



Hon David Templeman MLA
Minister for Local Government; Heritage; Culture & the Arts

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TO ALL LOCAL GOVERNMENTS

CIRCULAR N^o 04/2020

REPORT OF THE INQUIRY INTO THE CITY OF PERTH

As you are aware, I appointed an Inquiry Panel on 2 March 2018 to conduct an inquiry into the ability of the City of Perth (the City) to provide for the good governance of the people in the City. At the same time, I suspended the council on the basis that the City was dysfunctional and that it was inappropriate to continue to act as the governing body of the City.

When the council was suspended, the situation had deteriorated to the point where neither it, nor the administration, had the capacity to provide good governance into the foreseeable future.

The nature of the Inquiry was to establish whether there had been failures of good governance at the City, the prospects of any failures continuing, and any steps required to restore good governance.

In examining these issues, the Inquiry looked into matters such as:

- the effect of inappropriate or poor relationships within and between council and the administration of the City;
- allegations of improper or undue influence of elected members on administrative matters; and
- sponsorship arrangements and the receipt of tickets by elected members.

The conclusions reached by the Inquiry are based on the evidence obtained through comprehensive investigations and a program of hearings.

The Panel of Inquiry concluded on 30 June 2020 and the Final Report was recently tabled in Parliament. The final report may be viewed online at <https://www.dlgsc.wa.gov.au/InquiryCoP>.

The Final Report outlines that:

- there were widespread cultural and systemic failings in both the council and the administration;
- the City was plagued by self-interest with a lack of transparency and accountability; and
- the City was consequently, poorly governed and dysfunctional.

A number of elected members failed in various ways and at various times to discharge their obligations to provide leadership. Much of that failure can be attributed to systemic issues relating to poor leadership, governance and culture, and questionable decision-making practices.

The Final Report contains a total of 341 recommendations, 215 of which relate to the City and a further 126 that relate to wider sector. The recommendations cover:

- Statutory roles and responsibilities;
- Culture, conduct and leadership;
- Council and committee decision making;
- Disclosure, personal interests and entitlements;
- Appointing, managing and terminating employment of a Chief Executive Officer (CEO);
- Local government elections;
- People management;
- Financial management;
- Procurement and contracting;
- Complaints and misconduct prevention;
- External oversight and intervention;
- Inquiries under the *Local Government Act 1995*; and
- Reporting on recommendations of the Inquiry.

Importantly, the Final Report also provides significant learnings for the entire local government sector. While focused on the City, the findings and recommendations of the Final Report detail the broader importance of a clear understanding of the roles, responsibilities and boundaries of an elected member and for the critical elements that make for good administration and governance.

This lack of role clarity and boundaries identified at the City led to interference in the administration and then to cultural and systemic failings, dysfunction and relationship breakdown, as well as poor governance and decision-making.

The Final Report into the City serves as a significant and timely reminder for the broader sector and I sincerely urge all councils and administrations to carefully review the Report in this light.

Those recommendations relating to the broader local government sector, together with the recommendations of the Local Government Act Review Panel released last week, will feed into the Local Government Act Review process that is currently ongoing.

I also take this opportunity to draw your attention to several recent inquiries in relation to Regulation 9(1) of the *Local Government (Rules of Conduct) Regulations 2007*.

Regulation 9(1) allows a person who is a council member to undertake a task that contributes to the administration of the local government where authorised by the council or by the CEO to undertake that task.

To address council members inappropriately using regulation 9(1), an amendment has been prepared to remove the ability for council or the CEO to authorise a council member to undertake an administrative task.

The result of the amendment is that it will be a minor breach for a council member to be involved in administrative tasks. A breach may be referred to the Local Government Standards Panel.

In the circumstance where a council needs to obtain legal advice without the CEO's direct involvement, such as issues related to the CEO's contract, the council can authorise a staff member to procure a consultant or lawyer on the council's behalf.

This amendment is supported by the Western Australian Local Government Association and Local Government Professionals Australia WA and will come into effect once it is gazetted.



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