



SHIRE OF CRANBROOK'S RESPONSE TO LOCAL GOVERNMENT REFORMS

2.1	Resource Sharing		
	Current Requirements	Proposed Reforms	Shire of Cranbrook's Comments
	<ul style="list-style-type: none"> • 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 mechanism for voluntary resource-sharing. 	<ul style="list-style-type: none"> • Amendments are proposed to encourage and enable local governments, especially smaller regional local governments, to share resources, including CEOs 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. E.g. a band 3 and a band 4 council sharing a CEO could remunerate to the level of band 1. 	<p>The Shire of Cranbrook already voluntarily works with other local governments to share resources, however, there is little appetite to include CEOs and senior employees. The use of a shared CEO will simply incur an unrealistic workload unless another layer of management was put in place to compensate, thus losing the agility and reduction of red tape intended to be achieved.</p>
2.7	Regional Subsidiaries		
	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Work is continuing to consider how Regional Subsidiaries can be best established to: <ul style="list-style-type: none"> ○ 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 	<p>As a smaller local government, the Shire of Cranbrook continue to work within its VROC to look at opportunities for more efficient use of ratepayers' funds through share resources. However, the Council feels that the model for a Regional Subsidiary is not relevant to us and not required. The Shire will continue to look at becoming more agile and innovative without being coupled with larger more unwieldy local governments.</p>

3.5 Chief Executive Officer Key Performance Indicators (KPIs) be Published			
	Current Requirements	Proposed Reforms	Shire of Cranbrook's Comments
	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • To provide for minimum transparency, it is proposed to mandate that the KPIs agreed as performance metrics for CEOs: <ul style="list-style-type: none"> ○ 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). 	<p>It was decided by the Council that this degree of public involvement by the community could breach the privacy of the CEO as an employee of the Shire of Cranbrook. The Shire therefore did not support this proposed reform.</p>
4.3 Introduction of Preferential Voting			
	<ul style="list-style-type: none"> • 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 may be regarded as a fairer and more representative system. Voters have more specific choice. 	<ul style="list-style-type: none"> • 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. 	<p>The Shire of Cranbrook support remaining with "first past the post" voting. It is a simple but effective system.</p>

4.5	<p>Tiered Limits on Councillors</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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). 	<p>The Shire of Cranbrook supported remaining at a maximum of 9 Councillors due to the number of townsites within the Shire, and the strong interest in standing for Council experienced by the Shire of Cranbrook at the recent 2021 Elections. The larger number provided good representation to the spread of ratepayers across the local government area.</p>
5.4	<p>Superannuation for Councillors</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. <p>Providing superannuation to councillors recognises that the commitment to elected office can reduce a person's opportunity to undertake employment and earn superannuation contributions.</p> 	<p>The Shire of Cranbrook's Councillors felt that they were paid sufficiently through the State Administrative Tribunal for their work for their community, and that superannuation would blur the line between employee and Elected Officers</p>

6.6	Audit Committees	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. 	<p>It would be more appropriate to upskill Elected Officers in the role of the Audit Committee, especially as independent skilled persons are in demand and not always available for community work.</p>
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