

LOCAL GOVERNMENT — REGULATION AND SUPPORT

533. Dr D.J. Honey to the Minister for Local Government:

- (1) Has the Department targeted its regulation and support activities to areas of highest risk with regard to the potential benefits to improved outcomes across the Local Government sector, and if not, why not?
- (2) If Yes to (1),:
 - (a) How has the department done this;
 - (b) What are the areas of highest risk;
 - (c) What are the identified potential benefits; and
 - (d) What are the improved outcomes?

Mr J.N. Carey replied:

- (1) Yes.
- (2) (a) The Department of Local Government, Sport and Cultural Industries (DLGSC) formally adopted a Local Government Risk Assessment Policy on 22 December 2021. This sets DLGSC's approach to monitoring and compliance, which targets its resources towards local governments that present the highest risk.

DLGSC monitors and proactively engages with at-risk local governments to ensure they meet their compliance obligations under the Act as a mechanism to set the standard for good governance across the sector.

As part of DLGSC's targeted regulatory approach, a divisional team meets on a regular basis to discuss and implement early intervention tactics depending on the level of non-compliance and/or risk profile of a local government.

DLGSC has also been proactive in preventative and educational measures to manage risks within local governments. In support of its improved regulatory approach, over the last twelve months the DLGSC has delivered a range of education and information programs. This has included educational approaches including multi agency site visit briefings by the DLGSC and other public sector integrity bodies, such as the Public Sector Commission, the Corruption and Crime Commission and Office of the Auditor General.

Further, the Government's proposed local government reforms have been developed to provide a greater range of early intervention powers, and address current limitations of the *Local Government Act 1995*. These reforms, including the establishment of a Local Government Inspector and Monitors, have been designed to provide a greater range of tools to address issues within local governments, and improve and clarify intervention powers. These reforms will further improve the regulation and support of local government in Western Australia.
- (b) While the areas of highest risk vary from council to council, current trends relate to governance, leadership, financial management, and organisational culture.
- (c)–(d) The benefits and improved outcomes of DLGSC's targeted regulatory approach include:
 - earlier detection of issues in local governments and the application of early intervention action to prevent issues from escalating and/or reoccurring;
 - setting sector-wide standards for what is expected of local governments; and
 - better capacity building for local governments to better enable them to meet their obligations under the *Local Government Act 1995* for the good government of their districts.

These benefits, particularly time and cost savings for ratepayers through earlier intervention and resolution of issues within local governments, is also a core focus of the State Government's proposed package of local government reforms.