



Ordinary Council Meeting 14/12/21

Item 12.6 refers

Attachment 10

**DLGSCI Fact Sheets – Local
Government Reform Consultation**

Creating opportunities





Local Government Reform

Earlier intervention, effective regulation and stronger penalties

Problems, disputes and dysfunction within local government impacts upon ratepayers, local businesses, and local government services.

Complaints relating to local governments should be resolved quickly to reduce the risk of damage that may be done when there are serious problems in how a local government is functioning.

Local government oversight needs to be focused on targeting and fixing significant problems and stopping misconduct.



The Local Government Inspector

A new oversight Inspector for local government will be appointed to handle complaints, manage investigations, and coordinate the proactive resolution of significant problems identified within local governments. The Inspector will have the authority to receive complaints about local government CEOs.



Local Government Monitors

Specialist independent Monitors appointed by the Inspector will visit and work with local governments to fix problems, to provide for faster resolution where problems are identified.



Stronger Penalties

Stronger penalties will be imposed by a new Conduct Panel. This will include short-term disqualification or withholding of allowances for elected members who have been found to be in breach of the Local Government Act or Regulations.



Mandatory Training

Elected members who do not complete mandatory training within a certain time will not be eligible for any allowances or sitting fees. They will also be liable for other penalties.



Rapid Red Card Resolutions

Mayors and Presidents will have consistent powers to eject anyone who disrupts a council meeting, with appropriate checks and balances by the Local Government Inspector, to prevent the misuse of these powers. This reform will also be supported by mandatory audio or video recording of council meetings.



Other Amendments

Other amendments may further strengthen oversight of local government. Early intervention and oversight reforms will also be supported by the other reforms, especially new transparency and democratic decision-making reforms.





Local Government Reform

Reducing red tape, increasing consistency and simplicity

The State Government is reducing unnecessary red tape to help facilitate delivery of small projects and support small business. Changes to the *Local Government Act 1995* and associated legislation will include a streamlined approach to facilitating alfresco dining, minor signage, and driveway approvals.

Improving the efficiency and consistency of local government will deliver significant benefits for small businesses, community organisations, and residents and ratepayers.



Standardised Meeting Procedures across all Local Governments

The procedures for all council meetings, including for public question time, will be standardised across the State. This will improve consistency, and make engaging with council decisions simpler and easier.



Greater Consistency for Small Business

Reforms will introduce standard approvals for key local government regulations and approvals, including:

- alfresco and outdoor dining
- minor small business signage rules
- community events

Many of these reforms build on the planning reforms already implemented by the State Government. They also complement the ongoing innovations by local governments, and initiatives by the Small Business Development Corporation and StreamlineWA.



Streamlining Local Laws

Local laws will be streamlined to create greater consistency and reduce the complexity of regulation, particularly for rules about installing minor signage for small business, and the planning of community events. There will be new, simple model local laws that local governments can easily adopt.



Creating Flexibility to Enable Resource-Sharing

Legislation will specifically enable and encourage local governments to share resources, including CEOs and senior employees. For instance, it will be easier for two or three local governments to hire one shared CEO.



Standardising Residential Crossovers/Driveways on Local Roads

Reforms to standardise and simplify the approval of crossovers (the part of driveways connecting to the road) for residential developments on local roads as part of the Phase 2 Planning and Local Government Reforms, announced jointly by the Minister for Planning and the Minister for Local Government, will be implemented.





Local Government Reform

Greater transparency and accountability

Ratepayers and the public expect local government decision making to be clear and transparent. During the COVID-19 pandemic, councils across the State demonstrated how online engagement can bolster public participation in local government decision-making.



Mandatory Recording of Council Meetings

Large local governments will be required to livestream meetings, and post recordings online. Smaller local governments will be required to record and publish audio recordings.



Guidance for Confidential Meeting Items

Clear rules will define the types of decisions that can be made by councils in confidential meetings, and recordings of those decisions will be required to be stored as permanent records.



Transparency and Accountability through Online Registers

There will be new state-wide standards for reporting of important local government transactions online, including:

- a Lease Register about the leases the local government is party to (either as lessor or lessee)
- a Community Grants Register to outline all grants and funding provided by the local government
- a Contracts Register that discloses all contracts or procurement with a value of \$100,000 or more
- an Interest Disclosure Register which collates all disclosures made by elected members about their interests related to matters considered by council
- an Applicant Contribution Register accounting for funds collected from applicant contributions, such as cash-in-lieu for public open space or car parking



Transparency of CEO Key Performance Indicators

The Key Performance Indicators (KPI) used to measure the performance of the CEO will be made publicly available, and the results will also be reported. The CEO will also have the right to publish comments to provide context to the results.



Consistent Recording of all Votes

To provide consistent transparency of decision-making across all local governments, all votes cast by all councillors for all decisions on council will be required to be reported in council minutes.





Local Government Reform

Stronger local democracy and community engagement

Election and community engagement reforms are proposed to empower ratepayers to participate in local democracy and decision-making.



Direct Election of the Mayor or President

All electors in large local governments will be able to vote directly for the Mayor or President, giving ratepayers more power to choose the leadership of their council. This reflects a broader trend, with councils such as Stirling and Rockingham already having moved to a public vote for the election of their Mayors.



No Wards for Small Local Governments

Wards in small local governments can cover very limited areas, with small populations. This means that councillors are more likely to be elected unopposed, or with a very small number of votes. In line with a broader trend, it is proposed that wards for all small local governments be abolished.



Reforms to Ensure Valid Candidate and Voter Eligibility

Rules for who is eligible to vote or run for council will be tightened, ensuring that only legitimate residents or businesses will be eligible. New laws will prevent candidates from using sham leases in council elections. The basis for why a candidate is eligible to run will also be required to be publicly disclosed.



Preferential Voting

Local government elected members will be elected by preferential voting, which is the same as State and Federal elections. Preferential voting ensures the elected council best reflects community views.



Community Engagement Charter

Local governments will be required to establish a Charter which sets out how it will engage with ratepayers and the community about the local government's proposed policies, initiatives, and projects. A model Charter will be published to assist local governments who wish to adopt a standard Charter.



Other Amendments

There are also more reforms proposed to further enhance local government democracy and community engagement, including proposed minor changes to the annual meeting.



Consistent Number of Elected Members

To increase consistency, the number of elected members on any council will be set based upon the population within that local government. The Local Government Panel Report recommended a number of elected members as follows:

- population of up to 5,000 – 5 councillors (including the President)
- population of between 5,000 and 75,000 – 5 to 9 councillors (including the Mayor/President)
- population of above 75,000 – 9 to 15 councillors (including the Mayor)





Local Government Reform

Clearer Roles and Responsibilities

The *Local Government Act 1995* (the Act) outlines the role of council, elected members and the Chief Executive Officer (CEO). Ambiguity in these roles can be a source of dispute within local governments. Amendments to further define these roles and responsibilities in the Act will help to address this.

Principles

New principles will be included in the Act to foster a culture of better practice, based on the recommendations of the Local Government Review Panel Report. New principles will include:



recognition of the unique status of Aboriginal Western Australians



recognition of tiers (based on SAT bands)



guidance for community engagement



guidance for financial management



Communication agreements

Local governments will be required to introduce a communications agreement outlining communications process between councillors and the CEO.



Elected members

Elected members will only be able to use the title of their local government position while performing their role in an official capacity.



Statewide Caretaker Period

A statewide caretaker period for local governments is proposed. This means that all local governments across the State will have the same clearly defined election period, during which all councils operate on a caretaker basis.



Superannuation allowances

Local governments will be able to decide to make superannuation contributions for elected members. Councils will also be able to decide to cover tuition fees for elected members who undertake further study related to local government.



CEO recruitment

DLGSC will establish an approved panel of CEO recruitment panel members for the role of independent person on a recruitment and selection panel. Local governments will be able to appoint people outside of the designated panel with approval from the Local Government Inspector.



The role of CEOs

Roles will be further defined, providing a greater understanding of the CEO's responsibilities and clear delineation between the functions of council and the CEO, as leader of the administration.



In accordance with the Local Government Review Panel Report's recommendation, WALGA will no longer be constituted under the *Local Government Act 1995*. This will provide clarity that WALGA is not a State Government entity.





Local Government Reform

Improved financial management and reporting

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



Model Financial Statements

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

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



Rates and Revenue Policy

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



Reforms for Financial Ratios

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



Credit Card Statements Publicly Reported to Council

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



Other Minor Reforms

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

- Changes to require Audit and Risk Committees to bolster local government oversight, and allowing regional local governments to share Audit and Risk Committees to reduce costs
- Reforms will allow local governments to provide fixed-interest loans to building owners to fund specific building upgrade finance, such as for green energy investments, and for heritage preservation works
- The cost of waste collection services provided to a property will be required to be separately stated on any rates notice for that property. This provides ratepayers with clear transparency for what waste collection services cost

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

