

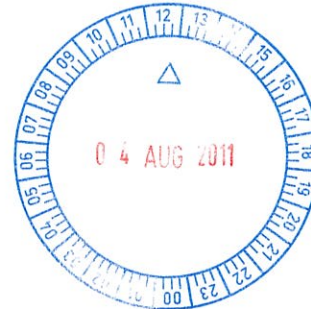
Shire of Merredin

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Our Ref: GR/17/42
Your Ref: LGA

Hon. Michael Mischin MLC
Chair
Standing Committee on Legislation Committee
Legislative Council
Parliament House
PERTH WA 6000



Dear Mr Mischin,

Re: Local Government Amendment (Regional Subsidiaries) Bill 2010 Submission

I refer to your letter to our Shire President, Cr Ken Hooper, dated 7 July 2011 calling for submissions to the proposed Local Government Amendment (Regional Subsidiaries) Bill 2010 and wish to submit the following.

Local Governments play a key role in Australian democracy while performing a wide range of service delivery and infrastructure provision functions. The role of Local Governments has been expanding and evolving for decades and with this evolution, Local Governments have sought to achieve greater efficiency and effectiveness in everything they do.

Regional shared service delivery mechanisms provide an opportunity for Local Governments to generate efficiencies by achieving economies of scale appropriate to particular services. The focus on shared services is due, in part, to the recognition that wholesale amalgamations of Local Governments do not necessarily generate significant efficiency dividends.

The Regional Subsidiary model has the potential to provide significant benefits to Local Governments and their communities. It is flexible, being governed by a charter as opposed to legislation, it has a representative governance structure with the ability to appoint independent expertise and it provides greater accountability than the traditional Local Government service delivery model.

However, to ensure the Regional Subsidiary model fulfils its potential benefits it is critical that the regulatory approach is light.

Further reform of the *Local Government Act 1995* should also be considered. The compliance burden associated with Regional Local Governments should be reduced. The Act should also be amended to allow Local Governments to establish Local Government Enterprises as are currently utilised in Queensland and New Zealand. These Enterprises enable Local Governments to provide a range of services in a commercial and strategic way whilst being separated from the Local Government's everyday operations. This provides Local Governments with the capacity to undertake more effective and efficient use of services with reduced risk and appropriate accountability from a skills based board.

I can be contacted on 08 9041 1611 should you wish to discuss this submission further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Greg Powell', with a large, stylized flourish above the name.

GREG POWELL
Chief Executive Officer

1 August 2011