

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



Dear Mr Mischin

Inquiry into Local Government Amendment (Regional Subsidiaries) Bill 2010

I refer to your letter dated 7 July 2011 to our Shire President, to which he has asked that I respond on his behalf.

The Shire of Capel has formally resolved to support the introduction of the Bill into the Western Australian State Parliament to amend the Local Government Act 1995 to provide greater flexibility for local governments to form regional partnerships with other local governments for the sharing of functions.

This Council sees the Bill as being supportive of many of the key objectives within the Shire of Capel Strategic Plan 'Towards 2020 - A Vision for the Shire of Capel' as follows:

- Our Guiding Principles - To acknowledge that we are part of a wider region and that we will work to share resources.
- Objective 1.5 - Key Focus Area 1 - The Leadership Experience 'Continually seek, support and implement innovative solutions
- Strategy L8 - Participate in regional partnering arrangements with SW local governments.

Under the current Local Government Act 1995 the only opportunities for local governments to come together to form a single entity to consider resource sharing opportunities is to form a Regional Local Government. The new body in effect becomes a new local government with all the powers of other local governments under the Local Government Act including all statutory and reporting requirements and is no longer subservient to the local governments that formed it. This then creates another level of administrative and governance above the local governments it supports, creating additional administration cost burdens.

The Regional Subsidiaries model whilst still requiring administration and governance under the establishment of the body corporate will remain subservient to the member councils. This model will also allow a Council to

be member of different regional subsidiaries, depending on the application of the business of the subsidiary to their community.

To facilitate the process of establishing Regional Subsidiaries, in a manner which will ensure ongoing good governance, we are supportive of:

- Legislative requirements requiring the approval of the Hon Minister for Local Government,
- A charter establishing the corporate status and powers and duties of a regional subsidiary,
- Regulations that will prescribe the matters required to be dealt with in the charter,
- Regulations that will prescribe provisions about the governance of management of regional subsidiaries; including the operation and financial planning, auditing and reporting to be undertaken by regional subsidiaries; the winding up of a regional subsidiary, and
- The application of provisions of the Local Government Act 1995 in relation to regional subsidiaries.

We see the Local Government Amendment (Regional Subsidiaries) Bill 2010 as providing a means for constructive debate and reform to take place. It will allow local government to better perform the tasks it is charged with – service delivery, economic development and advancement, for and within the communities they serve.

Thank you for the opportunity to provide comment on this matter.

If you have any queries please do not hesitate to contact me on 9727 0222 or email me at info@capel.wa.gov.au.

Yours faithfully



Dean Freeman
GOVERNANCE OFFICER

12 July 2011