



An introduction to local government

2015 Local Government Elections - Fact Sheet 1

Why do local elections count?

Local government is an integral part of the system of government both in Western Australia and nationally. It is also an economically crucial sector as local governments in Western Australia spend close to five billion dollars each year.

Local government is the “grass roots” level of government in Australia. Its council members are ideally placed to monitor the changing needs of local communities, to plan and implement strategies to meet those needs, and to bring local concerns to the attention of the State Government and Commonwealth Government.

Local government’s strength is its closeness to the community and its ability to take account of, and to respond to, local views and ideas.

The Western Australian picture

The State is divided into districts, each with its own local government. Currently, there are 138 local governments in Western Australia. In addition, the *Local Government Act 1995* and its regulations apply to the Shires of Christmas and Cocos Islands. Local governments vary greatly in their characteristics.

Recent statistics indicate that:

- the size of local governments ranges from 1.5 to over 370,000 square kilometres;
- the populations of local government areas range from just over 100 to more than 220,000;
- the number of staff employed in each local government varies from less than 10 to over 1,000; and
- in 2013-14 total revenue for local governments in Western Australia ranged from \$1.4 million to \$200 million.

Local governments are defined in three categories – Shires, which are generally local governments with mainly rural populations; Towns, which are generally small (mainly urban) population centres; and Cities, with larger urban population centres.

Contemporary issues

The *Local Government Act 1995* gave local governments more freedom to make decisions for their communities, promoted more public participation, and demanded accountability, efficiency and effectiveness in local government. This has resulted in some challenges for local government, including:

- how best to use the new found freedom to respond to community needs;
- how to ensure public participation and accountability in local government processes; and
- how to respond to the growing demand for more efficient and effective local government.

In addition to dealing with new legislative requirements and reforms, local governments are asking themselves, “What is the best way to organise physical, financial and human resources to achieve a competitive and productive organisation that meets the needs and desires of the community we serve?” Reform can involve changes to the boundaries of Western Australian local governments, resource sharing, and competitive tendering to name but a few.

Local governments’ power under legislation

The powers of local governments to provide services and facilities, and make local laws, are derived from legislation passed in the State Parliament. The principal Act from which local governments gain power is *the Local Government Act 1995* (the Act).

The Act provides for a system of local government by creating a constitution for elected local government in the State. It describes the functions of local governments, provides for the conduct of elections and provides a framework for the administration and financial management of local governments, and for the scrutiny of their affairs.

Local governments also derive powers from over fifty other Acts. Of these, the most prominent are the *Health Act 1911*, which vests wide ranging powers in local governments to ensure the health of each community is safeguarded, and the *Planning and Development Act 2005*, which gives local governments the power to prepare local planning schemes, and ensure orderly development.

Other important statutes include the *Bush Fires Act 1954*, the *Cemeteries Act 1986*, the *Dog Act 1976*, the *Cat Act 2011* and the *Environmental Protection Act 1986*.

General power to provide good government

Under the *Local Government Act 1995*, local governments have the general power to provide for the good governance of the people in their district. This means that local governments can make decisions for the good governance of their districts if the Act or any other written law does not prevent them from doing so. In exercising this general power, a local government can make local laws (legislative function) and provide services and facilities (executive function).

Legislative function

A local government can make a local law for the good governance of the people in its district. However, a local law will be inoperative to the extent that it is inconsistent with any other written law (for instance, because there is already a similar State law covering the same area).

Local governments can make local laws about health and safety, street trading, reserves and foreshores, signs, parking, cats and dogs, and much more.

Executive function

The executive functions of local government include the administration of local laws and the provision of services and facilities. A local government can provide any service or facility that is necessary or convenient for the good governance of the people in its district or for the performance of any other function under the Act.

However, before commencing a service or providing a facility, a local government has to satisfy itself that the service or facility it provides integrates with State or Commonwealth services, does not duplicate inappropriately any State, Commonwealth or private service, and is managed efficiently and effectively.

Revenue of a local government

To undertake activities, local governments need revenue. They acquire their revenue from a variety of sources.

Rates

Rates are a tax on property and they form the principal source of revenue for many local governments. The *Local Government Act 1995* and the *Valuation of Land Act 1978* prescribe the methods for assessing the rateable value of property and the types of rates which can be levied. Each local government then determines the amount and type of rate to levy.

Australian Government financial assistance

Each local government in Western Australia receives an annual grant from the Commonwealth Government. This money is allocated and distributed to local governments by the Western Australian Local Government Grants Commission.

Borrowings

Local governments can borrow money. They may take up loans to embark on large scale capital activities for which normal rates and other sources of revenue are insufficient.

Fees and charges

Most local governments receive a small percentage of their income from fees and charges. Local governments can impose a fee or a charge in a range of circumstances. These circumstances include:

- the use of, or admission to, facilities owned, managed or maintained by the local government;
- the supply of a service or work at a person's request;
- the supply of goods;
- provision of information from records; and
- receiving an application for approval, making an inspection or issuing a licence or permit.

To meet the cost of providing a particular service, a local government can also impose a service charge on owners or occupiers of land within the district or a defined part of the district. A common example of a service charge is to meet the cost of placing powerlines underground.

Commercial enterprises

Local governments have some scope for being involved in commercial enterprises to generate revenue.

Where does council fit in? - The structure of local government

A local government is made up of several components.

The community comprises electors that include residents, non-resident property owners, and non-resident property occupiers. Other members of the community include workers, visitors, and users of facilities who live outside the local government. The community is the reason a local government exists. All decisions made by a local government should be aimed at meeting the needs of the community.

The council is the governing body of a local government. It is made up of councillors and a mayor or president. The number of council members can vary from six to fifteen.

Each local government is a corporate body. All power to act for the local community is vested in this legal entity. It can sue and be sued.

Many local governments appoint committees to share the decision making work as well as to utilise expertise effectively. These committees can include council members, staff from the local government and members of the public.

Local governments employ staff to administer the local government. The Chief Executive Officer (CEO) heads the administration and manages the day to day operations of the local government and implements council policies and decisions.

Roles of council, mayor or president and councillor

The roles of the key people within the local government structure have been carefully defined by the *Local Government Act 1995* to limit any confusion about roles.

The council

A council's role is to:

- govern the local government's affairs;
- be responsible for the performance of the local government's functions;
- oversee the allocation of the local government's finances and resources; and
- determine the local government's policies.

Mayor or president

Mayor is the title given to the chief elected office of a city or town council. President is the title given to the chief elected office of a shire council.

The role of the mayor or president is to:

- preside at council meetings (in this role, the mayor or president is required to ensure that meetings are conducted in a correct and orderly manner and to remain impartial when chairing the meeting);
- carry out civic and ceremonial duties (such as conducting citizenship ceremonies);
- speak on behalf of the local government as a corporate entity;
- liaise with the CEO on the local government's affairs and the performance of its functions; and
- provide leadership and guidance to the community.

The role of a mayor or president also includes the role of a councillor. A mayor or president has no authority to make decisions as an individual other than to authorise expenditure in an emergency.

Information note: Mayors or presidents may be elected either by the members of the council for two years, or by the electors of the district for four years. A mayor or president has the same “deliberative” vote as the other councillors. However, the mayor or president must cast a second vote; that is, a deciding vote if the vote on a matter is tied.

Councillors

A councillor's role is to:

- represent the interests of electors, ratepayers and residents;
- provide leadership and guidance to the community;
- facilitate communication between the community and the council and vice versa; and
- participate in decision making processes at meetings.

The staff of a local government

Each local government must employ a CEO and staff to advise council members on matters under discussion, administer the day to day operations of the local government, carry out the policies of council and implement its decisions. CEOs are selected by the council and are generally employed on a fixed term contract basis. This contract contains performance criteria which are evaluated by the council in the CEO's performance review on an annual basis.

CEO's function

The CEO is the chief non-elected officer and his or her function is to:

- advise council in relation to the local government's functions;
- ensure that advice and information is available to council so that informed decisions can be made;
- cause council decisions to be implemented;
- manage the day to day operations of the local government;
- liaise with the mayor or president on the local government's affairs and performance of functions;
- speak on behalf of the local government if the mayor or president agrees;
- be responsible for the employment, management, supervision, direction and dismissal of other employees; and
- ensure that the records and documents of the local government are properly kept.

The CEO acts as the conduit between the council members and the council staff. All other council staff, including engineers, planners, financial managers, administrators and outside workers, ultimately receive their direction from, and are responsible to, the CEO. Council members acting individually do not have the authority to influence the activities, duties and operations of these staff directly.

How does it all come together?

The local government's council and staff

The local government is the corporate body. Council members are the elected policy makers and make decisions. Staff provide information and advice, and carry out the council's decisions.

The electors

The electors of each district include residents and non-resident owners and occupiers of rateable land. Although incoming workers, visitors and tourists are not electors, it should be noted that local governments still have a role to provide services and facilities for these people.

Where can I get more information?

For more information visit the Department of Local Government and Communities website at: www.dlgc.wa.gov.au or contact your local government.

This publication was prepared by:

Department of Local Government and Communities

Gordon Stephenson House, 140 William Street, PERTH WA 6000

GPO Box R1250, PERTH WA 6844

Telephone: (08) 6551 8700

Fax: (08) 6552 1555

Freecall (Country Only): 1800 620 511

Email: info@dlgc.wa.gov.au

Web: www.dlgc.wa.gov.au

Translating and Interpreting Service (TIS) – Telephone: 13 15 50

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