualifications and experience. This provides a connection back to the Department and its requirements.</p> <p>The appointed person should only have an advice and support role. Funding of the remedial action should be by the Department where the intervention is mandatory. The Local Government to pay where the assistance is requested.</p>
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State Council Resolution March 2019 -06.3/2019
December 2017 – 123.6/2017

Disqualification Because of Convictions: Section 2.22

Position Statement	Add a new disqualification criteria which disqualifies a person from being an Elected Member if they have been convicted of an offence against the Planning and Development Act, or the Building Act, in the preceding five years.
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Background A planning or building system conviction is potentially more serious than a Local Government Act conviction because of Local Government's prominent role in planning and building control and the significant personal benefits which can be illegally gained through these systems.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 124.6/2017

THEME - INCLUSIVE

COMMUNITY ENGAGEMENT

Community Engagement Policy

Position Statement	That the Local Government Act 1995 include a requirement for Local Governments to adopt a Community Engagement Policy, with each Local Government to determine how to implement community engagement strategies.
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Background

- No objection to adopting a community engagement policy however the engagement process itself should not be regulated.
- Limited support for participatory budgeting as Local Government budgets should align with Corporate Business Plans that drive delivery of Strategic Community Plans.
- Respondents are respectful of community expectation to be informed and, on occasions, involved in some decision-making processes and that engagement works best when it is genuine rather than regulated.

State Council Resolution March 2019 – 06.3/2019

ELECTIONS

Conduct of Postal Elections: Sections 4.20 and 4.61	
Position Statement	The Local Government Act 1995 should be amended to allow the Australian Electoral Commission (AEC) and or any other third party provider (including a Local Government) to conduct postal elections.

Background Currently, the WAEC has a legislatively enshrined monopoly on the conduct of postal elections that has not been tested by the market.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 121.6/2017
 March 2012 – 24.2/2012

Voluntary Voting: Section 4.65	
Position Statement	Voting in Local Government elections should remain voluntary.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 121.6/2017

Method of Election of Mayor/President: Section 2.11	
Position Statement	Local Governments should determine whether their Mayor or President will be elected by the Council or elected by the community.

State Council Resolution March 2019 – 06.3/2019
 December 2017 – 121.6/2017

On-Line Voting	
Position Statement	That WALGA supports online voting.
Position Statement	That WALGA continue to investigate other opportunities to increase voter turnout.

Background WALGA was requested to explore the possibility of introducing on-line voting in Local Government elections.

A State Council Item for Noting was prepared in May 2017 advising that WALGA staff will liaise with the WAEC regarding the use of the iVote system and also seek feedback from the

Local Government sector on online voting and other opportunities to increase voter turnout. The Minister for Local Government has indicated that online voting is likely to be considered in the context of increasing elector participation.

State Council Resolution March 2019 – 06.3/2019
December 2017 – 121.6/2017

Method of Voting - Schedule 4.1	
Position Statement	Elections should be conducted utilising the first-past-the-post (FPTP) method of voting.

Background This State Council resolution influenced amendment to Schedule 4.1 in 2009 that returned Local Government elections to a first past the post system from the preferential proportional Representation. The FPTP method is simple, allows an expression of the electorate's wishes and does not encourage tickets and alliances to be formed to allocate preferences.

State Council Resolution March 2019 – 06.3/2019
December 2017 – 121.6/2017
October 2008 – 427.5/2008

Leave of Absence when Contesting State or Federal Election	
Position Statement	Amend the Act to require an Elected Member to take leave of absence when contesting a State or Federal election, applying from the issue of Writs. The options to consider include: <ul style="list-style-type: none"> (i) that an Elected Member remove themselves from any decision making role and not attend Council and Committee meetings; or (ii) that an Elected Member take leave of absence from all aspects of their role as a Councillor and not be able to perform the role as specified in Section 2.10 of the Local Government Act.

Background The East Metropolitan Zone identified that, under the *Local Government Act 1995*, there is no requirement for an Elected Member to either stand down or take leave of absence if they are a candidate for a State or Federal election. If elected to Parliament the Elected Member is immediately ineligible to continue as an Elected Member. Currently it is up to an individual Elected Member to determine if they wish to take a leave of absence. In some cases Elected Members have voluntarily resigned.

State Council Resolution March 2019 – 06.3/2019
December 2017 – 121.6/2017

LOCAL LAWS

Local Laws	
Position Statement	WALGA Procedure for making local laws – Local Governments' local laws generally affect those persons within its district. The requirement to give statewide notice under subsection (3) should be reviewed and consideration being given to Local Governments only being required to advertise the proposed local law by way of local public notice.
Position Statement	Eliminate the requirement to consult on Local Laws when a model is used.
Position Statement	Periodic review of local laws – consideration be given to review of this section and whether it could be deleted. Local Governments through administering local laws will determine when it is necessary to amend or revoke a local law in terms of meeting its needs for its inhabitants of its district. Other State legislation is not bound by such periodic reviews, albeit recognising such matters in subsidiary legislation are not as complex as matters prescribed in statute.
Position Statement	Introduce certification of Local Laws by a legal practitioner in place of scrutiny by Parliament's Delegated Legislation Committee.

State Council Resolution March 2019 -06.3/2019

CHARLES SMITH MLC

Member for the East Metropolitan Region

MEDIA RELEASE

Smith urges public to reveal dodgy local government conduct

24 July 2019

Member for the East Metropolitan Region Charles Smith urges West Australians to come forward with information about questionable local government behaviour in preparation for a parliamentary inquiry.

The public's information will be submitted to a committee established this year to specifically examine local government conduct.

Mr Smith says the committee is a necessary measure to deal with increasingly dishonest local government practices and urges people to come forward.

"Increasingly we are seeing ratepayers coming forward with issues about the behaviour of their local council, be it from rate rises to political policies outside the scope of their duties, people are becoming increasingly upset with local government and an examination is long overdue.

"Sadly, this is not the first time Parliament has scrutinised local councils, with an inquiry into local government accountability taking place in 2005," Mr Smith said.

Mr Smith said that anyone who comes forward with a complaint will contribute to ensuring the future transparency and accountability of local authorities.

"I would strongly encourage those who have had issues with their local council, or know of anything that strikes them as improper to come forward and tell their stories to this committee."

Submissions to the Committee are open until midnight 23 August with a report expected within 12 months thereafter.

ENDS

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