

Ordinary Council Meeting 14/12/21

Item 12.6 refers

Attachment 9

Local Government Reform - Consultation Paper







Local Government Reform – Summary of Proposed Reforms



Local Government Reform - Consultation on Proposed Reforms

Local government benefits all Western Australians. It is critical that local government works with:

- a culture of openness to innovation and change
- continuous focus on the effective delivery of services
- respectful and constructive policy debate and democratic decision-making
- an environment of transparency and accountability to ensure effective public engagement on important community decisions.

Since first coming to office in 2017, the McGowan Government has already progressed reforms to improve specific aspects of local government performance. This includes new laws that work to improve transparency, cut red tape, and support jobs growth and economic development - ensuring that local government works for the benefit of local communities.

Based on the significant volume of research and consultation undertaken over the past five years, the Minister for Local Government has now announced the most significant package of major reforms to local government in Western Australia since the Local Government Act 1995 was passed more than 25 years ago. The package is based on six major themes:

- 1. Earlier intervention, effective regulation and stronger penalties
- 2. Reducing red tape, increasing consistency and simplicity
- 3. Greater transparency and accountability
- 4. Stronger local democracy and community engagement
- 5. Clear roles and responsibilities
- 6. Improved financial management and reporting.

A large focus on the new reform is oversight and intervention where there are significant problems arising within a local government. The introduction of new intermediate powers for intervention will increase the number of tools available to more quickly address problems and dysfunction within local governments. The proposed system for early intervention has been developed based on similar legislation in place in other jurisdictions, including Victoria and Queensland.

This will deliver significant benefits for small business, residents and ratepayers, industry, elected members and professionals working in the sector.

Local Government Reforms

These reforms are based on extensive consultation undertaken over the last five years, and have been developed considering:

- The Local Government Review Panel Final Report (mid 2020)
- The City of Perth Inquiry Report (mid 2020)
- Department of Local Government, Sport and Cultural Industries (DLGSC) consultation on Act Reform (2017-2020)
- The Victorian Local Government Act 2020 and other State Acts
- The Parliament's Select Committee Report into Local Government (late 2020)
- Western Australian Local Government Association (WALGA) Submissions
- Direct engagement with local governments
- Correspondence and complaints
- Miscellaneous past reports.

Consultation

Comments on these proposed reforms are invited. Comments can be made against each proposed reform in this document. For details on how to make a submission, please visit www.dlgsc.wa.gov.au/lgactreform.

Theme 1: Early Intervention, Effective Regulation and Stronger Penalties

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS	
1.1 Early Intervention Powers	1.1 Early Intervention Powers		
 The Act provides the means to regulate the conduct of local government staff and council members and sets out powers to scrutinise the affairs of local government. The Act provides certain limited powers to: Suspend or dismiss councils Appoint Commissioners Suspend or, order remedial action (such as training) for individual councillors. The Act also provides the Director General with the power to: Conduct Authorised Inquiries Refer allegations of serious or recurrent breaches to the State Administrative Tribunal Commence prosecution for an offence under the Act. Authorised Inquiries are a costly and a relatively slow response to significant issues. Authorised Inquiries are currently the only significant tool for addressing significant issues within a local government. The Panel Report, City of Perth Inquiry, and the Select Committee Report made various recommendations related to the establishment of a specific office for local government oversight. 	 to investigate and intervene in any local government where potential issues are identified. The Inspector would have the authority to assess, triage, refer, investigate, or close complaints, having regard to various public interest criteria – considering laws such as the Corruption, Crime and Misconduct Act 2003, the Occupational Safety and Health Act 1984, the Building Act 2011, and other legislation. 	The City supports early intervention and monitoring of potentially disruptive behaviours and the appointment of an oversight inspector within the DLGSC, Monitors, and replacement of the Standards Panel with a Conduct Panel. A clear outline of the inspector and monitor roles is required following consultation with local governments. The City requests an amendment to remove the responsibility for local governments to deal with behavioural complaints.	

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
	 These reforms would be supported by new powers to more quickly resolve issues within local government (see items 1.5 and 1.6). 	
1.2 Local Government Monitors		
 There are currently no legislative powers for the provision of monitors/ temporary advisors. The DLGSC provides support and advice to local governments, however there is no existing mechanism for pre-qualified, specialised assistance to manage complex cases. 	 A panel of Local Government Monitors would be established. Monitors could be appointed by the Inspector to go into a local government and try to resolve problems. The purpose of Monitors would be to proactively fix problems, rather than to identify blame or collect evidence. Monitors would be qualified specialists, such as: Experienced and respected former Mayors, Presidents, and CEOs - to act as mentors and facilitators Dispute resolution experts - to address the breakdown of professional working relationships Certified Practicing Accountants and other financial specialists - to assist with financial management and reporting issues Governance specialists and lawyers - to assist councils resolve legal issues HR and procurement experts - to help with processes like recruiting a CEO or undertaking a major land transaction. Only the Inspector would have the power to appoint Monitors. Local governments would be able to make requests to the Inspector to appoint Monitors for a specific purpose. Monitor Case Study 1 - Financial Management The Inspector receives information that a local government is not collecting rates correctly under the Local Government Act 1995. Upon initial review, the Inspector identifies that there may be a problem. The Inspector appoints a Monitor who specialises 	City of Belmont Response: The City supports the establishment of Local Government Monitors to support the oversight inspector.

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
	in financial management in local government. The Monitor visits the local government and identifies that the system used to manage rates is not correctly issuing rates notices. The Monitor works with the local government to rectify the error, and issue corrections to impacted ratepayers.	
	Monitor Case Study 2 – Dispute Resolution	
	The Inspector receives a complaint from one councillor that another councillor is repeatedly publishing derogatory personal attacks against another councillor on social media, and that the issue has not been able to be resolved at the local government level. The Inspector identifies that there has been a relationship breakdown between the two councillors due to a disagreement on council.	
	The Inspector appoints a Monitor to host mediation sessions between the councillors. The Monitor works with the councillors to address the dispute. Through regular meetings, the councillors agree to a working relationship based on the council's code of conduct. After the mediation, the Monitor occasionally makes contact with both councillors to ensure there is a cordial working relationship between the councillors.	
1.3 Conduct Panel		
 The Local Government Standards Panel was established in 2007 to resolve minor breach complaints relatively quickly and provide the sector with guidance and benchmarks about acceptable standards of behaviour. Currently, the Panel makes findings about alleged breaches based on written submissions. The City of Perth Inquiry report made various recommendations that functions of 	 The Standards Panel is proposed to be replaced with a new Local Government Conduct Panel. The Conduct Panel would be comprised of suitably qualified and experienced professionals. Sitting councillors will not be eligible to serve on the Conduct Panel. The Inspector would provide evidence to the Conduct Panel for adjudication. The Conduct Panel would have powers to impose stronger penalties – potentially including being able to suspend 	City of Belmont Response: The City supports the replacement of the Standards Panel with a Conduct Panel, and the power to impose stronger penalties.

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
the Local Government Standards Panel be reformed.	 councillors for up to three months, with an appeal mechanism. For very serious or repeated breaches of the Local Government Act, the Conduct Panel would have the power to recommend prosecution through the courts. Any person who is subject to a complaint before the Conduct Panel would have the right to address the Conduct Panel before the Panel makes a decision. 	
1.4 Review of Penalties		
There are currently limited penalties in the Act for certain types of non-compliance with the Local Government Act.	 Penalties for breaching the Local Government Act are proposed to be strengthened. It is proposed that the suspension of councillors (for up to three months) is established as the main penalty where a councillor breaches the Local Government Act or Regulations on more than one occasion. Councillors who are disqualified would not be eligible for sitting fees or allowances. They will also not be able to attend meetings, or use their official office (such as their title or council email address). It is proposed that a councillor who is suspended multiple times may become disqualified from office. Councillors who do not complete mandatory training within a certain timeframe will also not be able to receive sitting fees or allowances. 	City of Belmont Response: The City supports strengthening of penalties.
1.5 Rapid Red Card Resolutions		
Currently, local governments have different local laws and standing orders that govern the way meetings run. Presiding members (Mayors and Presidents) are reliant on the powers provided in the local government standing orders local laws.	across Western Australia (see item 2.6). Published recordings of all meetings would also become standard (item 3.1).	City of Belmont Response: The City supports standardisation of Standing Orders. The City supports the concept proposed for the Presiding Member to issue a clear first

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CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
 Differences between local governments is a source of confusion about the powers that presiding members have to deal with disruptive behaviours at council meetings. Disruptive behaviour at council meetings is a very common cause of complaints. Having the Presiding Member be able to deal with these problems should more quickly resolve problems that occur at council meetings. 	unreasonably and repeatedly interrupt council meetings. This power would: Require the Presiding Member to issue a clear first warning If the disruptions continue, the Presiding Member will have the power to "red card" that person, who must be silent for the rest of the meeting. A councillor issued with a red card will still vote, but must not speak or move motions If the person continues to be disruptive, the Presiding Member can instruct that they leave the meeting. Any Presiding Member who uses the "red card" or ejection power will be required to notify the Inspector. Where an elected member refuses to comply with an instruction to be silent or leave, or where it can be demonstrated that the presiding member has not followed the law in using these powers, penalties can be imposed through a review by the Inspector.	warning and prohibit further involvement in a council meeting by any attendee. A process or term other than the use of a 'red card' is recommended such as 'Out of Order' resolutions. How the resolutions can be applied would need to be set out clearly for consistent application across local government.
1.6 Vexatious Complaint Referrals		
No current provisions.	• Local governments already have a general responsibility to	City of Belmont Response:
The Act already provides a requirement for Public Question Time at council meetings.	provide ratepayers and members of the public with assistance in responding to queries about the local government's operations. Local governments should resolve queries and complaints in a respectful, transparent and equitable manner. • Unfortunately, local government resources can become unreasonably diverted when a person makes repeated	The City supports the ability for a local government CEO to refer communications and complaints of a repeated and vexatious nature to an inspector for assessment.
	 vexatious queries, especially after a local government has already provided a substantial response to the person's query. It is proposed that if a person makes repeated complaints to a local government CEO that are vexatious, the CEO will 	The City supports establishment of a clear guide or definition of what constitutes a vexatious query. Recommend that the proposal be amended to 'that if a person

have the power to refer that person's complaints to the

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS
	Inspectorate, which after assessment of the facts may then rule the complaint vexatious.	makes repeated complaints to a local government CEO or any officer that are vexatious, the CEO will have the power to refer that person's complaints to the Inspectorate, which after assessment of the facts may then rule the complaint vexatious.'
1.7 Minor Other Reforms		
 Other minor reforms are being considered to enhance the oversight of local government. Ministerial Circulars have traditionally been used to provide guidance to the local government sector. 	 Potential other reforms to strengthen guidance for local governments are being considered. For example, one option being considered is the potential use of sector-wide guidance notices. Guidance notices could be published by the Minister or Inspector, to give specific direction for how local governments should meet the requirements of the Local Government Act and Regulations. For instance, the Minister could publish guidance notices to clarify the process for how potential conflicts of interests should be managed. It is also proposed (see item 1.1) that the Inspector has the power to issue notices to individual local governments to require them to rectify non-compliance with the Act or Regulations. 	City of Belmont Response: The City supports sector wide and individual local government guidance notices being issued by the Minister or Inspector.

Theme 2: Reducing Red Tape, Increasing Consistency and Simplicity

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	
2.1 Resource Sharing	2.1 Resource Sharing		
 The Act does not currently include specific provisions to allow for certain types of resource sharing – especially for sharing CEOs. Regional local governments would benefit from having clearer mechanisms for voluntary resource-sharing. 	 Amendments are proposed to encourage and enable local governments, especially smaller regional local governments, to share resources, including Chief Executive Officers and senior employees. Local governments in bands 2, 3 or 4 would be able to appoint a shared CEO at up to two salary bands above the highest band. For example, a band 3 and a band 4 council sharing a CEO could remunerate to the level of band 1. 	City of Belmont Response: The City supports amendments to encourage and enable resource sharing.	
2.2 Standardisation of Crossovers			
 Approvals and standards for crossovers (the section of driveways that run between the kerb and private property) are inconsistent between local government areas, often with very minor differences. This can create confusion and complexity for homeowners and small businesses in the construction sector. 	 It is proposed to amend the Local Government (Uniform Local Provisions) Regulations 1996 to standardise the process for approving crossovers for residential properties and residential developments on local roads. A Crossover Working Group has provided preliminary advice to the Minister and DLGSC to inform this. The DLGSC will work with the sector to develop standardised design and construction standards. 	City of Belmont Response: Supported	
2.3 Introduce Innovation Provisions			
The Local Government Act 1995 currently has very limited provisions to allow for innovations and responses to emergencies to (such as the Shire of Bruce Rock Supermarket).	 New provisions are proposed to allow exemptions from certain requirements of the Local Government Act 1995, for: Short-term trials and pilot projects Urgent responses to emergencies. 	City of Belmont Response: The City supports the proposal to allow certain exemptions if clear guidance is included on acceptable exemption types / situations.	

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
2.4 Streamline Local Laws		
 Local laws are required to be reviewed every eight years. The review of local laws (especially when they are standard) has been identified as a burden for the sector. Inconsistency between local laws is frustrating for residents and business stakeholders. 	 It is proposed that local laws would only need to be reviewed by the local government every 15 years. Local laws not reviewed in the timeframe would lapse, meaning that old laws will be automatically removed and no longer applicable. Local governments adopting Model Local Laws will have reduced advertising requirements. 	City of Belmont Response: The City supports an extended or no timeframe requirement for local law review. The City does not support local laws lapsing if not reviewed in the required timeframe. The City supports an amended process for adoption of local laws to involve the Joint Standing Committee on Delegated Legislation prior to gazettal.
2.5 Simplifying Approvals for Small Business	and Community Events	
 Inconsistency between local laws and approvals processes for events, street activation, and initiatives by local businesses is frustrating for business and local communities. 	 Proposed reforms would introduce greater consistency for approvals for: alfresco and outdoor dining minor small business signage rules running community events. 	City of Belmont Response: The City Supports greater consistency of approvals.
2.6 Standardised Meeting Procedures, Including Public Question Time		
Local governments currently prepare individual standing order local laws.	To provide greater clarity for ratepayers and applicants for decisions made by council, it is proposed that the meeting procedures and standing orders for all local government	City of Belmont Response: Supported

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
 The Local Government Act 1995 and regulations require local governments to allocate time at meetings for questions from the public. Inconsistency among the meeting procedures between local governments is a common source of complaints. 	 meetings, including for public question time, are standardised across the State. Regulations would introduce standard requirements for public question time, and the procedures for meetings generally. Members of the public across all local governments would have the same opportunities to address council and ask questions. 	
2.7 Regional Subsidiaries		
 Initiatives by multiple local governments may be managed through formal Regional Councils, or through less formal "organisations of councils", such as NEWROC and WESROC. These initiatives typically have to be managed by a lead local government. In 2016-17, provisions were introduced to allow for the formation of Regional Subsidiaries. Regional Subsidiaries can be formed in line with the Local Government (Regional Subsidiaries) Regulations 2017. So far, no Regional Subsidiary has been formed. 	 Work is continuing to consider how Regional Subsidiaries can be best established to: Enable Regional Subsidiaries to provide a clear and defined public benefit for people within member local governments Provide for flexibility and innovation while ensuring appropriate transparency and accountability of ratepayer funds Where appropriate, facilitate financing of initiatives by Regional Subsidiaries within a reasonable and defined limit of risk Ensure all employees of a Regional Subsidiary have the same employment conditions as those directly employed by member local governments. 	City of Belmont Response: Supported

Theme 3: Greater Transparency & Accountability

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
3.1 Recordings and Live-Streaming of All Cou	ıncil Meetings	
 Currently, local governments are only required to make written minutes of meetings. While there is no legal requirement for livestreaming or video or audio recording of council meetings, many local governments now stream and record their meetings. Complaints relating to behaviours and decisions at meetings constitute a large proportion of complaints about local governments. Local governments are divided into bands with the largest falling in bands 1 and 2, and smaller local governments falling bands 3 and 4. The allocation of local governments into bands is determined by The Salaries and Allowances Tribunal based on factors¹ such as: Growth and development Strategic planning issues Demands and diversity of services provided to the community Total expenditure Population Staffing levels. 	 It is proposed that all local governments will be required to record meetings. Band 1 and 2 local governments would be required to livestream meetings, and make video recordings available as public archives. Band 1 and 2 are larger local governments are generally located in larger urban areas, with generally very good telecommunications infrastructure, and many already have audio-visual equipment. Band 1 and 2 local governments would be required to livestream meetings, and make video recordings available as public archives. Several local governments already use platforms such as YouTube, Microsoft Teams, and Vimeo to stream and publish meeting recordings. Limited exceptions would be made for meetings held outside the ordinary council chambers, where audio recordings may be used. Recognising their generally smaller scale, typically smaller operating budget, and potential to be in more remote locations, band 3 and 4 local governments would be required to record and publish audio recordings, at a minimum. These local governments would still be encouraged to livestream or video record meetings. All council meeting recordings would need to be published at the same time as the meeting minutes. Recordings of all confidential items would also need to be submitted to the DLGSC for archiving. 	Not supported. The City has concerns from a personal security and safety perspective for Councillors and Officers attending meetings. It is the CEO's responsibility to ensure the safety of all officers at the City. It is considered that all officers, Councillors, other members of the public, and the families of those in attendance at the meetings are at risk of increased violence and it poses personal safety concerns with regard to recent incidents involving public officers including those toward the Premier of WA and the murder of a Member of Parliament in the United Kingdom. Livestreaming meetings poses a direct risk to the safety of all attendees at the meetings. Consideration is to be given for those who may decline to be recorded under the Surveillance Devices Act 1998.

¹ See page 3 of the <u>2018 Salaries and Allowance Tribunal Determination</u>

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
3.2 Recording All Votes in Council Minutes		
 A local government is only required to record which councillor voted for or against a motion in the minutes of that meeting if a request is made by an elected member at the time of the resolution during the meeting. The existing provision does not mandate transparency. 	 To support the transparency of decision-making by councillors, it is proposed that the individual votes cast by all councillors for all council resolutions would be required to be published in the council minutes, and identify those for, against, on leave, absent or who left the chamber. Regulations would prescribe how votes are to be consistently minuted. 	City of Belmont Response: Supported. The City currently records individual votes cast by all councillors for council resolutions that are not unanimous.
3.3 Clearer Guidance for Meeting Items that n	nay be Confidential	
 The Act currently provides broad definitions of what type of matters may be discussed as a confidential item. There is limited potential for review of issues managed as confidential items under the current legislation. 	 Recognising the importance of open and transparent decision-making, it is considered that confidential meetings and confidential meeting items should only be used in limited, specific circumstances. It is proposed to make the Act more specific in prescribing items that may be confidential, and items that should remain open to the public. Items not prescribed as being confidential could still be held as confidential items only with the prior written consent of the Inspector. All confidential items would be required to be audio recorded, with those recordings submitted to the DLGSC. 	City of Belmont Response: Supported
3.4 Additional Online Registers		
 Local governments are required to provide information to the community through annual reports, council minutes and the publication of information online. Consistent online publication of information can substitute for certain material in annual reports. 	 It is proposed to require local governments to report specific information in online registers on the local government's website. Regulations would prescribe the information to be included. The following new registers, each updated quarterly, are proposed: 	City of Belmont Response: Supported

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
 Consistency in online reporting across the sector will provide ratepayers with better information. These registers supplement the simplification of financial statements in Theme 6. 	 Lease Register to capture information about the leases the local government is party to (either as lessor or lessee) Community Grants Register to outline all grants and funding provided by the local government Interests Disclosure Register which collates all disclosures made by elected members about their interests related to matters considered by council Applicant Contribution Register accounting for funds collected from applicant contributions, such as cash-in-lieu for public open space and car parking Contracts Register that discloses all contracts above \$100,000. 	
3.5 Chief Executive Officer Key Performance I	ndicators (KPIs) be Published	
 It is a requirement of the Local Government Act 1995 that CEO performance reviews are conducted annually. The Model Standards for CEO recruitment and selection, performance review and termination require that a local government must review the performance of the CEO against contractual performance criteria. Additional performance criteria can be used for performance review by agreement between both parties. 	 To provide for minimum transparency, it is proposed to mandate that the KPIs agreed as performance metrics for CEOs: Be published in council meeting minutes as soon as they are agreed prior to (before the start of the annual period) The KPIs and the results be published in the minutes of the performance review meeting (at the end of the period) The CEO has a right to provide written comments to be published alongside the KPIs and results to provide context as may be appropriate (for instance, the impact of events in that year that may have influenced the results against KPIs). 	City of Belmont Response: The City does not support KPI's or results at the end of the performance period being published as the CEO employment is a contract between the Council and the CEO and should be considered confidential between the two parties. KPI's may contain specific impacts on certain aspects of the local government (ie. Related to staff, or particular agencies) and will discourage the retention and attraction of quality CEOs. This is not in the public interest and does not relate to the good governance of the district.

Theme 4: Stronger Local Democracy and Community Engagement

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	
4.1 Community and Stakeholder Engagement	4.1 Community and Stakeholder Engagement Charters		
 There is currently no requirement for local governments to have a specific engagement charter or policy. Many local governments have introduced charters or policies for how they will engage with their community. Other States have introduced a specific requirement for engagement charters. 	 It is proposed to introduce a requirement for local governments to prepare a community and stakeholder engagement charter which sets out how local government will communicate processes and decisions with their community. A model Charter would be published to assist local governments who wish to adopt a standard form. 	City of Belmont Response: Supported	
4.2 Ratepayer Satisfaction Surveys (Band 1 a	nd 2 local governments only)		
 Many local governments already commission independent surveying consultants to hold a satisfaction survey of residents/ratepayers. These surveys provide valuable data on the performance of local governments. 	 It is proposed to introduce a requirement that every four years, all local governments in bands 1 and 2 hold an independently-managed ratepayer satisfaction survey. Results would be required to be reported publicly at a council meeting and published on the local government's website. All local governments would be required to publish a response to the results. 	City of Belmont Response: Supported	
4.3 Introduction of Preferential Voting			
 The current voting method for local government elections is first past the post. The existing first-past-the-post does not allow for electors to express more than one preference. The candidate with the most votes wins, even if that candidate does not have a majority. Preferential voting better captures the precise intentions of voters and as a result 	 Preferential voting is proposed be adopted as the method to replace the current first past the post system in local government elections. In preferential voting, voters number candidates in order of their preferences. Preferential voting is used in State and Federal elections in Western Australia (and in other states). This provides voters with more choice and control over who they elect. All other states use a form of preferential voting for local government. 	City of Belmont Response: Not supported. First past the post voting is preferred.	

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
may be regarded as a fairer and more representative system. Voters have more specific choice.		
4.4 Public Vote to Elect the Mayor and Presid	ent	
 The Act currently allows local governments to have the Presiding Member (the Mayor or President) elected either: by the electors of the district through a public vote; or by the council as a resolution at a council meeting. 	councils than those in bands 3 and 4.	City of Belmont Response: Not supported. The current provisions in the Act allow for election by the community or by the electors which is appropriate.
4.5 Tiered Limits on the Number of Councillo	rs	
 The number of councillors (between 5-15 councillors) is decided by each local government, reviewed by the Local Government Advisory Board, and if approved by the Minister. The Panel Report recommended electoral reforms to improve representativeness. 	 It is proposed to limit the number of councillors based on the population of the entire local government. Some smaller local governments have already been moving to having smaller councils to reduce costs for ratepayers. The Local Government Panel Report proposed: For a population of up to 5,000 – five councillors (including the President) population of between 5,000 and 75,000 – five to nine councillors (including the Mayor/President) population of above 75,000 – nine to fifteen councillors (including Mayor). 	City of Belmont Response: Supported

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
4.6 No Wards for Small Councils (Band 3 and	4 Councils only)	
 A local government can make an application to be divided into wards, with councillors elected to those wards. Only about 10% of band 3 and 4 local governments currently have wards. 	 It is proposed that the use of wards for councils in bands 3 and 4 is abolished. Wards increase the complexity of elections, as this requires multiple versions of ballot papers to be prepared for a local government's election. In smaller local governments, the population of wards can be very small. These wards often have councillors elected unopposed, or elect a councillor with a very small number of votes. Some local governments have ward councillors elected with less than 50 votes. There has been a trend in smaller local governments looking to reduce the use of wards, with only 10 councils in bands 3 and 4 still having wards. 	City of Belmont Response: Supported
4.7 Electoral Reform – Clear Lease Requireme	ents for Candidate and Voter Eligibility	
 A person with a lease in a local government district is eligible to nominate as a candidate in that district. A person with a lease in a local government district is eligible to apply to vote in that district. The City of Perth Inquiry Report identified a number of instances where dubious lease arrangements put to question the validity of candidates in local government elections, and subsequently their legitimacy as councillors. 	 Reforms are proposed to prevent the use of "sham leases" in council elections. Sham leases are where a person creates a lease only to be able to vote or run as a candidate for council. The City of Perth Inquiry Report identified sham leases as an issue. Electoral rules are proposed to be strengthened: A minimum lease period of 12 months will be required for anyone to register a person to vote or run for council. Home based businesses will not be eligible to register a person to vote or run for council, because any residents are already the eligible voter(s) for that address. Clarifying the minimum criteria for leases eligible to register a person to vote or run for council. 	City of Belmont Response: Supported

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	 The reforms would include minimum lease periods to qualify as a registered business (minimum of 12 months), and the exclusion of home based businesses (where the resident is already eligible) and very small sub-leases. The basis of eligibility for each candidate (e.g. type of property and suburb of property) is proposed to be published, including in the candidate pack for electors. 	
4.8 Reform of Candidate Profiles		
Candidate profiles can only be 800 characters, including spaces. This is equivalent to approximately 150 words.	 Further work will be undertaken to evaluate how longer candidate profiles could be accommodated. Longer candidate profiles would provide more information to electors, potentially through publishing profiles online. It is important to have sufficient information available to assist electors make informed decisions when casting their vote. 	City of Belmont Response: Supported
4.9 Minor Other Electoral Reforms		
Other minor reforms are proposed to improve local government elections.	 Minor other electoral reforms are proposed to include: The introduction of standard processes for vote recounts if there is a very small margin between candidates (e.g. where there is a margin of less than 10 votes a recount will always be required) The introduction of more specific rules concerning local government council candidates' use of electoral rolls. 	City of Belmont Response: Supported

Theme 5: Clear Roles and Responsibilities

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	
5.1 Introduce Principles in the Act	5.1 Introduce Principles in the Act		
 The Act does not currently outline specific principles. The Act contains a short "Content and Intent" section only. The Panel Report recommended greater articulation of principles 	 It is proposed to include new principles in the Act, including: The recognition of Aboriginal Western Australians Tiering of local governments (with bands being as assigned by the Salaries and Allowances Tribunal) Community Engagement Financial Management. 	City of Belmont Response: Supported	
 The Act provides for the role of council, councillor, mayor or president and CEO. The role of the council is to: govern the local government's affairs be responsible for the performance of the local government's functions. 	 The Local Government Act Review Panel recommended that roles and responsibilities of elected members and senior staff be better defined in law. It is proposed that these roles and responsibilities are further defined in the legislation. These proposed roles will be open to further consultation and input. These roles would be further strengthened through Council Communications Agreements (see item 5.3). 	City of Belmont Response: Supported	
	 5.2.1 - Mayor or President Role It is proposed to amend the Act to specify the roles and responsibilities of the Mayor or President. While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the Mayor or President is responsible for: Representing and speaking on behalf of the whole council and the local government, at all times being consistent with the resolutions of council Facilitating the democratic decision-making of council by presiding at council meetings in accordance with the Act 	City of Belmont Response: Supported	

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	 Developing and maintaining professional working relationships between councillors and the CEO Performing civic and ceremonial duties on behalf of the local government Working effectively with the CEO and councillors in overseeing the delivery of the services, operations, initiatives and functions of the local government. 	
	5.2.2 - Council Role	City of Belmont Response:
	 It is proposed to amend the Act to specify the roles and responsibilities of the Council, which is the entity consisting of all of the councillors and led by the Mayor or President. While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the Council is responsible for: Making significant decisions and determining policies through democratic deliberation at council meetings Ensuring the local government is adequately resourced to deliver the local governments operations, services and functions - including all functions that support informed decision-making by council Providing a safe working environment for the CEO; Providing strategic direction to the CEO; Monitoring and reviewing the performance of the local government. 	Supported
	5.2.3 - Elected Member (Councillor) Role	City of Belmont Response:
	 It is proposed to amend the Act to specify the roles and responsibilities of all elected councillors. While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that every elected councillor is responsible for: 	Supported

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	 Considering and representing, fairly and without bias, the current and future interests of all people who live, work and visit the district (including for councillors elected for a particular ward) Positively and fairly contribute and apply their knowledge, skill, and judgement to the democratic decision-making process of council Applying relevant law and policy in contributing to the decision-making of the council Engaging in the effective forward planning and review of the local governments' resources, and the performance of its operations, services, and functions Communicating the decisions and resolutions of council to stakeholders and the public Developing and maintaining professional working relationships with all other councillors and the CEO Maintaining and developing their knowledge and skills relevant to local government Facilitating public engagement with local government. It is proposed that elected members should not be able to use their title (e.g. "Councillor", "Mayor", or "President") and associated resources of their office (such as email address) unless they are performing their role in their official capacity. 	
	5.2.4 - CEO Role	City of Belmont Response:
	 The Local Government Act 1995 requires local governments to employ a CEO to run the local government administration and implement the decisions of council. To provide greater clarity, it is proposed to amend the Act to specify the roles and responsibilities of all local government CEOs. 	Supported

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	 While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the CEO of a local government is responsible for: Coordinating the professional advice and assistance necessary for all elected members to enable the council to perform its decision-making functions Facilitating the implementation of council decisions Ensuring functions and decisions lawfully delegated by council are managed prudently on behalf of the council Managing the effective delivery of the services, operations, initiatives and functions of the local government determined by the council Providing timely and accurate information and advice to all councillors in line with the Council Communications Agreement (see item 5.3) Overseeing the compliance of the operations of the local government with State and Federal legislation on behalf of the council Implementing and maintaining systems to enable effective planning, management, and reporting on behalf of the council. 	
5.3 Council Communication Agreements		City of Dolmont Domonous
 The Act provides that council and committee members can have access to any information held by the local government that is relevant to the performance of the member in their functions. The availability of information is sometimes a source of conflict within local governments. 	 In State Government, there are written Communication Agreements between Ministers and agencies that set standards for how information and advice will be provided. It is proposed that local governments will need to have Council Communications Agreements between the council and the CEO. These Council Communication Agreements would clearly specify the information that is to be provided to councillors, how it will be provided, and the timeframes for when it will be provided. 	City of Belmont Response: Supported

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	A template would be published by DLGSC. This default template will come into force if a council and CEO do not make a specific other agreement within a certain timeframe following any election.	
5.4 Local Governments May Pay Superannuat	tion Contributions for Elected Members	
 Elected members are eligible to receive sitting fees or an annual allowance. Superannuation is not paid to elected members. However, councillors can currently divert part of their allowances to a superannuation fund. Councils should be reflective and representative of the people living within the district. Local governments should be empowered to remove any barriers to the participation of gender and age diverse people on councils. 	 It is proposed that local governments should be able to decide, through a vote of council, to pay superannuation contributions for elected members. These contributions would be additional to existing allowances. Superannuation is widely recognised as an important entitlement to provide long term financial security. Other states have already moved to allow councils to make superannuation contributions for councillors. Allowing council to provide superannuation is important part of encouraging equality for people represented on council – particularly for women and younger people. Providing superannuation to councillors recognises that the commitment to elected office can reduce a person's opportunity to undertake employment and earn superannuation contributions. 	City of Belmont Response: Not supported. Councillors are not employees of the local government and therefore not entitled to superannuation.
5.5 Local Governments May Establish Educat	ion Allowances	
 Local government elected members must complete mandatory training. There is no specific allowance for undertaking further education. 	 Local governments will have the option of contributing to the education expenses for councillors, up to a defined maximum value, for tuition costs for further education that is directly related to their role on council. Councils will be able to decide on a policy for education expenses, up to a maximum yearly value for each councillor. Councils may also decide not to make this entitlement available to elected members. 	City of Belmont Response: Supported. The City currently has a policy and allowance.

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
	 Any allowance would only be able to be used for tuition fees for courses, such as training programs, diplomas, and university studies, which relate to local government. Where it is made available, this allowance will help councillors further develop skills to assist with making informed decisions on important questions before council, and also provide professional development opportunities for councillors. 	
5.6 Standardised Election Caretaker period		
There is currently no requirement for a formal paratoker paried with individual.	A statewide caretaker period for local governments is	City of Belmont Response:
formal caretaker period, with individual councils operating under their own policies and procedures. This is commonly a point of public confusion.	 All local governments across the State would have the same clearly defined election period, during which: Councils do not make major decisions with criteria to be developed defining 'major' Incumbent councillors who nominate for re-election are not to represent the local government, act on behalf of the council, or use local government resources to 	Supported. Councillors should be able to continue the duties as a Councillor during the caretaker period. i.e attendance at Council Meetings, voting on items etc.
		Definition would be required on 'not represent the local government' as included in the proposed reforms.
	 There are consistent election conduct rules for all candidates. 	Code of Conduct provides consistent rules for all candidates.
5.7 Remove WALGA from the Act		
 The Western Australian Local Government Association (WALGA) is constituted under the Local Government Act 1995. The Local Government Panel Report and the Select Committee Report included this recommendation. 	 The Local Government Panel Report recommended that WALGA not be constituted under the Local Government Act 1995. Separating WALGA out of the Act will provide clarity that WALGA is not a State Government entity. 	City of Belmont Response: Consideration should be given to implications for current procurement provisions.

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS
5.8 CEO Recruitment		
 Recent amendments introduced provisions to standardise CEO recruitment. The recruitment of a CEO is a very important decision by a local government. 	 It is proposed that DLGSC establishes a panel of approved panel members to perform the role of the independent person on CEO recruitment panels. Councils will be able to select an independent person from the approved list. Councils will still be able to appoint people outside of the panel with the approval of the Inspector. 	City of Belmont Response: Supported

Theme 6: Improved Financial Management and Reporting

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	
6.1 Model Financial Statements and Tiered Fi	6.1 Model Financial Statements and Tiered Financial Reporting		
 The financial statements published in the Annual Report is the main financial reporting currently published by local governments. Reporting obligations are the same for large (Stirling, Perth, Fremantle) and small (Sandstone, Wiluna, Dalwallinu) local governments, even though they vary significantly in complexity. The Office of the Auditor General has said that some existing reporting requirements are unnecessary or onerous - for instance, information that is not relevant to certain local governments, or that is a duplicate of other published information. 	 The Minister strongly believes in transparency and accountability in local government. The public rightly expects the highest standards of integrity, good governance, and prudent financial management in local government. It is critically important that clear information about the financial position of local governments is openly available to ratepayers. Financial information also supports community decision-making about local government services and projects. Local governments differ significantly in the complexity of their operations. Smaller local governments generally have much less operating complexity than larger local governments. The Office of the Auditor General has identified opportunities to improve financial reporting, to make statements clearer, and reduce unnecessary complexity. Recognising the difference in the complexity of smaller and larger local governments, it is proposed that financial reporting requirements should be tiered – meaning that larger local governments will have greater financial reporting requirements than smaller local governments. It is proposed to establish standard templates for Annual Financial Statements for band 1 and 2 councils, and simpler, clearer financial statements for band 3 and 4. Online Registers, updated quarterly (see item 3.4), would provide faster and greater transparency than current annual reports. Standard templates will be published for use by local governments. 	City of Belmont Response: Supported. Does DLGSCI have the resources and skills to provide these templates? The roll-out plan of these templates is required.	

•	Simpler Strategic and Financial Planning	(item	6.2)
	would also improve the budgeting process.		

6.2 Simplify Strategic and Financial Planning

- Requirements for plans are outlined in the Local Government Financial Management and Administration Regulations.
- There is also the Integrated Planning and Reporting (IPR) framework.
- While many councils successfully apply IPR to their budgeting and reporting, IPR may seem complicated or difficult, especially for smaller local governments.
- Having clear information about the finances of local government is an important part of enabling informed public and ratepayer engagement and input to decisionmaking.
- The framework for financial planning should be based around information being clear, transparent, and easy to understand for all ratepayers and members of the public.
- In order to provide more consistency and clarity across the State, it is proposed that greater use of templates is introduced to make planning and reporting clearer and simpler, providing greater transparency for ratepayers.
- Local governments would be required to adopt a standard set of plans, and there will be templates published by the DLGSC for use or adaption by local governments.
- It is proposed that the plans that are required are:
 - Simplified Council Plans that replace existing Strategic Community Plans and set high-level objectives, with a new plan required at least every eight years. These will be short-form plans, with a template available from the DLGSC
 - Simplified Asset Management Plans to consistently forecast costs of maintaining the local government's assets. A new plan will be required at least every ten years, though local governments should update the plan regularly if the local government gains or disposes of major assets (e.g. land, buildings, or roads). A template will be provided, and methods of valuations will be simplified to reduce red tape
 - Simplified Long Term Financial Plans will outline any long term financial management and sustainability issues, and any investments and debts. A template will

City of Belmont Response:

Supported

- be provided, and these plans will be required to be reviewed in detail at least every four years
- A new Rates and Revenue Policy (see item 6.3) that identifies the approximate value of rates that will need to be collected in future years (referencing the Asset Management Plan and Long Term Financial Plan) – providing a forecast to ratepayers (updated at least every four years)
- O The use of simple, one-page Service Proposals and Project Proposals that outline what proposed services or initiatives will cost, to be made available through council meetings. These will become Service Plans and Project Plans added to the yearly budget if approved by council. This provides clear transparency for what the functions and initiatives of the local government cost to deliver. Templates will be available for use by local governments.

6.3 Rates and Revenue Policy

- Local governments are not required to have a rates and revenue policy.
- Some councils defer rate rises, resulting in the eventual need to drastically raise rates to cover unavoidable costs – especially for the repair of infrastructure.
- The Rates and Revenue Policy is proposed to increase transparency for ratepayers by linking rates to basic operating costs and the minimum costs for maintaining essential infrastructure.
- A Rates and Revenue Policy would be required to provide ratepayers with a forecast of future costs of providing local government services.
- The Policy would need to reflect the Asset Management Plan and the Long Term Financial Plan (see item 6.2), providing a forecast of what rates would need to be, to cover unavoidable costs.
- A template would be published for use or adaption by all local governments.
- The <u>Local Government Panel Report</u> included this recommendation.

City of Belmont Response:

Supported

6.4 Monthly Reporting of Credit Card Statements

- No legislative requirement.
- Disclosure requirements brought in by individual councils have shown significant reduction of expenditure of funds.
- The statements of a local government's credit cards used by local government employees will be required to be tabled at council at meetings on a monthly basis.
- This provides oversight of incidental local government spending.

City of Belmont Response:

Supported. The City currently reports credit card payment information to Council on a monthly basis.

6.5 Amended Financial Ratios

- Local governments are required to report seven ratios in their annual financial statements.
- These are reported on the MyCouncil website.
- These ratios are intended to provide an indication of the financial health of every local government.
- Financial ratios will be reviewed in detail, building on work already underway by the DLGSC.
- The methods of calculating ratios and indicators will be reviewed to ensure that the results are accurate and useful.

City of Belmont Response:

Supported

6.6 Audit Committees

- Local governments must establish an Audit Committee that has three or more persons, with the majority to be council members.
- The Audit Committee is to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under the Act.
- The Panel Report identified that Audit Committees should be expanded, including to provide improved risk management.
- To ensure independent oversight, it is proposed the Chair of any Audit Committee be required to be an independent person who is not on council or an employee of the local government.
- Audit Committees would also need to consider proactive risk management.
- To reduce costs, it is proposed that local governments should be able to establish shared Regional Audit Committees.
- The Committees would be able to include council members but would be required to include a majority of independent members and an independent chairperson.

City of Belmont Response:

The City supports an increased number of independent members on Audit Committee. The appointment of the Chair should remain the responsibility of Committee to determine. By excluding elected members from fulfilling the role of Chair of а Committee Council disenfranchises the member and is contrary to the roles and responsibilities of a councillor (s.2.10 of the Local Government Act).

The City supports Audit Committees requiring a risk management focus.

The City does not support having the majority of independent members on the Audit Committee.

6.7 Building Upgrade Finance

- The local government sector has sought reforms that would enable local governments to provide loans to property owners to finance for building improvements.
- This is not currently provided for under the Act.
- The Local Government Panel Report included this recommendation.
- Reforms would allow local governments to provide loans to third parties for specific building improvements - such as cladding, heritage and green energy fixtures.
- This would allow local governments to lend funds to improve buildings within their district.
- Limits and checks and balances would be established to ensure that financial risks are proactively managed.

City of Belmont Response:

The City supports local governments providing loans to Sporting and Community Groups. The City does not support local governments providing loans to property owners.

6.8 Cost of Waste Service to be Specified on Rates Notices

- No requirement for separation of waste changes on rates notice.
- Disclosure will increase ratepayer awareness of waste costs.
- The Review Panel Report included this recommendation.
- It is proposed that waste charges are required to be separately shown on rate notices (for all properties which receive a waste service).
- This would provide transparency and awareness of costs for ratepayers.

City of Belmont Response:

Supported. The City already shows the waste charges separately on rates notices.