



Department of  
**Local Government, Sport  
and Cultural Industries**



Local Government Act 1995 review  
Agile • Smart • Inclusive

# ***Local Government Act 1995*** **Review**

## **Agile • Smart • Inclusive – Local governments for the future**

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Phase 1: Consultation Paper

8 November 2017

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# 1. Relationships between council and administration

## Introductory questions

- 1) Would you like your submission to remain anonymous?  
No
- 2) Postcode:  
6210
- 3) Who are you submitting on behalf of?  
Yourself
- 4) Local government name:
- 5) Organisation name
- 6) Are you a:  
Local government employee

## Defining the roles of council and administration: Guidance questions

- 7) How should a council's role be defined? What should the definition include?  
  
In addition to the role definition contained within the current Local Government Act, the additional provisions from the Local Government Act 2009 (Qld) - To participate in council meetings, policy development, and decision-making, for the benefit of the local government area  
  
A member of a council has no direct authority over an employee of the council with respect to the way in which the employee performs his or her duties
  - To appoint and monitor the performance of the Chief Executive Officer
  - To monitor the manner in which services are provided by the Council
- 8) How should the role of the CEO and administration be defined?
- 9) What other comments would you like to make on the roles of council and administration?
- 10) Are there any areas where the separation of powers is particularly unclear?

Yes

11) How do you propose that these are improved?

All definitions and terminology need to be updated to reflect the appropriate separation - refer to comments in relation to the role of the CEO.

**Improving relationships between council and administration: Guidance question**

12) Do you have any other suggestions or comments on this topic?

There is also a need to have a clearer definition and clarity around the terms 'local government' and 'council' being used interchangeably.

There is also a need to better educate the community about the roles of Councillors versus the role of staff.

## 2. Training

### 2.1 Competencies required to be an elected member

#### Elected member competencies: Guidance questions

- 13) What competencies (skills and knowledge) do you think an elected member requires to perform their role?

There are a number of core competencies that should be considered and whilst not every Councillor on a Council needs to have them all, as a collective there is a need to have them covered: These are:

- Understanding of legislation
- Strategic planning
- Policy development
- Financial management and oversight

- 14) Do these vary between local governments?

Yes

- 15) If so, in what way?

### 2.2 Funding training

#### Funding training: Guidance questions

- 16) Who should pay for the costs of training (course fees, travel, other costs)?

In the event that training is mandated then the costs should be worn by the State, however should training remain optional then it should be the responsibility of the relevant local government.

- 17) If councils are required to pay for training, should a training fund be established to reduce the financial impact for small and regional local governments?

No

- 18) Should contribution to such a fund be based on local government revenue or some other measure?

Do you have any other suggestions or comments on this topic?

Any mandated training that is enshrined into legislation needs to be specific to the local government sector. A financial reporting course for the private sector does not provide the level of understanding of financial reporting of local government.

## 2.3 Mandatory training

### Mandatory training: Guidance questions

19) Should elected member training be mandatory?

Yes

20) Why or why not?

There are certain aspects of the Act that require Councillors to make decisions and adopt reports (ie monthly financial reports) and without appropriate training some councils are adopting reports which do not reflect the true picture of the organisational performance. There have been recent examples of this which have resulted in poor governance outcomes and financial detriment to the local communities. Whilst this is a specific example, each of the core competencies should be maintained by each local government.

21) Should candidates be required to undertake some preliminary training to better understand the role of an elected member?

No

22) Should this be Compulsory?

No

23) Should prior learning or service be recognised in place of completing training for elected members?

Yes

24) If yes, how would this work?

If for example an elected member has formal qualifications in a relevant field (ie legal, financial, AICD etc) then some of the core competencies should already be addressed and this could be demonstrated through an abridged RPL process - there are plenty of good examples across the education sector as to how this could work.

- 25) What period should apply for elected members to complete essential training after their election?

Within three months of election.

## 2.4 Continuing professional development

### Continuing professional development: Guidance questions

- 26) Should ongoing professional development be undertaken by elected members?

Yes

- 27) If so, what form should this take?

This is a matter for each individual local government to decide based on available budgets and could be a mix of structured training and recognised courses.

### Training: Guidance question

- 28) Do you have any other suggestions or comments on training?

No

## 3. The behaviour of elected members

### 3.1 Current Situation

#### Codes of conduct: Guidance questions

29) Should standards of conduct/behaviour differ between local governments?

No

30) Please explain.

A code of conduct should form the minimum standards that should be applied across all sizes of local government.

Which option do you prefer for codes of conduct and why? Codes of conduct are required

The content of a code is partially prescribed in regulations, but is otherwise at the local government's discretion

Whilst this option would provide for minimum standards, each local government should be able to apply higher standards of behaviour of the elected members should they so desire. The Code of Conduct once developed by the local government should be advertised for public comment and each submission should be considered prior to adoption of the Code by the Council. This would help to ensure that the standards are in line with community expectations.

31) How should a code of conduct be enforced?

The current provisions are not appropriate. There is a need for greater penalties and options for the local government to be able to apply penalties for a minor breach. Whilst this arrangement would require some additional work, a minor breach could be decided by the local government by absolute majority and appropriate sanctions applied. Anything above a minor breach, the Council should refer to the Standards Panel or similar entity to deal with the matter.

### 3.2 Regulation of elected member conduct: rules of conduct

#### Streamlined rules of conduct: Guidance questions

32) Do you support streamlined Rules of Conduct regulations?

Yes

33) Why?

The current provisions are too red-tape heavy which results in a reluctance on the behalf of some people to lodge a complaint. Any simplification of the process which results in faster turn around times would be a benefit.

34) If the rules were streamlined, which elements should be retained?

The framework proposed within Option 2 provides a positive way forward.

35) Do you support a reduction in the time frame in which complaints can be made?

Yes

36) Is three months adequate?

Yes

### Revised disciplinary framework: Guidance questions

37) Do you support an outcome-based framework for elected members?

Yes

38) Why or why not?

39) What specific behaviours should an outcomes based framework target?

Yes



### 3.3 Other matters recommended in the 2015-16 review

#### Application of the Rules of Conduct: Guidance question

- 40) Should the rules of conduct that govern behaviour of elected members be extended to all candidates in council elections?

Yes

- 41) Please explain.

However, where a single complainant continues to lodge complaints against the same elected member then this may be considered to be a repeat complainant and the details released.

#### Offence Provisions: Guidance questions

- 42) Should the offence covering improper use of information be extended to former members of council for a period of twelve months?

Yes

- 43) Why?

The information obtained in the course of carrying out the functions are often private matters between the Council and a business or private citizen and release of some forms of information could cause harm or detriment to others. As such the release or use of information gained in the course of the role should always remain confidential.

- 44) Should this restriction apply to former employees?

Yes

- 45) Please explain?

As for the reasons outlined in relation to elected members. This is already a provision of many senior officer contracts.

#### Confidentiality: Guidance question

- 46) Is it appropriate to require the existence and details of a complaint to remain confidential until the matter is resolved?

Yes

- 47) Why?

However, where a single complainant continues to lodge complaints against the same elected member then this may be considered to be a repeat complainant and the details released.

### 3.4 Reforms to the Local Government Standards Panel and the means to review alleged breaches of the Rules of Conduct Regulations

#### **Sector conduct review committees: Guidance questions**

- 48) What do you see as the benefits and disadvantages of this model?
  
- 49) What powers should the Conduct Review Committee have?
  
- 50) In your opinion what matters should go directly to the Standards Panel?
  
- 51) Who should be able to be a member of a panel: elected members, people with local government experience, independent stakeholders?
- 52) Who should select the members for the pool?
  
- 53) How many members should there be on the Review Committee?
  
- 54) Are the proposed actions for the Review Committee appropriate?
- 55) If not, what do you propose?

## **Review of elected member non-compliance: Guidance questions**

- 56) Which of the options for dealing with complaints do you prefer? Why?
- 57) Are there any other options that could be considered?
- 58) Who should be able to request a review of a decision: the person the subject of the complaint, the complainant or both?

### 3.5 Sanctions and other Standard Panel matters

#### **Mediation: Guidance question**

- 59) Do you support the inclusion of mediation as a sanction for the Panel?  
Yes
- 60) Why or why not?  
This may provide a circuit breaker to allow the Councillor/s to get matters back on track without going too far. This may assist in resolving some matters that are more personality based than issues based.

#### **Prohibition from attending council meetings: Guidance questions**

- 61) Do you support the Panel being able to prohibit elected members from attending council meetings?  
No
- 62) Why or why not?  
Stopping an elected member from representing the community that they were elected to represent may result in unintended consequences for the community (ie if the member was from a single member Ward) the community would not be represented.

How many meetings should the Panel be able to order the elected member not attend?

63) Should the elected member be eligible for sitting fees and allowances in these circumstances?

No

64) Why

### **Compensation to the local government: Guidance questions**

65) Do you support the Panel being able to award financial compensation to the local government?

Yes

66) Why or why not?

The current penalties are not sufficient to impact on the behaviours of some elected members.

67) What should the maximum amount be?

A maximum penalty should be tied to a percentage of the maximum annual allowance for the Band of the relevant local government with the percentage to be set by the Salary and Allowances Tribunal.

### **Complaint administrative fee: Guidance questions**

68) Do you support this option?

No

69) Why or why not?

70) Do you believe that a complaint administrative fee would deter complainants from lodging a complaint?

Yes

71) Is this appropriate?

No

- 72) Would a complaint administrative fee be appropriate for a sector conduct review committee model?

No

- 73) Why or why not?

- 74) What would be an appropriate fee for lodging a complaint?

- 75) Should the administrative fee be refunded with a finding of minor breach or should it be retained by the Department to offset costs?

- 76) Why or why not?

### **Cost recovery to local government: Guidance questions**

- 77) Do you support the cost of the panel proceedings being paid by a member found to be in breach?

Yes

- 78) Why or why not?

The costs should be reimbursed to a maximum in accordance with the proposal outlined in relation the question around compensation being paid to the local government.

### **Publication of complaints in the annual report: Guidance question**

- 79) Do you support the tabling of the decision report at the Ordinary Council Meeting?

Yes

- 80) Why or why not?

This is simply a good governance outcome and allows the community to understand issues that are occurring at the local government level.

## Tabling decision report at Ordinary Council Meeting: Guidance question

81) Do you support this option?

Yes

82) Why or why not?

This is simply a good governance outcome and allows the community to understand issues that are occurring at the local government level.

## 3.6 Elected member interests

### Elected member interests: Guidance questions

83) Should not-for-profit organisation members participate in council decisions affecting that organisation?

Yes

84) Why or why not?

As long as there is a disclosure and the member can make an impartial decision based on their disclosure it should not create an issue.

85) Would your response be the same if the elected member was an office holder in the organisation?

Yes

### Improving the behaviour of elected members: Guidance question

86) Do you have any other suggestions or comments on this topic?

The current provisions for disclosures of interest do nothing to promote open and good governance. A member who discloses an impartiality interest is required to stay even if they are not going to vote in a totally impartial manner, whereas a member with a financial interest has to leave even when the decision being made is of such a trivial amount that a decision would not be swayed. There is a need for a complete overhaul in relation to disclosure process and thresholds involved.



## 4. Local government administration

### 4.1 Recruitment and selection of local government Chief Executive Officers

#### Recruitment and selection of local government CEOs: Guidance questions

- 87) Would councils benefit from assistance with CEO recruitment and selection?
- No
- 88) Why?
- The current arrangements are suitable and the local government is able to engage the services of suitably qualified recruitment consultants to assist in the process.
- 89) How could the recruitment and selection of local government CEOs be improved?
- The current arrangements are appropriate, however the amount of flexibility in remuneration packages should be reviewed. Whilst the current Bands are in place, some local government may struggle to attract quality candidates due to remuneration restrictions.
- 90) Should the Public Sector Commission be involved in CEO recruitment and selection?
- No
- 91) If so, how?
- The decision should be left to the local government with assistance from external parties as they deem appropriate.
- 92) Should other experts be involved in CEO recruitment and selection?
- Yes
- 93) If so, who and how?
- Qualified recruitment consultants



- 94) What competencies, attributes and qualifications should a CEO have?  
The current provisions are suitable - ie the decision is left to Council based on their needs at the time.

## 4.2 Acting Chief Executive Officers

### Acting CEOs: Guidance questions

- 95) Should the process of appointing an acting CEO be covered in legislation?

Yes

- 96) Why or why not?

In some smaller local governments the ability to select staff to act in the role of CEO is limited and as such there should be a requirement for the Council to consider the matter and adopt a policy for how an Acting Chief Executive Officer should be appointed. By requiring the Council to adopt a policy, the Council is required to formally consider the matter and this could be reviewed as a statutory requirement following each local government election.

- 97) If so, who should appoint the CEO when there is a short term temporary vacancy (covering sick or annual leave for example)?

This would be covered in the proposed policy framework as outlined previously.

- 98) Who should appoint the CEO if there will be vacancy for an extended period (for example, while a recruitment process is to be undertaken)?

This would be covered in the proposed policy framework as outlined previously.

## 4.3 Performance review of local government Chief Executive Officers

### Performance review of local government CEOs: Guidance questions

99) Who should be involved in CEO performance reviews?

Local government councillors, in particular the Mayor must be involved as the relationship between the Mayor and CEO is paramount.

100) What should the criteria be for reviewing a CEO's performance?

This should be determined by the Council and based around the delivery of outcomes from the Community Strategic Plan and financial performance of the organisation.

101) How often should CEO performance be reviewed?

Whilst there a need for a mandatory annual review, this in reality is only the formal process. The Council should be assessing performance on a much more regular basis, potentially aligned to the Council meeting cycle.

102) Which of the above options do you prefer?

Option 2 provides a

103) Why?

No

104) Is there an alternative model that could be considered?

#### 4.4 Extension or termination of the Chief Executive Officer contract immediately before or following an election

##### **Termination or extension of CEO contract around an election: Guidance questions**

105) Would a 'cooling off' period before a council can terminate the CEO following an election assist strengthening productive relationships between council and administration?

No

106) What length should such a cooling off period be?

107) For what period before an election should there be a restriction on a council from extending a CEO contract?

There is a need to consider this in the context of the contract of employment renewal process/timeframes. If a contract is being negotiated in accordance with the normal renewal process and this is in the lead up to an election it should not be stopped. A decision to renew or extend outside of the normal process should not occur within a six month period leading up to the election. However, there should also not be an event where one of the first items for the incoming Council to consider is whether to renew a contract. This ultimately comes down the contract timetable.

108) Should there be any exceptions to this?

As outlined in the previous question.

## 4.5 Public expectations of staff performance

### Public expectations of staff performance: Guidance questions

109) Is greater oversight required over local government selection and recruitment of staff?

No

110) Should certain offences or other criteria exclude a person from being employed in a local government?

Yes

111) If so, what?

Whilst this would need to be considered on a case by case basis there are some logical areas where staff should not be employed - ie someone convicted of fraud or theft of money should not be employed in the finance area.

### Strengthening local government administration: Guidance question

112) Do you have any other suggestions or comments on this topic?

## 5. Supporting local governments in challenging times

### Remedial intervention: Guidance questions

113) Should the appointed person be a departmental employee, a local government officer or an external party?

External party

114) Why?

By the appointment of a suitably qualified external party there would be no preconceived bias in their role.

115) Should the appointed person be able to direct the local government or would their role be restricted to advice and support?

Restricted to advice and support

116) Please explain.

The role should be about assisting the local government and not taking over the local government.

117) Who should pay for the appointed person?

Council

118) Why?

It is way of resolving issues which in most cases have been brought about by the performance of the local government and as such they should be responsible for resolving the matters.

### Powers of appointed person: Guidance question

119) What powers should an appointed person have?

Any powers should be limited to directing the provision of information and assistance and not to direct the way in which is undertaken.

## **Remedial action process: Guidance questions**

120) Do you think the proposed approach would improve the provision of good governance in Western Australia?

121) Please explain.

122) What issues need to be considered in appointing a person?

## **Supporting local governments in challenging times: Guidance question**

123) Do you have any other suggestions or comments on this topic?

## 6. Making it easier to move between State and local government employment

### Transferability of employees: Guidance questions

124) Should local and State government employees be able to carry over the recognition of service and leave if they move between State and local government?

125)

126) What would be the benefits if local and State government employees could move seamlessly via transfer and secondment?

No benefits were identified in this option. If anything, the local government may employ long term state government staff and whilst there could be a transfer of funds for long service leave for example, the lost time when the member was on leave could not be covered in smaller local governments.

### Making it easier to move between State and local government employment: Guidance question

127) Do you have any other suggestions or comments on this topic?

## 7. Gifts

### 7.1 Simplifying the gift provisions

#### A new framework for disclosing gifts: Guidance questions

128) Is the new framework for disclosing gifts appropriate?

No

129) If not, why?

The requirements to disclose gifts of a personal nature is absolutely ridiculous. As an example, a member who is celebrating a wedding or milestone birthday and receives gifts has to disclose in strictly comply with the legislation. When gifts are of a completely personal nature they should be exempt.

130) Is the threshold of \$500 appropriate?

No

131) If no, why?

The threshold of \$500 is considered to be too low. An annual threshold of \$1000 would be more appropriate.

132) Should certain gifts – or gifts from particular classes or people – be prohibited?

Yes

133) Why or why not?

Some gifts create an expectation or perception of favours.

134) If yes, what gifts should be prohibited?

Gifts given by developers or persons with matters before Council should be prohibited.

#### Excluding gifts received in a personal capacity: Guidance questions

135) Should gifts received in a personal capacity be exempt from disclosure?

Yes

136) If yes, how could 'personal capacity' be defined?

Gifts given as part of normal day to day life, ie birthdays, wedding or other recognised personal events

137) Should there be any other exemptions from the requirement to disclose a gift over the threshold?

No

138) If so, what should these be? Please justify your proposal.

### **Gifts: Guidance question**

139) Do you have any other suggestions or comments on this topic?



## 8. Access to information

### 8.1 Public notices

#### Public notices: Guidance questions

140) Which general option do you prefer for making local public notices available?

Option 4

Why? Two reasons, firstly cost savings and time savings, secondly greater coverage.

141) Should the requirements for any notice in the Supplementary Information - Public Notices be changed?

Yes

142) Please list and explain the reasons for the proposed change.

Refer previous response

143) Could any of the notices in the Supplementary information be published on alternative websites?

Yes

144) Please provide details

Refer previous response

### 8.2 Information available for public inspection

#### Information available for public inspection: Guidance questions

145) Using the following table, advise how you think information should be made available:

Provision	Documents	In person only	Website only	Both	Neither
Section 5.53	Annual Report Both Both				
Section 5.75 & 5.76	Primary and Annual returns – for Elected members Includes – sources of income Trusts Debts Property holdings. Interests and positions in corporations. In person only				
Section 5.87	Discretionary disclosures generally Website only				
Section 5.82	Gifts (already required to be on the website) Website only				
Section 5.83	Disclosure of travel contributions (already required to be on the website) Website only				
Elections Regulations 30H	Electoral gifts register Website only				
Section 5.98A	Allowance for deputy mayor or deputy president				

Website only

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Section 5.100      Payments for certain committee members

Website only

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Functions and General Regulations 17      Tenders register  
Website only

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Section 5.94 & Administration Regulations 29      Register of delegations to committees, CEO and employees  
Website only

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Minutes of council, committee and elector meetings

Both

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Future plan for the district

Both

---

Annual Budget

Both

---

Notice papers and agendas of meetings

Both

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Reports tabled at a council or committee meeting

Both

---

Complaints register (concerning elected members)

Both

---

Contracts of  
employment of the CEO  
and other senior local  
government employees

In person only

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Schedule of fees and  
charges

---

Proposed local laws

Both

---

Gazetted Local laws  
(and other law that has  
been adopted by the  
district)

Both

---

Rates record

In person only

---

Electoral roll

Both

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**Note:** There is no intention to amend the current limitations imposed by section 5.95 of the Act which limits the disclosure of certain information.

146) Should the additional information that is available to the public in other jurisdictions be available here?

No

147) If so which items?

148) How should they be made available: in person, website only or both?

149) Is there additional information that you believe should be made publicly available? Please detail.

- 150) For Local Governments: How often do you receive requests from members of the public to see this information?
- 151) What resources do you estimate are involved in providing access in person (hours of staff time and hourly rate)?

### **Access to information: Guidance question**

- 152) Do you have any other suggestions or comments on this topic?

## 9. Available information

### 9.1 Expanding the information provided to the public

#### Expanding the information provided to the public: Guidance questions

153) Which of these options do you prefer?

Option 3: Policy requirement

154) Why?

This option provides each local government with some flexibility based on their own community expectations.

155) In the table below, please indicate whether you think the information should be made available, and if so, whether this should be required or at the discretion of the local government:

Proposal	Should this be made available: No, optional, required?
Live streaming video of council meetings on local government website	Optional
Diversity data on council membership and employees	Not Required
Elected member attendance rates at council meetings	Required
Elected member representation at external meetings/events	Required
Gender equity ratios for staff salaries	Not Required
Complaints made to the local government and actions taken	Optional
Performance reviews of CEO and senior employees	Required

Proposal	Should this be made available: No, optional, required?
Website to provide information on differential rate categories	Required
District maps and ward boundaries	Required
Adverse findings of the Standards Panel, State Administrative Tribunal or Corruption and Crime Commission.	Required
Financial and non-financial benefits register	Not Required

156) What other information do you think should be made available?

### Expanding the information available to the public: Guidance question

157) Do you have any other suggestions or comments on this topic?

## Defining red tape: Guidance questions

158) Which regulatory measures within the Act should be removed or amended to reduce the burden on local governments? Please provide detailed analysis with your suggestions.

a) Briefly describe the red tape problem you have identified.

I

b) What is the impact of this problem? Please quantify if possible.

c) What solutions can you suggest to solve this red tape problem?

159) Which regulatory measures within the Act should be removed or amended to reduce the burden on the community? Please provide detailed analysis with your suggestions.

a) Briefly describe the red tape problem you have identified.

b) What is the impact of this problem? Please quantify if possible.

c) What solutions can you suggest to solve this red tape problem?

## 10.1 Potential red tape reductions

### Special majority: Guidance question

160) Should the provisions for a special majority be removed?

Yes

161) Why or why not?

Very rarely used therefore not required.



## Senior employees: Guidance questions

- 162) Is it appropriate that council have a role in the appointment, dismissal or performance management of any employees other than the CEO? Why or why not?

These are staff they regularly provide information and reports to Council and as such there should have some say in the appointment and dismissal process. This should be limited to consideration for recommendations by the CEO and not direct involvement.

- 163) Is it necessary for some employees to be designated as senior employees?

Yes

- 164) If so, what criteria should define which employees are senior employees?

senior employees should be defined based on the reporting lines within the organisational structure. Only staff that report directly to the CEO and who provide reports to Council should be considered senior employees.

## Exemption from accounting standard AASB124 - Related party disclosures: Guidance questions

- 165) Are the existing related party disclosure provisions in the Act sufficient without the additional requirements introduced by AASB 124?

Yes

- 166) Why or why not?

## Disposal of property: Guidance questions

- 167) The threshold for trade-ins was set originally to \$50,000 in 1996 and raised to \$75,000 in 2015. Should that threshold be raised higher,

Yes

- 168) if so how high?

The threshold should be removed altogether. This ultimately comes down to a commercial decision for the organisation and as long as tender requirements are adhered to this should be sufficient.

169) Should the threshold remain at \$75,000 but with separate exemptions for specific types of equipment, for example plant?

No

170) The general \$20,000 threshold was put in place in 1996 and has not been amended. Should the threshold be raised higher than \$20,000?

Yes

171) If so, what should it be and why?

This should be dealt with by the individual local government through the adoption of a specific policy. This would allow local governments to consider the matter based on their current financial circumstances and overall budget. This would provide greater flexibility without having to prescribe amounts within legislation.

172) Would raising these thresholds create an unacceptable risk that the items would not be disposed of to achieve the best price for the local government?

No

173) Is there an alternative model for managing the disposal of property? Please explain.

Refer to response above

### Reducing red tape: Guidance question

174) Do you have any other suggestions or comments on this topic?

A move towards more principle based legislation and allowing individual local governments to implement policies around specified matters would assist in reducing red tape. The Council policies would need to consider the issues of risk and compliance when developed and adopted but would move away from the one size fits all legislative prescription that is currently in place.



## 11.1 Risks and benefits of borrowing

### Regional subsidiaries: Guidance questions

175) Which option do you prefer?

Option 2: Regional subsidiaries are permitted to borrow from Treasury Corporation

176) Should regional subsidiaries be allowed to borrow money other than from the member councils?

Option 2: Regional subsidiaries are permitted to borrow from Treasury Corporation

177) Why or why not?

By limiting the borrowings to the member councils there could be additional impacts on the members councils in terms of debt levels and borrowing capacity.

178) If a regional subsidiary is given the power to borrow directly, what provisions should be put in place to mitigate the risks?

There is a need to free up the Regional Subsidiaries model even further and the South Australian example should be considered as the minimum standard.

There is also a need to look at more options to allow local governments to establish Local Government Owned Corporations (LGOC) to allow some operations in the commercial space. A formal process needs to be established and allow for a mix of local governments and private sector involvement. The move to an LGOC would allow Councils to work cooperatively in partnership arrangements as shareholders rather than the current model of the Regional Local Government. The current model prevents Council from directing their representatives from taking a particular course of action in relation to Regional Local Governments.

### Regional subsidiaries: Guidance question

- 179) Do you have any other suggestions or comments on this topic, including on any other aspect of the *Local Government (Regional Subsidiaries) Regulations 2017*?

There is a need to free up the Regional Subsidiaries model even further and the South Australian example should be considered as the minimum standard.

There is also a need to look at more options to allow local governments to establish Local Government Owned Corporations (LGOC) to allow some operations in the commercial space. A formal process needs to be established and allow for a mix of local governments and private sector involvement. The move to an LGOC would allow Councils to work cooperatively in partnership arrangements as shareholders rather than the current model of the Regional Local Government. The current model prevents Council from directing their representatives from taking a particular course of action in relation to Regional Local Governments.

### **Local Government Act review: Guidance question**

- 180) You are invited to make comment and put forward suggestions for change on other matters which have not been covered in this paper.

Overall the proposed changes in Phase 1 of the review provide some scope for improvements, however there are many more sections of the Act that will require review. The move away from prescriptive legislation focusing on the lowest common denominator is not providing for a sustainable industry in the long term. There needs to be an understanding that one size does not fit all and the behaviour of a very small minority should not result in additional legislation for the rest of the sector.