LOCAL GOVERNMENT LEGISLATION AMENDMENT BILL 2014

Second Reading

Resumed from 29 June.

HON ALANNA CLOHESY (East Metropolitan) [2.00 pm]: I am the lead speaker for the opposition on the Local Government Legislation Amendment Bill 2014. I acknowledge that the opposition is supporting the bill, but I would also like to take this opportunity to put on the record some concerns about both the content of the bill and the way in which it will be implemented.

It is pleasing to have this bill in this place. Its gestation has been quite long and it originates from a number of different places, but really this bill represents the ongoing mismanagement of the local government portfolio by the Barnett–Redman government. We are finally here with some changes that the sector had wanted for a long time, but we had to go through a number of failed bills that did not even make it to this place but were debated at length in the other place. Having said that, and in support of the local government sector, it is pleasing that this bill is now here. But I want to go through some of the concerns, which reflect the genesis of this bill in that had there been more concentration on the way that this bill might be implemented, the government might have done some of it better.

This bill does quite a few things. First of all, it establishes regional subsidiaries to allow two or more local governments to come together and form a legal entity to carry out some sort of service or activity. It will also change the local law-making process in public health in some ways. I note that a number of amendments deal with that and take into account that the Public Health Act was passed earlier than this bill, even though this bill was intended to be passed first. The bill removes some duplication around defamation and it limits termination payments for chief executive officers. It also clarifies some issues arising from the Salaries and Allowances Tribunal's request about the determination of payments for local government elected officers.

I would like to briefly touch on the changes to the Local Government Standards Panel as well as the regional subsidiaries. For the most part, the other items that I have mentioned are mostly technical and as a result, of course, are supported. The changes to the Local Government Standards Panel are really about avoiding delays for complaints that have been received about local government. I am sure all of us in this place are aware of the range and nature of complaints received about local government. For example, one local government councillor may complain about the behaviour or other aspects of another local government councillor. There can also be other types of complaints, of course.

I thank the minister, and the officers who provided it, for the very detailed and clear briefing that I received. We talked about the number of complaints made and why we need to speed up the process and avoid delays. These provisions are really about trying to remove the requirement to investigate some of those more complicated and vexatious types of complaints. Evidence shows that in the past about 30 per cent of complaints made were found to have no substance. Therefore, we welcome any mechanism that speeds up the processing of those complaints because the people who suffer as a result are the ratepayers and the people who use local government services; while the attention is on complaints about some activity within a council being dysfunctional, focus is taken off service delivery and activities for ratepayers. Therefore, anything that speeds up that process in a formalised way is welcome. This bill provides for those vexatious complaints to be dismissed.

That raises the question of what constitutes frivolous or vexatious complaints and how we define those. How can we be sure that the complaints that are not acted on by the panel do not have any depth to them? The response that I received is that that is fairly well established in case law. That may be the case. However, for local government elected officials or ratepayers, understanding the case law on what is frivolous or vexatious is, of course, very difficult. The first part of the implementation of this bill really needs to be about ensuring that everybody is aware of what vexatious and frivolous complaints might be, to allow good access to the standards panel. More could have gone into this bill around transparency and accountability, particularly for local government elected officials and local government officers, but that is it as far as this bill goes, and that is what we have come to expect, I guess.

The next matter I want to talk about is regional subsidiaries. Regional subsidiaries are created when two or more local government authorities come together to form a legal entity to allow them to carry out some service or perform some sort of activity. It is a new structure of management, if you like. Regional subsidiaries as a model, as I understand it, operate only in South Australia. One of the concerns about where we are with the Local Government Legislation Amendment Bill 2014, and why we are here with this bill, is that when this bill goes through, it will be one of three models of regional management, regional cooperation or regional ways of working together. The first model is regional organisations of councils. That model is fairly familiar and is well established in New South Wales, and has been for a long time—at least since the 1980s as far as I am aware. The other model is metropolitan regional councils. This bill will bring a third model into Western Australia and, as

far as I am aware, we are the only state that will have three models operating that will bring together some form of regional management. Although I am not aware of any concerns about the other two models, bringing in a third model raises some issues for the Department of Local Government and for the minister around keeping clear transparency, accountability and other requirements in each of those models. I guess it also reflects the way in which this portfolio has been mishandled over time, in the sense that the failed attempt at forced local government amalgamations, if it had been done properly, really could have addressed some of the management issues for local government authorities, and addressed the way in which they either wanted to work together or work regionally or merge. But, of course, all that, and all the money that went into that, has now been wasted, and we are now here with three models of regional operations.

Another model of councils working together is a standard agreement between two councils. A number of metropolitan councils entered into those agreements around the time of the forced amalgamations and provided each other with shared services. I guess there are now four models of local government operation in this state and I think that represents a problem. I am not commenting on the success or otherwise of any of those models, just that we have four and that that is a mess.

This model of regional subsidiaries, as I mentioned, has been advocated for by the Western Australian local government sector. I understand its importance, particularly its benefits in regional areas. The examples of how it can be applied are useful, including the one of councils in the midwest that get together to employ a childcare worker. One local government authority is not responsible for the employment of that worker, but the worker is able to work across each local government area. That is a really good example of what this model can do. This model of regional subsidiaries needs to be more focused on—I do not think the bill does this clearly enough—achieving social outcomes. The reason we are putting in a different layer of management, if you like, is for the benefit of ratepayers and people living in the local government areas. The reason the local government authorities are establishing regional subsidiaries is to achieve a social outcome for this group of people. I do not think the bill deals with that clearly enough.

I understand that regional subsidiaries are established for a purpose, and the purpose will be encapsulated in the charter that gives effect to the regional subsidiary. But that charter needs to state clearly what the social outcome or economic outcome is going to be, rather than applying it as a general management model across a broad area. Rather than applying it, for example, as a general management model for the provision of community development across three areas, I think the regional subsidiary model needs to be focused or have a clear outcome, rather than a general management model, because it needs to have a purpose.

Clause 9 of the bill provides for powers for the subsidiary; as I said, any two local government authorities can form a subsidiary. The charter of that subsidiary gives effect to the establishment of it. The minister has to approve that charter. The way in which the minister approves that is going to be placed in the regulations, and those regulations will be disallowable. That is a good check for this Parliament on how those subsidiaries are being established. The regulations could go further, of course, and the requirement in the bill could go further about what is contained in that charter, particularly in the area of accountability for not only the purpose of the subsidiary and who is going to operate it and how, but also how the subsidiary is going to be accountable to the local government authorities, ratepayers and people who live in the local government area.

Regional subsidiaries will be established because two local government authorities decide they are going to work on a particular project or activity. The way consultation occurs around the establishment of the regional subsidiary should be contained in the regulations. It could have, in order to make it stronger, been contained in the bill; as we know, regulations can change. Consultation with ratepayers and people who live in the local government area should be the basis for the establishment of it. Rather than executive management in a local government authority deciding to progress with the establishment of this new management model, the local government authorities really need to make sure that the project or activity or the reason for its establishment is supported by the community as well.

I have more to say on accountability. The regional subsidiary will be made up of a board that will manage that subsidiary. One of the difficulties around this model is that the board does not necessarily have to be made up of local government councillors. In theory, the subsidiary could be managed by a number of people who are unelected officials. I understand the government's response to this will be that the subsidiary is accountable to the ratepayers by being accountable to the local government authorities. Any number of tensions could arise in the implementation of this, one being who the board members or managers are loyal to. They need to be loyal to the board or regional subsidiary to ensure a successful project occurs, but they have no responsibility, accountability or loyalty to the ratepayers and people who live in the local government area because they have no connection to them, because they are not elected and because they are not accountable. I think that will raise some tensions, particularly in the implementation.

As I mentioned, subsidiaries will be established by a charter that contains all the management issues. I have talked about how consultation needs to be included in at least the regulations on the establishment of the subsidiary, but they also need to include how the operations of the subsidiary—say it is running a childcare centre—will connect with ratepayers, service users and people who live in the local government area. None of that is clarified in the bill and it will require some clarity, particularly in its implementation.

Pecuniary interests are another area of concern around accountability. I would welcome the minister addressing how the pecuniary interests of the subsidiary's board members will be dealt with. For example, if a regional subsidiary can apply for funding from the state and federal grants or could obtain income from other sources, there will be plenty of opportunity for conflict of interest of board members in acquiring funding and in running services, particularly if those services are for-profit. I would like to hear from the minister how that will be addressed.

As I mentioned before, the minister gets to sign off on the charter that establishes the subsidiary. How the minister does that is contained in the regulations. The regulations need to be really, really clear about the minister's reason for the decision. Throughout the Local Government Legislation Amendment Bill 2014 as it stands now, I cannot see any requirement on the minister to be transparent or accountable in their reason for decision. It could be via something like a standard checklist in the regulations, but it needs to be clear that the minister should publish their reason for decision and provide to the regional subsidiary similarly the reason for decision or the reason not to agree to the establishment.

A few issues contained in the bill will need to be addressed and I would welcome the minister addressing some of them in her speech. However, I also think that there are enough grey areas and loopholes to be concerned about the implementation of this bill and I trust that some of those can be addressed in the regulations.

HON RICK MAZZA (Agricultural) [2.23 pm]: Unfortunately, Hon Nigel Hallett could not be here today. I am sure that he would have a lot more to say on the Local Government Legislation Amendment Bill 2014. As I understand it, Max Trenorden had a substantially similar bill in the last term of government into which Nigel had some input. They travelled to Queensland and South Australia, and used a fair bit of information from those states as a model for the bill. A couple of features, such as the withdrawal of complaints for minor complaints, are a good approach. That will make it a lot more flexible and allow the complaints panel to assess complaints as they come in. Another good feature is the fact that regional subsidiary bodies can be formed so councils can have a more collaborative approach to dealing with issues in their shires. I think local governments will welcome the flexibility of this bill. The Shooters, Fishers and Farmers Party will support the bill.

HON ROBIN CHAPPLE (Mining and Pastoral) [2.24 pm]: Obviously, the Greens will support the Local Government Legislation Amendment Bill 2014. In my local government's area of responsibilities in Port Hedland, Karratha and places like that, the local governments came together a long while ago to try to operate collaboratively. The whole process of allowing the establishment of the regional subsidiary model for local governments and making consequential amendments is valid. We have to remember that in many places, in some of the vast authorities and shires, the provision of services is quite an expensive aspect. Bringing the ability for some local governments to officially work collaboratively by a process that will be set out through regional subsidies that have their own charters will enable collaboration and, in many cases, economic advantage. A classic issue is that some shires have a grader. They can now work together to share infrastructure. I am reminded that especially with the Shire of East Pilbara and Port Hedland shire, a number of the roads that were closer to Port Hedland, which were actually in East Pilbara shire, were serviced on contract by the Port Hedland shire. This bill will enable those things to be much more efficiently dealt with, which is something I support.

Another thing raised by the bill is the aspect of salaries being dealt with by the Salaries and Allowances Tribunal. I think this is a really great step forward because there is quite a degree of discrepancy in the payment of local government managers. I am mindful of an issue that occurred in this place that I was involved in. A mayor was elected and the shire immediately sought to change the remuneration for the mayor because they did not like who was elected. We got involved in that and were able to make sure that the mayor got the salary that had been agreed to only months before by the shire. The problem was that some shires paid their elected members at different rates and fees. Bringing this aspect under the Salaries and Allowances Tribunal is a significant way forward. I just hope that when it comes to local government managers, we work at providing a salary base that is commensurate with the qualifications of those managers and does not adhere to some of what I consider to be the exorbitant rates and fees that are currently charged to shires by local government managers. I hope that this normalisation will not be to the highest end of the scale, but to a point that represents the values.

Touching on that, I want to go back to an old problem of mine. I worked in local government when we used to have clerks and we did not have managers. Although the clerks were not seen to be particularly progressive, the one great thing about them was that they had legal training and they were trained in the Local Government Act. One of the problems I have still today is that many local government managers are brought in from industry and

other places and they have no comprehension—I do not mean that negatively—of the structure of governance. That is really important because in many shires, councillors are now deferring to local government managers to be almost their decision-makers. Surely local government has always been about elected members governing for the region and being serviced, as we are in this chamber by our Clerks and the people who provide us with the legal basis for making decisions. That has always been a bit of a gripe of mine. I worked under the old system in Port Hedland shire. I am trying to remember the clerk's name; it will come to me in a minute. It was the first shire that sought, through Ian Taylor, to have a local government manager. One on level it was a good move, but in hindsight I am concerned that local government managers do not have that constitutional base to administer local governments. A number of local governments fail and quite often that failure is caused by the administration and the advice that councillors receive, not because of the councillors. That is a slight aside from what we are dealing with.

The Local Government Legislation Amendment Bill 2014 will provide the Local Government Standards Panel with disciplinary power, which is great because quite clearly many people are like a dog with a bone or they get a bee in their bonnet and they will not let go of an issue. Under this process, resolution can be sought, but it is not sought without proper recourse for the people who have those concerns. It will get rid of, in essence, what is quite often referred to as the serial pest. The bill will provide for the withdrawal of complaints made to the standards panel, which has always been an issue. People who make a complaint do not have the ability to back out of the process. The bill will give them that ability. It will also mean that if a subsequent complaint of the same nature is brought forward, it can be considered on its merits as to whether the complaint can be considered.

As I say, the provision about elected member fees and allowances is a progressive move. The issue of termination payments is an interesting one. Again, having been in a local authority that sought to remove a manager, it was an incredibly arduous process; indeed, it was akin to blackmail. We had to deal with a range of offers and counteroffers. A maximum of one year's remuneration—the chief executive officer does not get the car or the house as part of the severance, which has been the case in many councils—is a very valid way forward. Obviously, the bill makes a range of consequential amendments to many pieces of legislation and there are a number of amendments that deal with that. In closing, I thank Sheryl Siekierka and Jessica Lenney, the minister's advisers, who briefed us on the bill.

The ACTING PRESIDENT (Hon Brian Ellis): I think it would be appropriate if you could move to another position in the chamber until the microphone gets sorted.

HON MARTIN ALDRIDGE (Agricultural) [2.34 pm]: It feels a bit odd standing so close to the aisle, but nevertheless, change is as good as a holiday!

I rise to speak on behalf of the Nationals about the Local Government Legislation Amendment Bill 2014. At the outset, I point out that the bill has the support of the Nationals. It contains a number of important provisions that I will talk about this afternoon. Not too many topics in this thirty–ninth Parliament have attracted the attention that local government has attracted in this place. During my time here, we have dealt with a number of motions and bills and on every occasion I have taken an active interest in matters relating to local government.

Local government plays a really important role in our state, more so in our regions, and that is something I will talk about. Western Australia is a big place with few people. We talked in a debate earlier this morning about dispersed populations and disparate communities and more often than not, local governments in regional communities are the only level of government that is represented. In many respects, they are the shopfront for other levels of government that do not find themselves present in small communities. They play an important role and sometimes a different role from their metropolitan cousins. I made the point in previous contributions about some of the differences between metropolitan and regional local governments and today I will talk about some of the things they have in common. Obviously, some things that regional local governments do are not commonplace in the metropolitan context. I refer to the delivery of services, such as child care, which I think Hon Alanna Clohesy referred to; access to general practitioners, dentists and other medical specialists; and telecommunications, both in a terrestrial sense and also mobile services. In a lot of cases, local governments own the local airport and in some cases they might even own and operate the local saleyards. They get involved in a range of different activities and own, maintain and are responsible for a range of different infrastructure and services that are not always covered by local government in the metropolitan context.

In my electorate of the Agricultural Region as it exists today, there are 60 local governments. We are down from 61 local governments after the recent merger between the Town of Narrogin and the Shire of Narrogin. It was the last of the doughnut councils in Western Australia. I think the Minister for Local Government put three commissioners in place in the new local government entity ahead of fresh elections down the track. There have been numerous attempts over the years, even in the last few years, at structural reform, even voluntary structural reform, initiated by local governments in my electorate. Some have been successful; some have not. For example, over the years, the City of Greater Geraldton has expanded its local government area through

a voluntary amalgamation process. The Agricultural Region is currently some 204 864 square kilometres in size. When the new boundaries for the Legislative Council come into effect in May, it is set to expand to 281 264 square kilometres, which is quite a significant expansion from just over 200 000 square kilometres to just over 280 000 square kilometres, with the inclusion of the shires east of the electorates of Central Wheatbelt and Wagin that include Westonia, Ravensthorpe, Esperance and Dundas.

There have been many iterations of local government reform over recent years and, I think it is fair to say, there have been mixed views from local government in my patch. Some are concerned, naturally, about the redrawing of boundaries and what that means to them in terms of service delivery, facilities and, above all else, their sense of identity and community. Then there are others—there is no shortage of very small local governments in my electorate—that are really quite concerned about their sustainability. They have enormous infrastructure and service demands, and their ability to raise revenue from a relatively small rate base is becoming more and more challenging by the year. Almost without exception, local governments across the board are always looking to do things more efficiently and more cooperatively. What sometimes challenges that aspiration is their capacity to do that. A small local government that is trying to tread water and do the best it can with what it has got will often not have the capacity to consider how reforms within its local government or perhaps collaboration with neighbouring local governments or even innovation might be able to help because it is sometimes overwhelmed with the day-to-day pressures of making the local government work. Many local governments in my electorate are eagerly awaiting the outcome of this Local Government Legislation Amendment Bill, and that is a matter that I will come to later in my contribution. With so many local governments in the Agricultural Region, I try to make the effort, whenever possible, to get to the Western Australian Local Government Association zone meetings. It is often a good opportunity to not only let those local governments know what you are up to, but also hear from them about their issues. Often the meetings are held on sitting days, which might be done on purpose from time to time because I think there is a bit of history of members of Parliament, particularly from my part of the world, turning up to zone meetings and taking over. However, I think the item that I have on its agenda pack is a short presentation by local members of Parliament or something to that effect.

From the outset, I would like to acknowledge the support of the Leader of the House in allowing the house time to consider this bill. It has been sitting in the other place and this place for some time, so it is important that it passes. I also thank the Minister for Local Government, who has engaged very constructively with the Nationals on matters relating to this bill for some years. I thank both of them for where we have got to today. The bill does a range of things, which include improving the operations of the Local Government Standards Panel. It deals with duplication in electoral offences, in particular the defamatory provisions that exist within the Local Government Act 1995. Clarifying clauses deal with the termination payment of local government chief executive officers—something I will talk about a little later—and the ability for the Salaries and Allowances Tribunal to determine payments for elected members, and the regional subsidiary model, which will form a considerable portion of my contribution on this bill.

I want to talk a little bit about how we got to this point. Hon Rick Mazza has already mentioned the early work done by Hon Max Trenorden and Hon Nigel Hallett that looked at the application of local government models in Queensland and South Australia. Hon Rick Mazza was quite correct when he said that in 2010, Hon Max Trenorden, who was then a member of this place representing the Agricultural Region, introduced a private member's bill: the Local Government Amendment (Regional Subsidiaries) Bill 2010. To my knowledge, that was really the first form of regional subsidiaries legislation to be presented in Western Australia. In 2012, the then Minister for Local Government, John Castrilli, MLA, introduced a bill to similar effect, implementing regional subsidiaries. The thirty-eighth Parliament was prorogued prior to the passage of either of these bills. In 2014, the newly elected member for Moore, Mr Shane Love, MLA, presented to the other place a private member's bill based on the previous two bills. Following the introduction of Mr Love's bill, the Minister for Local Government gave a commitment to us that an amendment bill would be presented to the Parliament that included reforms to permit the formation of regional subsidiaries in the Local Government Act 1995, amongst other provisions that would amend the Local Government Act, and obviously that is the bill that is before this place today. It may well be some six years after that initial bill, but with some hope and confidence we have reached the point of both houses agreeing on a regional subsidiary model for local government. It has been long argued by local government that it should have modern instruments to deliver services and activities. In fact, if we look at some of the submissions made to a parliamentary inquiry, which I will talk about later in my contribution, we will see that the Western Australia Local Government Association is obviously very supportive of the regional subsidiary model, and made reference to other models that exist in other jurisdictions that may well benefit local governments to some extent.

I want to talk a little about the current models for local government collaboration and the opportunities and the challenges, or the restrictions, that each of those models present to local government. Members have previously spoken about a number of models and there has been talk about the Voluntary Regional Organisation of Councils, which is quite a popular voluntary model. Many VROCs exist within my electorate, many of which are

in the wheatbelt where small local governments work together for a range of different ends. In fact, the work that one of those VROCs did resulted in a submission to the Local Government Advisory Board for an assessment of an amalgamation of their member councils, which, unfortunately, in the end was recommended against by the Local Government Advisory Board. That was the subject of another debate in this place, but I will not revisit that today. I guess that was a good example of how local governments, particularly smaller country local governments, working collaboratively with one another can help to break down some of the barriers that exist in local government in a regional context, and how, over time, when structural reform might be needed, it can probably be achieved in a voluntary sense. Obviously the main deficiency under the VROC model is that the VROCs have no legal status. That means that if a VROC wants to undertake a project or deliver a service, one member council would need to be the lead or the banker, for want of a better word, which exposes that local government to some level of risk or liability. That is all well and good while everyone is in raging agreement and things are tracking well with whatever those local governments might be doing through a VROC, but, as we have seen with other models, how do they manage that when the relationship sours or perhaps one of those member organisations decides to withdraw or not participate to the same extent as they perhaps once did? Risks are associated with that model, and it puts a considerable burden on one local government that has to play that lead role in a regional organisation of councils.

I want to quote from a submission that was made by the WA Local Government Association to the Standing Committee on Legislation of this house in response to its inquiry into the Local Government Amendment (Regional Subsidiaries) Bill 2010. Obviously, that bill is somewhat different from the bill before us, but the section that I want to talk about is the association's views on how local government can share services, which is relevant regardless of the bill that we are dealing with and goes to this issue of regional subsidiaries. I am just seeing whether the report has a date.

The ACTING PRESIDENT: Order, member. Can you identify the report?

Hon MARTIN ALDRIDGE: Yes, that is just what I am doing, Mr Acting President. I just said that it was a Western Australian Local Government Association submission to the legislation committee in relation to the Local Government Amendment (Regional Subsidiaries) Bill 2010, so I did identify the report, and I was looking for the date, which was July 2011. I want to quote from a section of this report, which I think gives good context to the discussion we are having today about regional subsidiaries. Under the heading "Shared Services", the WALGA submission states the following —

> One method for Local Governments to continue to improve their service delivery offering to their communities within tight funding constraints is to establish appropriately governed shared service platforms.
>
> The trend towards Local Governments embracing shared services as means to improve efficiency and service standards has two key drivers.
>
> The first driver is primal: Local Governments, due to budgetary constraints, increasing service demands and a highly competitive labour market, simply must find innovative ways to continue to provide the high quality services their communities expect and deserve. As stated in WALGA's Systemic Sustainability Study … final report, Local Government, by entering into a shared service arrangement "may be able to improve the quality and quantity of the services they provide to their communities."
>
> The second driver is related to a past focus on amalgamations. There is little evidence to suggest that amalgamations have brought about significant efficiency gains or wholesale cost savings for Local Governments. Consequently, the focus of Local Government reforms has shifted towards shared service models as a means to achieve efficiency gains and economies of scale appropriate to particular municipal services.
>
> There are a range of financial and non-financial benefits that shared services arrangements can produce. Research from South Australia contends that Local Government cooperation through shared service structures "can be a cost-effective way for councils to share experience and resources, tackle common tasks, or take advantage of economies of scale". Other potential benefits include leveraging of technology investments, standardisation of services and greater concentration on strategic outcomes.
>
> Local Governments must be aware that shared services do not necessarily lead to significant efficiency gains. Arrangements can be ad hoc in nature and often the continuation of shared service activities rely on continuing support at the Elected Member and executive management level. If enthusiasm dissipates or if key personnel leave, the shared service arrangement may lose support within the participating Local Governments and its continuation may come into question. Where Local Governments maintain commitment and establish enduring governance structures, shared service arrangements can deliver real and ongoing value.

> To encourage and enable Local Governments to enter into a variety of shared service arrangements that can accommodate the diversity of Local Governments and the diversity of Local Government services, a range of shared service options with flexible and minimal compliance obligations should be available. It is also important that shared service governance structures ensure that the shared service arrangements are meaningful and enduring. A recent discussion paper produced by the Department of Local Government argues that flexibility balanced with appropriate governance and accountability mechanisms are desirable characteristics of shared service arrangements.

That was some context provided to the committee inquiring into the 2010 bill relating to the benefits that could be derived from having local governments work together under flexible and responsive models to deliver some services. I will talk a little bit later about why not all services can be delivered through a shared service model. Obviously in Western Australia, other than regional organisations and councils, we also have regional local governments, and there are a number of them in Western Australia. They tend to be very large, they tend to be waste-focused and they are organisations that have significant responsibilities and service delivery obligations and generally are able to bear the burden of the compliance requirements that go with such a local government structure. They are basically a local government in their own right and they have very similar responsibilities for reporting, accountability and governance. Obviously, a feature of a regional local government includes the governing body of the regional local government consisting of elected members from the member local governments only, which is a feature that sets itself apart from a regional subsidiary. There is no opportunity to appoint external expert advisers. For example, if a regional local government or a regional subsidiary is formed to deal with waste management, it may be appropriate to bring in people with specific expertise in the industry, perhaps environmental scientists, engineers or people who have quite significant experience in that area. An incorporated association is another model available to local governments. I will read again from the WALGA submission. It states —

> An incorporated association, formed under legislation, is a legal entity which can open bank accounts, hold and dispose of property, invest money and give securities. The governance structure of the incorporated association is defined by its constitution and its board of management may include external members.
>
> An incorporated association must have more than five members and the *Associations Incorporation Act 1987* limits the purposes for which incorporated associations can be established. Activities of a commercial nature such as regional road construction or waste management may not be acceptable purposes.

So, there are restraints that apply to the use of incorporated associations by local government. The submission continues —

> Any profits raised by the association cannot be distributed back to members and must be utilised by the association to progress its constitutional objectives.
>
> Further, neither an incorporated association nor its employees would be able to exercise statutory functions which are currently given to Local Government employees by the *Local Government Act 1995* and other legislation. This means that Local Government functions such as town planning, building and environmental health could not be undertaken by an incorporated association.
>
> For these reasons the incorporated association model is not widely used by Western Australian Local Governments. Typically, where this model is used, it is for a narrow purpose such as economic development and promotion in a broad sense.

That was quite an extensive quote from what was an extensive submission to the inquiry, but I think it is important in the context of the bill, particularly in relation to the proposed reforms to regional subsidiaries.

I want to now talk specifically about what a regional subsidiary is. A regional subsidiary is a mechanism that we hope to introduce to allow two or more local governments to work together to deliver certain services for their respective communities or, indeed, it could be used to deliver services in other communities on an agreement basis. As I said, I think it is important to identify from the outset that local governments in my electorate can be relatively small and they can have many issues associated with delivering some services efficiently. A regional subsidiary model would allow local government to deliver services in a more collaborative manner to a greater extent and could result in improved efficiency in the delivery of those services. I talked earlier about the work done by Hon Max Trenorden in South Australia. Obviously, South Australia really led the reforms in this space and I will talk a bit about the South Australian experience shortly. The regional subsidiary model is certainly favoured by me and others as a way of important reform in local governments because, first and foremost, it allows local governments to retain their autonomy and their identity, while at the same time allowing them to focus on delivery of services and functions. Some of the areas that a regional subsidiary might be used for,

amongst some of the many things that have already been talked about in this debate, could be waste management, environmental management, perhaps something as simple as tourism marketing across a subsidiary region, transport and regional development infrastructure, and sharing of resources. We now also see many local governments working with one another to try to attract state and federal funding for a range of different projects, and I think a regional subsidiary model would go a fair way towards allowing them to better facilitate and draw collective capacity together to compete against what is sometimes much easier to achieve in a larger government authority.

As I said in my introductory remarks, I think that allowing local governments to work in this sense—so, I guess, an extension of the regional organisation of councils into a more formal structure that is not as burdensome as a regional local government as defined in the Local Government Act—will bring together and break down some of those barriers associated with neighbouring local governments. It could well lead, where appropriate, to voluntary reform, amalgamation or structural reform of local governments in some localities. When I meet with some of them in my patch, they say they really do not know what the future holds. They are really concerned about their rate base and increasing expectations from their communities. They are really concerned about their future viability. This structure might allow them to perhaps challenge some of the fears within their community about how neighbouring towns can maybe compete on the football field and work together to deliver important functions across the local government spectrum.

I spoke a little about an important facet of the bill before us, of allowing elected and non-elected representatives, which would be a new feature available to local governments. I think that is important in just about any type of governance structure. If we set up a regional subsidiary to deliver or run a multimillion-dollar business, we may not have the skill set available amongst elected members to deliver the function that that regional subsidiary has been established to carry out. Giving member local governments within a subsidiary the opportunity to use non-elected members—a bit like they would in, say, a cooperative that has member directors and independent directors, who bring their own set of expertise to that governance structure—would perhaps bring an outside look and mind to some of the challenges that those communities face and I guess the challenge of the service that they are trying to deliver.

I said that I wanted to talk a little about the South Australian model. Unless the minister corrects me, I think regional subsidiaries were first formed in South Australia under the Local Government Act 1999. I am not sure whether regional subsidiaries existed in South Australia before that act or whether they were established after the passage of that act. South Australian local governments are structured differently from those in Western Australia, which is important to note. Similar to regional local governments, initially, regional subsidiaries were commonly used in South Australia for the purpose of waste management but they have also been used for strategic planning. The Southern and Hills Local Government Association is an example of a regional subsidiary formed under the South Australian legislation. This body consists of six member councils: Adelaide Hills Council, Alexandrina Council, Kangaroo Island Council, Mount Barker District Council, City of Victor Harbour and Yan-kan-lilla District Council.

Hon Alanna Clohesy: Yankalilla.

Hon MARTIN ALDRIDGE: I was close. Has the member been there?

Hon Alanna Clohesy: Yes.

Hon MARTIN ALDRIDGE: Very good.

They call them associations in South Australia. They deal with transport planning, health planning, climate change adaptation studies and infrastructure plans. This body is used as a strategic planning body for its six member councils. The operations of regional subsidiaries in South Australia are usually funded through annual membership fees and subscriptions from constituent councils, and sometimes from state and federal government grants.

I now want to refer to another document that I came across when looking at how local governments can become more efficient through shared service platforms. This paper, which was written by Messrs Dollery, Byrnes and Allan from the University of New England School of Economics, is entitled "Optimal Structural Reform in Australian Local Government: An Empirical Analysis of Economies of Scale by Council Function in New South Wales". It is a paper from 2006. I want to quote a section of the introduction of the paper. It states —

> Australian local government policy makers have traditionally relied on structural reform by means of council amalgamation as their chief policy instrument for enhancing the operational efficiency and effectiveness local authorities … Indeed, the past fifteen years have witnessed a wave of municipal amalgamation programs across several Australian local government systems, including South Australia, Victoria, Tasmania and New South Wales, with the prospects of council consolidations presently looming larger in both Queensland and Western Australia.

> This approach to local government reform is based on the view that 'bigger is better' in local governance since larger councils are presumed to derive substantial economic benefits from increased municipal size. Dollery et al. … have identified five main reasons for the assumption that larger local authorities are more efficacious typically advanced by Australian advocates of the 'bigger is better' school of thought: Economies of scale; economies of scope; improved local government technical and managerial capacity; reduced administration and compliance costs; and the potential advantages obtaining from a greater coincidence of municipal and ecological boundaries.

The paper goes on to state —

> For instance, 'if different municipal services do possess different cost characteristics, then increasing economies of scale may only apply to some services and not to other functions that may in turn exhibit constant or even decreasing returns to scale.

This suggests that a different approach to structural reform may be warranted that recognises that while some municipal services may indeed exhibit scale economies and should thus be provided through regional shared service arrangements that can reap the monetary benefits of increasing economies of scale, other functions may not yield economies of scale and would therefore best be delivered at the local level. Arguments of this kind support various resource-sharing arrangements between local

> authorities rather than the wholesale municipal amalgamation of adjacent constellations of small councils.

That paper considered some survey work carried out in New South Wales that asked councils a range of questions about services that they deliver in New South Wales and asked for their views about whether something is best delivered locally or regionally. It went further and looked at whether a policy should be determined locally or regionally, whether a service should be managed locally or regionally or whether a service should be delivered locally or regionally. That is probably more specific to the New South Wales context but I think it is important because it supports my long-held view that some functions are probably more suited to regionalisation and would benefit from the economies of scale and scope and capacity that were mentioned in that paper, but not all. It is important that we recognise that in this debate.

I want to make a short reference to the second reading speech made by the member for Moore when he introduced the Local Government Amendment (Regional Subsidiaries) Bill 2014. Again, I refer to the work that he did in continuing the desire to have a regional subsidiary model in Western Australia and also look at some of the reasons he gave for the need for these reforms. This is what Mr Shane Love, MLA, said in the other place on Thursday, 11 September 2014 —

> I and my colleagues, being members of the Parliamentary National Party, are supportive of voluntary reform and recognise the need for some legislative measures to ensure that local governments can achieve economic sustainability while maintaining local identity and providing the services that their residents require. Voluntary reform aimed at achieving a more sustainable local government sector is best achieved by allowing local government to have access to instruments such as regional subsidiaries that encourage and foster resource sharing. Introducing a regional subsidiaries model for local government into Western Australia will allow for greater flexibility in the creation of shared works and service entities. Regional local governments have been demanding reform in this area for a number of years, and this bill will assist to satisfy these requests.

It is important that we do not underestimate the demand that is out there for this, particularly amongst the local governments that I interact with. There would not be a meeting I go to with a local council or a WALGA zone meeting in which they do not ask me where this issue is at. In fact, they are saying, "We've got this project in the pipeline, we want to do this, but we really need regional subsidiaries to do it." I was at a WALGA state conference a couple of years ago and went to a little side meeting such as often occurs with local governments when they have the opportunity to be in one place. They were engaging what I can only assume were probably not inexpensive consultants to advise them on the best way to structure entities for them to achieve the purposes they wanted to achieve whilst maintaining the requirements of the Local Government Act. There is a significant demand for this legislation.

Members should also not be confused that "regional" necessarily means the same as regional Western Australia. A regional subsidiary could be formed anywhere in Western Australia under the Local Government Act, if the Local Government Legislation Amendment Bill 2014 is passed. I want to refer indirectly to a contribution made by the Minister for Local Government during consideration in detail of this bill in the other place. He made reference in his contribution to some of the shared service arrangements that already exist across the metropolitan–regional divide. His contribution was in response to a question about whether local governments would necessarily need to be neighbouring one another to form a regional subsidiary. The minister responded

that that was not a requirement and in fact went on to talk about the City of Nedlands and how it is working with some wheatbelt councils on providing an IT platform with backup support, and the City of Canning, which has been successful in providing accounting services to—I am sure I will get the pronunciation wrong, but I have sought advice!—the Shire of Ngaanyatjarraku, and I am sure there are probably plenty more examples, and that is great. I was broadly aware of situations—there are probably others—in which there are local governments, regional or metro, that may have a greater capacity either in-house or through contracts to deliver things like IT platforms, payroll services or finance and auditing services, and are in a position to collaborate and share those services with smaller local governments, or perhaps set up a subsidiary that provides a fee-for-service to other local governments. There are some great opportunities, not only in a regional Western Australian context, but also in the metropolitan context, and across both metropolitan local government and regional local government.

I return to the WALGA submission to the Standing Committee on Legislation inquiry that I referred to earlier in my contribution. WALGA outlined three things in its report that went to why it thought the regional subsidiaries model was a model worth considering. One is obviously flexibility. WALGA's submission to the Standing Committee on Legislation's inquiry into the Local Government Amendment (Regional Subsidiaries) Bill 2010 states, on page 11 —

> The model offers flexibility and simplicity because the regional subsidiary's charter is its primary regulatory instrument. This contrasts with Western Australia's Regional Local Government model which bestows most of the Local Government regulatory and compliance burden onto Regional Local Governments. The regional subsidiary model, therefore, provides the benefits of entering into a shared service arrangement but with a reduced compliance burden.

Under the heading "Governance Structure", the WALGA submission states —

> Another benefit of the regional subsidiary model, in comparison to the Regional Local Government model, is the ability for external and independent members to be appointed to a regional subsidiary board of management. The appointment of independent board members can be beneficial to the functioning of the regional subsidiary. This is because independent directors, who are not linked to any of the constituent Councils, will be able to bring an independent, commercial perspective to board deliberations. This can also reduce the risks associated with a shared services arrangement.

Under "Accountability", the submission states —

> Another benefit of the regional subsidiary model is the increased accountability provided by the model in comparison to the traditional Local Government service delivery approach. The regional subsidiary will generally be conducting a key Local Government service delivery function on behalf of a number of Local Governments and will be governed by, and accountable to, a board.
>
> This contrasts with the traditional Local Government process in which the service delivery function's accountability channel is upwards through the Local Government hierarchy with ultimate responsibility residing in the Council which acts on advice from the Chief Executive Officer.
>
> The Council has a myriad of responsibilities and concerns and oversight of any one particular service delivery function is dissipated amongst many other responsibilities. Consequently, accountability for a particular service to a singly-focussed board leads to greater accountability than the traditional Local Government approach.

Again, that is a significant quote from the submission by the Western Australian Local Government Association, but I do not think I could have better described the benefits of flexibility that the regional subsidiaries model provides, including improved accountability—that is something that has featured in the debates that have occurred in Parliament—and, obviously, improved governance structures, which I have spoken about already today.

I want to briefly talk about some of the other clauses of the bill in the time I have left—which is unlimited! When the Minister for Local Government said that he would bring a regional subsidiaries bill to the Parliament, he said that other aspects of the Local Government Act 1995 would need improving, and that they would be best improved through one bill. I want to talk about some of those clauses today; I will not talk about them all, just some of them.

Clauses 15 and 16 have been focused on by some of the members who have already spoken on this bill. They make provision for the local government standards panel. I think there were some amendments on this issue in an earlier iteration of a local government bill that was not passed, but at that time there was a significant backlog of complaints made to the local government standards panel. It is my understanding that that backlog has improved since then and is improving. However, despite that, I am advised that it takes some 100 days to consider a complaint made to the Local Government Standards Panel against an elected member. Again, I learnt in the briefing that the majority of those complaints are without substance. The provisions under clauses 15 and 16 of this bill go to this issue. At the moment, if a complaint is made to the standards panel, the complaint cannot

be withdrawn until it is fully investigated and reported on. These clauses provide opportunities for a complainant to withdraw their complaint. Anecdotally, it has been put to me that sometimes, in any organisation, people may have a disagreement with one another and may, in the heat of the moment, issue a complaint and, a short time later, decide in the cold, hard light of day that perhaps there was not any merit in doing so. At the moment, there is no ability for someone to withdraw such a complaint and it would have to be fully investigated by the standards panel. It does not prevent the Local Government Standards Panel from considering whether the complainant has withdrawn that complaint under duress, for example. The standards panel can still continue to investigate the complaint despite the request to withdraw it, which I think is an important feature of this bill. The panel is given some discretion in pursuing a matter that it feels may have been of substance but other circumstances have resulted in its withdrawal, which could include undue pressure placed on the complainant by other parties.

Clause 16 of the bill allows the standards panel to refuse to deal with a complaint if the panel is satisfied that the complaint is frivolous, trivial, vexatious, misconceived or without substance. This refers to the complaint as opposed to the complainant, but I would suspect that given the types of people who send me emails and given that I have received the same complaint many times, I generally characterise some complainants in the same way. This bill does not go to the complainant; obviously, it goes to the complaint and the merits of that complaint. The panel would need to be satisfied that it is frivolous, trivial, vexatious, misconceived or without substance for it to refuse to deal with the complaint. The panel currently does not have that ability. Interestingly, but unsurprisingly, I learned from my briefing that a lot of complaints are by an elected member about another elected member. That goes to my earlier comment that things do not always turn out the way we want and there is conflict within any workplace. This gives the panel some ability, particularly with the provisions that allow complaints to be withdrawn.

Another clause that I want to comment on is clause 5. Not having been a member of the Joint Standing Committee on Delegated Legislation but having read some of its reports, it is clear to me that some of the challenges that it and local government face concern the validation of local laws. A local government in my electorate in particular has ongoing challenges with the validation of local laws. As I understand it, clause 5 was a result of a recommendation of the Joint Standing Committee on Delegated Legislation, which will allow it some discretion when dealing with a local government that has complied with the spirit of the law, rather than the letter of the law. I was told in my briefing that often it is a matter of all the requisite steps being completed, but perhaps not in the right order; a local government is tripped up and it has to go back and go through its local law creation process again. It is interesting that that has originated from the Joint Standing Committee on Delegated Legislation, of which there would be members in this place, and has resulted in amendments to the Local Government Act.

The proposed sections under clause 10 were, according to the explanatory memorandum, requested by the Western Australian Electoral Commission. If my memory serves me correctly, I think we dealt with very similar amendments to the state Electoral Act at some time during this Parliament when we removed the provisions on defamation. Defamation provisions are now largely contained within the Criminal Code and also the more recent Defamation Act 2005. As the explanatory memorandum states, although the defamatory provisions are being removed from the Local Government Act, the offence relating to the printing, publishing or distribution of deceptive material is retained. Again, I think that is very similar to the provisions now in the state Electoral Act as a result of legislation that has been passed.

Clauses 13 and 14 are amendments requested by the Salaries and Allowances Tribunal. I understand that the tribunal sought clarification in the Local Government Act of its ability to pay allowances to elected members. Issues were also associated with paying fees on a pro rata basis. For example, after a local government by-election, someone comes in and serves part of a term or part of a year, but they are paid an annual fee. This allows the Salaries and Allowances Tribunal to pay a pro rata fee, rather than an annual fee, that better reflects the time that they have served as a member during that period. Provisions in here also deal with the recovery of fees. I understand from my briefing that the recovery of fees arrangements will be a discretionary power based on the wishes of the local government authority. I can imagine a time when an elected member of a local government authority no longer holds office for whatever reason—maybe through death or retirement or some other function—and there is a requirement to recover fees. As in any type of legal situation, we would want to assess the cost of recovering those fees in return for the benefit we are likely to receive. We obviously do not want to go through an arduous process pursuing perhaps an estate for funds of a few thousand dollars that may have been overpaid to an elected member who passed away while holding office. I think that is an important amendment.

Clause 23 is the last provision that I want to talk about. This is an interesting provision because I am pretty sure that this was a feature of an earlier local government bill that this house has considered, but not dealt with, when the state government was considering a reform of metropolitan local governments. I remember receiving some complaints from local government CEOs about the restriction that we were going to place on them by limiting the termination benefit to 12 months. I think my response to them was that at the time my termination benefit

was three months, so they would get four times more than I would, so they should not be so precious about it. Obviously, I have learned that there is a range of types of terminations. From time to time we see chief executives terminated for a range of reasons, including performance or when two or more local governments merge. I am told that people should not be as sensitised to this provision as they are, or have been, because currently contracts are required not to be longer than 12 months. Some are even less and, in that respect, if someone has a contract with a termination benefit of three months, for example, this amendment will not extend their termination benefit to 12 months. Basically, it reinforces and clarifies the requirement under the Local Government Act that no contract should have a termination benefit that exceeds 12 months.

From the outset, the main focus of my interest in this bill and my contribution today has been on the regional subsidiary model, but I believe that this is an important reform for local government in Western Australia. We have seen many local governments trying to take steps in the right direction, increase liability and keep pressure down on rate increases whilst improving service delivery and the ever-increasing demand of the community on local government services. I think that this is important.

In closing, I want to quote Hon Max Trenorden's second reading speech when he introduced the Local Government Amendment (Regional Subsidiaries) Bill 2010. His final paragraph started —

> The bill provides a means for constructive debate and reform to take place.

Six years on—a little longer than Hon Max Trenorden had perhaps anticipated when he brought this matter to the house in November 2010—I am certain we will be delivering local government in Western Australia with a much needed tool to assist it in remaining relevant and efficient. I commend the bill to the house.

HON DONNA FARAGHER (East Metropolitan — Minister for Planning) [3.29 pm] — in reply: I thank all members for their contributions to the second reading debate, and for their support for the Local Government Legislation Amendment Bill 2014.

Members have mentioned that a key feature of this bill is to provide local governments with the power to form bodies known as "regional subsidiaries". I listened to members' contributions with interest, particularly to Hon Martin Aldridge who referred somewhat extensively to Hon Max Trenorden and his passion for this matter. I say that having been not only a member who sat in this place when he talked about it at length—I also recognise Hon Nigel Hallett in that regard—but also a member of the Standing Committee on Legislation that considered Hon Max Trenorden's bill. I think at that time Hon Michael Mischin was the chairman of that committee. It was slightly unusual that a private member's bill was referred to a committee for consideration, and I think overall—this is my recall because, yes, we have to go back in time a little—at that time it was understood that there was merit in what was being put forward by Hon Max Trenorden. I have just had a look back at the report and have seen the very good work we did at that time. I think one of the issues about Hon Max Trenorden's bill was that it was a bit light on detail. If Hon Max Trenorden reads the *Hansard* on this—I am sure he will; I am sure he will be very pleased that it is before us today—I refer to page 9 of that report, which reads —

> 2.21 On the text of the Bill, Hon Max Trenorden MLC said:
>
> *if you were to say to me that a bill written by Hon Max Trenorden is a superb piece of legislation, I would immediately disagree with that point of view! I would happily take clear advice on improvement.*

Such was Hon Max Trenorden, who certainly provided a bit of character to this place! As Hon Martin Aldridge said, it has taken some time for us to come to that point of having a very good piece of legislation. I think Hon Max Trenorden would be very proud to see that it is now passing through both houses of Parliament.

By way of background, I indicate that the regional subsidiaries under this bill will be able to be established by agreement between two or more local governments to provide services or carry out activities in the local governments' respective districts. I think Hon Alanna Clohesy asked whether any other states have such a model, and I think Hon Martin Aldridge might have even answered that question. Just for the record, I can confirm that this mechanism has been used in South Australia for over a decade, and I understand it has proven to be a very successful method of regional collaboration between local governments. Under this legislation, a regional subsidiary will be a body corporate with perpetual succession and a common seal. It will be governed by a charter approved by the Minister for Local Government, and managed by a governing board appointed under the charter. The intention of the government is to create an option that takes advantage of the structure of the statutory regional local government, while avoiding the level of regulation that applies to such entities.

The bill will also introduce a number of important changes to reduce red tape, including: improvement to the operation of the Local Government Standards Panel, which reviews allegations relating to councillor conduct; removing duplication in electoral offence provisions between the Local Government Act and the Defamation Act; and underpinning determinations of the Salaries and Allowances Tribunal in relation to payments for councillors.

I turn to a couple of the matters raised by members. With respect to the standards panel, in addition to the amendments in the bill the department is preparing more guidance material to assist the community and elected members in making a complaint. More generally on the regional subsidiaries, although the bill clearly sets out the matters the charter must address, the government determined that matters relating to the procedure and consultation informing a subsidiary should be contained in the regulations. That was a specific question asked by Hon Alanna Clohesy. Having said that, the department has developed the consultation paper to determine the matters to be addressed by the regulations, a key feature of which will be ensuring that the community is consulted and that local government has developed a business case before applying to the minister. I indicate with respect to the minister—I think some questions arose in relation to this—that although the regulations are currently in development and the consultation paper is out for comment, the minister has made it very clear that the community must support the creation of a regional subsidiary, a clear business case must be developed and presented to the community, and any risks clearly understood. First and foremost, local governments must remember that they are accountable for how they spend ratepayer funds. Hon Martin Aldridge referenced that not all matters would be appropriately dealt with through a regional subsidiaries model. An example of that would be the Eastern Metropolitan Regional Council, which is obviously in my electorate. Clearly, that would be the type of appropriate model to deal with matters surrounding metropolitan waste in and around those areas, rather than a subsidiary model. I understand that in the consultation paper that is out at the moment local governments have been given the opportunity to say what they believe would be appropriate. An example given to me today could be a childcare centre, whereby one local government authority might not have the numbers on its own to have a childcare centre, but by joining two local government authorities together that might be possible. Obviously, that is of benefit to both those communities. That is one example; I am sure there are many others. With respect to conflict of interest, I understand that existing conflict of interest provisions should apply to members of a regional subsidiary board. Financial statements should also be audited as part of local government, or local governments could get them audited separately.

With that, I foreshadow that a supplementary notice paper has been tabled and members have referred to it. The amendments have been put in place as a consequence of the passage of the Public Health Act and the Graffiti Vandalism Act through Parliament. With that, I again thank members for their contributions, and I commend the bill to the house.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chair of Committees (Hon Liz Behjat) in the chair; Hon Donna Faragher (Minister for Planning) in charge of the bill.

Clauses 1 to 25 put and passed.

Leave granted for clauses 26 to 29 to be considered together.

Clauses 26 to 29 —

Hon DONNA FARAGHER: Clauses 26, 27, 28 and 29 are no longer required insomuch that currently they allow the Executive Director of Public Health and persons he authorises to perform the powers and duties of a local government over class A reserves for the purposes of protecting, promoting and improving public health. This amendment has effectively been dealt with in the Public Health (Consequential Provisions) Act 2016, which has been passed by Parliament; hence the reason we will oppose the clauses.

Clauses put and negatived.

Clauses 30 to 52 put and passed.

Leave granted for clauses 53 and 54 to be considered together.

Clauses 53 and 54 —

Hon DONNA FARAGHER: Similar to the previous clauses that I referred to, clauses 53 and 54 are no longer required to be amended in the bill. These clauses amended the definition of "public property" in the Criminal Code to include a regional subsidiary so that a court may order compensation for removing graffiti. The Graffiti Vandalism Act 2016 removed these provisions from the Criminal Code. They have been inserted into the Graffiti Vandalism Act.

Clauses put and negatived.

Clauses 55 to 58 put and passed.

New division 14A —

Hon DONNA FARAGHER: I move —

Page 29, after line 20 — To insert —

Division 14A — *Graffiti Vandalism Act 2016* amended

58A Act amended

This Division amends the *Graffiti Vandalism Act 2016*.

58B Section 4 amended

In section 4 in the definition of ***public property*** delete paragraph (c) and insert:

(c) a local government, regional local government or regional subsidiary;

Clause 58B of the bill amends the definition of "public property" in section 4 of the Graffiti Vandalism Act 2016 to include regional subsidiaries in paragraph (c). A public property means property owned by, vested in or under control or management of a regional subsidiary. This amendment will allow the court to order that a regional subsidiary is compensated for removing graffiti.

New division put and passed.

Clauses 59 to 62 put and passed.

New division 16A —

Hon DONNA FARAGHER: I move —

Page 30, after line 22 — To insert —

Division 16A — *Health Services Act 2016* amended

62A Act amended

This Division amends the *Health Services Act 2016*.

62B Section 6 amended

In section 6 in the definition of ***public authority*** delete paragraph (c) and insert:

(c) a local government, regional local government or regional subsidiary;

This amendment relates to the Health Services Act 2016. Clause 62B of the bill amends the definition of "public authority" in section 6 of the Health Services Act 2016 to include regional subsidiaries in paragraph (c). This amendment will provide that a regional subsidiary is to disclose relevant information to the department CEO if requested.

New division put and passed.

Clauses 63 to 82 put and passed.

New division 26A —

Hon DONNA FARAGHER: I move —

Page 34, after line 24 — To insert —

Division 26A — *Public Health Act 2016* amended

82A Act amended

This Division amends the *Public Health Act 2016*.

82B Section 4 amended

In section 4(1) in the definition of ***public authority*** after paragraph (d) insert —

(da) a regional subsidiary; or

This new division relates to the Public Health Act 2016. New clause 82B of the bill will amend the definition of "public authority" in section 4 of the Public Health Act 2016 to include regional subsidiaries in paragraph (da). This new division provides that regional subsidiaries are to disclose relevant information to emergency staff for emergency management purposes if regulations allow it or vice versa.

New division put and passed.

Clauses 83 to 98 put and passed.

Title —

Hon DONNA FARAGHER: I have two amendments standing in my name that relate to the long title of the bill. Firstly, I move —

Page 1, the second bullet point — To delete "**Acts; and**" and insert —

Acts.

This is a minor amendment to remove "and" because the third bullet point will be deleted.

Amendment put and passed.

Hon DONNA FARAGHER: As I foreshadowed, I have another amendment. I move —

Page 1 — To delete the third bullet point.

This amendment relates to the fact that the third bullet point contains references to the Land Administration Act 1997 and the Rottnest Island Authority Act 1987, which have been removed from the bill.

Amendment put and passed.

Title, as amended, put and passed.

Report

Bill reported, with amendments, and, by leave, the report adopted.