

**DISCUSSION PAPER ON THE REVIEW OF THE OPERATION OF THE
LOCAL GOVERNMENT GRANTS ACT 1978**

1 INTRODUCTION

In 2001/02 the WA Local Government Grants Commission (WA LGGC) was responsible for the distribution of over \$93 million in general purpose funds and \$64 million of local road funding to Western Australian local governments. This funding is provided to local government by the Commonwealth under the *Local Government (Financial Assistance) Act 1995*. Under this Act, it is a requirement that a Local Government Grants Commission be established in each State and the Northern Territory to make recommendations on the allocation of funding to local governments.

The Western Australian *Local Government Grants Act 1978* provides for the establishment, operation and membership of the WA LGGC. Section 20 of the WA legislation requires the responsible Minister to carry out a review of the operation of the Act as soon as practicable after January 1, 1991 and every subsequent five years. The terms of reference for the review are in accordance with section 20 of the Act. The review must consider and have regard to:

- (a) *the effectiveness of the operations of the Commission;*
- (b) *the need for the continuation of the functions of the Commission; and*
- (c) *such other matters as appear to him to be relevant to the operation and effectiveness of this Act.*

The Minister is required to prepare a report based on the review and cause the report to be laid before each House of Parliament.

With regard to the second term of reference, the Commonwealth legislation requires a State Local Government Grants Commission be established as a pre-condition to the allocation of grants to local governments within each State. Given the continuing nature of the funding under that legislation, it can be assumed that there is a need for the continuation of the functions of the Local Government Grants Commission.

This discussion paper represents the first step in the review of the Act. It has been prepared by the Department of Local Government and Regional Development (DLGRD). The paper contains a series of topics and seeks comment on the main issues for consideration. The Department is keen to obtain the views of all those interested in the grant allocation process before formulating its report to the Minister for Local Government and Regional Development.

2 BACKGROUND

The *Local Government Grants Act* was enacted in 1978 to provide for the distribution of Commonwealth general purpose financial assistance to local governments in Western Australia. It also established a Local Government Grants Commission to make recommendations on the distribution of funds.

Minor amendments were made to the Act in 1985 concerning membership, powers and procedures of the Commission. Enactment by the Commonwealth of the *Local*

Government (Financial Assistance) Act 1986 to replace the *Local Government (Personal Income Tax Sharing) Act 1976* necessitated further change to the State Act.

Amendments in 1988 related to the method of funding and provided for allocations to be made by the Grants Commission based on principles determined by the State and approved by the Commonwealth Minister.

A review panel was established in 1991 to undertake a review of the Act. This review was only finalised in 1994 and no changes were made to the legislation. A further review was undertaken in 1996 by the WA LGGC. The report of this review was finalised in early 1997 and the Act was subsequently amended, the only change being a reduction in the quorum requirement for the Commission.

3 ISSUES FOR COMMENT

The *Local Government Grants Act 1978* is arranged in four parts:

- Part I – Preliminary - deals with preliminary matters relating to the short title and definitions.
- Part II - The Western Australian Local Government Grants Commission - deals with the Western Australian Local Government Grants Commission and includes such matters as the establishment of the Commission, membership, conditions, remuneration and meetings.
- Part III - Allocation and Distribution of Commonwealth Funds - deals with the allocation and distribution of Commonwealth funds and includes matters relating to available funds, recommendations and powers of the Commission, principles of allocation, submissions, notifications of allocations, distribution and reporting.
- Part IV - Miscellaneous - deals with miscellaneous matters such as the validity of acts of the Commission, liability, the making of regulations and the review of the Act.

The issues for comment are grouped into the parts of the Act that they are relevant to. The issues are canvassed in the form of questions to facilitate review and comment.

Part I – Preliminary

Part I deals with the short title and definitions. There are no apparent issues arising from this part.

Part II - The Western Australian Local Government Grants Commission

3.1 Nominating Organisation and Number of Members on the Commission

Section 5 of the Act provides that the Commission is to consist of the following five members appointed by the Governor:

- (a) *Chairman appointed on the nomination of the Minister;*
- (b) *one person appointed as a member and Deputy Chairman who is an officer of the Department of Local Government of the State, nominated by the Permanent Head of that Department and approved by the Minister; and*
- (c) *3 other members appointed on the nomination of the Minister of whom —*

- (i) *one shall be a person selected by the Minister from a panel of names submitted by the body known as the Local Government Association of Western Australia;*
- (ii) *one shall be a person selected by the Minister from a panel of names submitted by the body known as the Country Shire Councils' Association of W.A.; and*
- (iii) *one shall be a person selected by the Minister from a panel of names submitted by the body known as the Country Urban Councils' Association.*

All positions are currently part-time appointments. Each of the members has a deputy member.

Grants Commissions in other States have between three members (Victoria and South Australia) and five members (Queensland). There is a change in progress in Queensland which would create an additional (sixth) member of its Commission to represent indigenous communities.

Under section 5 of the Commonwealth legislation, each Commission must include at least two persons who are or have been associated with local government in the State, either as members of a council or otherwise. In Tasmania, a member cannot be a current councillor or council employee.

It should be noted that a 1998 WA Auditor General's report to Parliament recommended that members of boards and committees should be appointed on the basis of predetermined skills and experience. Feedback is sought as to whether this method of appointment would be appropriate for the Commission.

The Act will need amendment to make the Western Australian Local Government Association (WALGA) (formerly WAMA) the nominating organisation for the member/s with local government experience, as the three sectoral associations named in the Act are being dissolved.

A question arises as to whether three representatives should be chosen from the single association, thereby maintaining the number who are currently appointed from local government associations, or whether just a single representative is appointed from the new consolidated association.

The current Act requires members to have regard to the general interests of all local governments in the State. The Commission is different in this regard from other committees with local government representation where members are expected to represent their nominating organisations.

The size of the Commission (five members) is quite large relative to other States, and a reduction in the number of local government members on the Commission may increase administrative efficiency.

Q 3.1.1 Should the number of members be greater or fewer?

The number of members should be fewer. With the introduction of the single representative organisation for local government the three local government members could be reduced to one, however there is also a need for an independent technical expert to ensure objectivity.

Q 3.1.2 Does the formation of the single representative organisation for local government (WALGA) mean that it is now feasible to reduce the number of local government members on the Commission?

Yes.

Q 3.1.3 Should the provision in the Act for members to have regard to the general interests of all local governments in the State be retained?

Yes, this value will provide equity across the industry.

Q 3.1.4 Should appointment be based on a pre-determined selection criteria rather than organisational affiliation?

Yes – A selection criteria and recruitment process should be applied using generally accepted HR Industry standards to ensure ‘best practice’ appointments are made.

Q 3.1.5 Do you have any other comments on issues related to this matter?

The appointment of an independent technical expert will provide a balance between state and local government representation and will also bring commercial/academic skills, knowledge and professional, objective abilities to the Commission.

3.2.1 Scope for Indigenous Representation on the Commission

As mentioned in the previous section, membership of the Queensland Grants Commission is being expanded to include an additional member to represent indigenous communities.

In that State, there are numerous indigenous communities with local government entities, established by legislation, which receive financial assistance grants. There are currently no such bodies in Western Australia. Nevertheless, there may be scope for an indigenous representative to be appointed to the WA Commission.

If an indigenous representative was to be appointed to the Commission, there is a question as to what role the representative would have. That is, as is the case for members at present, should the representative be required to have regard to the general interests of local government in the State. Alternatively, the Act could be amended so that the representative is only required to have regard for indigenous interests.

Q 3.2.1 Should the membership of the Commission be expanded to include a representative of indigenous interests?

Yes, but via the selection criteria for an independent technical expert.

The role of the WA LGGC is to equitably distribute funds in accordance with the states needs. An objective independent technical expert would be qualified to comment equally on the needs of both indigenous and mainstream Western Australia.

Q 3.2.2 Should this representative only be required to have regard to the interests of indigenous communities, or should the person have regard for the general interests of all local governments?

General interests should be the objective, with indigenous interests forming part of the persons considerations.

Q 3.2.3 How should this representative be nominated?

The representative should be nominated on the basis of their recognised specialist knowledge and appropriate references and then selected against the selection criteria.

Q 3.2.4 Do you have any other comments on issues related to this matter?

There is nothing stopping the independent expert being of indigenous background, however their comments to the WA LGGC should benefit all Western Australian's. A bias towards indigenous Western Australia would likely create counter efficiencies for the State over the long term.

3.3 Deputy Members

Under the current arrangements, each Commissioner nominated by a local government association has a deputy who may attend when the member is unable to be present. Given the complexity of the Commission's methodologies and the ad hoc nature of such involvement, these deputies may be limited in their capacity to provide informed comment in the deliberations of the Commission.

A single or common deputy member for all commission members may be more practical, as it would be easier to keep that person informed of Commission processes and activities so that they are able to participate if the need arises. Alternatively, the deputies could be appointed as a first and second deputy, with the first filling in whenever required and the second only when the first is not available or should a need arise for an additional deputy.

This approach would allow the first deputy to build up some expertise in the Commission's operations.

Q 3.3.1 Should each member have an appointed deputy, or is it desirable to have common or first/second deputies?

A common deputy would suffice. This will likely create greater levels of efficiency and effectiveness in the Commission.

Q 3.3.2 Do you have any other comments on issues related to this matter?

No.

3.4 Term of Membership

Even though the current members were appointed for four year terms, the Act allows appointments of up to five years. Five year terms are provided for in all states except Queensland and Tasmania.

In addition, all members are eligible for re-appointment to the Commission and no limit is placed on the length of service of an individual member, or the number of terms a member may serve.

Q 3.4.1 Is the five year limit on appointment reasonable?

Yes.

Q 3.4.2 Should members continue to be eligible for reappointment?

Not automatically, they need to go through a selection process first or an agreed justification for automatic reappointment, similar to what would occur in the standard recruitment process for any high level position. The application of human resource recruitment and selection industry practice should be applied.

Q 3.4.3 Should there be a limit on the number of terms served by a member? If so, what should that limit be?

No, just a competitive process, as outlined in Q3.4.2.

Q 3.4.4 Do you have any other comments on issues related to this matter?

Industry practice should be applied to the reappointment process. This should be similar to an employment contract that is market tested, otherwise upon expiry, justification for an automatic appointment must be provided and supported.

3.5 Conditions of Membership

Under section 6 of the Act, the office of a member becomes vacant if:

- (a) *his term of office expires;*
- (b) *he becomes permanently incapable of performing his duties as a member;*
- (c) *he resigns his office by written notice addressed to the Minister;*
- (d) *he is an undischarged bankrupt or a person whose property is subject to an order or arrangement under the laws relating to bankruptcy;*
- (e) *he is removed from office by the Governor for any cause that appears to the Governor to be sufficient; or*
- (f) *in the case of a member holding the office referred to in section 5 (1) (b), he ceases to be an officer of the Department of Local Government. Each member is required to exercise powers having regard to the general interests of local government in the State.*

Q 3.5.1 Are these conditions of membership still appropriate, and should any others be included?

Part (f) would no longer be appropriate if there was an appointment of an independent expert to the Commission.

- (f) *in the case of a member holding the office referred to in section 5 (1) (b), he ceases to be an officer of the Department of Local Government. Each member is required to exercise powers having regard to the general interests of local government in the State.*

Q 3.5.2 Do you have any other comments on issues related to this matter?

No.

3.6 Serving Members of Local Government

It has always been the case that the local government representatives on the Commission are serving members of a local government. The Commissioners operate within a code of conduct and are required by the legislation to have regard to the general interests of local government in the State. Nonetheless, there still may be perceptions of bias.

In the Tasmanian legislation, Commissioners cannot be serving members or staff of a local government. The current appointments in Victoria and South Australia also do not include such serving members or staff. No local government officers have served on the WA Grants Commission to date, but this is possible under the current legislation if the Associations provided such nominations.

Q 3.6.1 Is it appropriate that sitting members or serving officers of a local government be appointed as local government representatives on the Commission?

No, this would create a perception of bias or conflict of interests.

Q 3.6.2 Do you have any other comments on issues related to this matter?

No.

Part III - Allocation and Distribution of Commonwealth Funds

3.7 Powers of the Commission

Under section 12 of the Act, the Commission may carry out inspections, conduct hearings, take evidence and generally make investigations as necessary to carry out its functions. The Commission may also require any council to supply financial or other information as required. These powers are similar to those applying to Commissions in other States.

Q 3.7.1 Are these powers of the Commission appropriate?

Only if they have powers of enforcement or to apply penalties (see Q 3.9.2).

Q 3.7.2 If these powers are not appropriate, then what are the appropriate powers?

Q 3.7.3 Should the Commission have any additional powers?

Q 3.7.4 If so, what should these additional powers be?

Q 3.7.5 Do you have any other comments on issues related to this matter?

Yes, the Commission should be granted more power to be able to influence and lobby the Commonwealth in relation to how the Commission allocates funding on a national level. Whilst the City is grateful for the assistance given by the Grants Commission to ratepayers of the City of Joondalup it has concerns with the inequities of grant allocations across the nation, as the following depicts:-

Council	State	Population (1997)	General Purpose Grant \$	General Purpose Grant Per Capita \$ c
Liverpool City	NSW	130,523	3,990,520	30.57
Yarra Ranges	VIC	138,115	6,308,097	45.67
Onkaparinga	SA	145,429	5,465,371	37.55
Campbelltown City	NSW	148,815	7,183,892	48.27
Joondalup	WA	151,124	2,095,856	13.87*
Casey	VIC	153,619	5,103,090	33.22
Boroondara	VIC	155,573	2,149,876	13.82*
Brimbank	VIC	156,610	7,354,628	46.96
Monash	VIC	160,913	2,223,632	13.82*
Logan	QLD	164,758	2,531,182	15.36
Bankstown City	NSW	166,270	2,940,796	17.69
Stirling	WA	174,119	2,414,900	13.87*
Fairfield City	NSW	190,132	6,193,872	32.58
Sutherland Shire	NSW	206,483	2,854,748	13.83*
Blacktown City	NSW	244,176	8,667,361	35.50

Note - These comparisons are several years out of date as current data has not been sought

Repeated representations by this City and the former City of Wanneroo to both the State and Federal Grants Commissions over many years has been to no avail.

3.8 Recommendations of the Commission

Under section 10 of the Act, the Commission is to make recommendations to the Minister on the allocations to each local government as soon as practicable in a financial year. The WA LGGC 's current policy is to notify local governments as to the notional allocations (subject to formal Ministerial approval and confirmation as to the size of the final pool) as early as possible each year.

In recent years, this has occurred in early to mid-June. The Commission would like to notify councils earlier, but is often constrained by delays in the provision of information to it by local governments.

Q 3.8.1 Is the timing of the grant advice provided to local governments by the Grants Commission acceptable?

No.

Q 3.8.2 If not, when should the Commission be providing grant advice to local governments?

The Commission should provide advice in accordance with each local government's budgetary cycles. These are formulated by December of each year for the City of Joondalup. This would enable local government's to formulate budgets with greater accuracy and asurety.

Q 3.8.3 Do you have any other comments on issues related to this matter?

No

3.9 The Requirement for Local Governments to Supply Information

At present, the Act includes a provision requiring local governments to provide such information as is requested by the Commission. The Commission often experiences lengthy delays in receiving information it has requested. In turn, this delays the grant calculation process and ultimately affects the budget determination process for all local governments.

While the Act imposes a requirement on local government to supply information to the Commission, there is currently no provision for a penalty of non-compliance. The legislation could be amended to include a provision to penalise local governments who do not submit information in a timely manner.

Q 3.9.1 Is it appropriate for the Commission to require local governments to provide information?

Yes.

Q 3.9.2 Is the inclusion of a penalty provision appropriate?

Yes.

Q 3.9.3 If so, what should be the nature of the penalty?

The penalty should be a percentage loss of grant in the following year with advance notice of this occurring unless local government authorities can provide justification for special consideration by the Commission to grant extensions of time (similar to FAAA Act).

Q 3.9.4 What other mechanisms could be introduced to enable local governments to supply information on a more timely basis?

Increased use of web technology and E-Commerce would enable local governments to supply information on a more timely basis.

The complexity of information being requested should be analysed against the systems and abilities of local government authorities to respond.

Q 3.9.5 Do you have any other comments on issues related to this matter?

No

3.10 The Provision of Information

The Commission currently collects and maintains a substantial information base of local government statistics. From time to time it receives requests, from local governments and other organisations, for local government statistics.

In the past, requests were responded to where possible (at no charge) or declined when supply of the information was deemed to be inappropriate. Inquirers are also directed to the source agency in the cases where information is provided to the Commission by other bodies such as the Australian Bureau of Statistics.

Obviously, costs are incurred when responding to requests for information and the Commission could seek, under government guidelines, the power to charge for information services provided.

It is of note that local governments are empowered by the *Local Government Act 1995* and the *Freedom Of Information Act 1992*, to charge a fee for the provision of information.

In addition to the matter of charging for information, feedback is also sought about whether it is appropriate for the Commission to provide local government information to other parties.

Q 3.10.1 Is it appropriate for information provided by local governments to the Commission to be provided to other parties, including other local governments?

Yes, unless a local government authority can provide justification that substantiates that the information will impact adversely on the local government authority.

Q 3.10.2 If so, should the Commission charge for the supply of information?

Yes.

Q 3.10.3 Do you have any other comments on issues related to this matter?

The charging of fees for service will enable the Commission to operate commercially and raise its own revenues which will in turn reduce the contribution needed from Local Government Authorities.

3.11 Public Hearings

The Commission is required to hold public hearings with local governments under sections 11 and 14 of the Commonwealth's *Local Government (Financial Assistance) Act 1995*. Section 12(1) of the WA Act provides a power for the Commission to “...carry out such inspections, conduct such hearings, take such evidence and generally make such investigations as the Commission thinks necessary for the purpose of properly carrying out its functions...”.

The Commission conducts about 30 public hearings per year and endeavours to visit every local government on a four to five year cycle. While the hearings are open to the public, in most instances only local government elected members and/or staff attend. There is no specific requirement for the hearings to be advertised. However, the Commission provides local governments with a notice for posting on community notice boards in their area and suggests that they advertise the hearing in other local outlets.

The format of the hearing includes a presentation from the Commission giving an overview of the principles and processes. The local government then has the opportunity to present its submission and raise concerns about the Commission's methods.

These public hearings therefore serve a dual purpose. They provide participants with an opportunity to be informed about the way in which the Commission operates and enable the Commission to obtain information on local issues and feedback to evaluate the standards and disability factors used in its methodology.

Many metropolitan councils decline the Commission's invitation to participate in a public hearing on the basis that as minimum grant councils they have little prospect of changing the grant outcome and therefore perceive little benefit in the Commission conducting the hearing.

From the Commission's point of view, the hearing for such councils is an opportunity for participants to understand why it gets the grant that it does, but it also gives the Commission an insight into the operations of minimum grant councils so that it may have knowledge of the full range of local government circumstances in the state.

Feedback obtained by the Commission from attendees at public hearings indicates that they are well regarded. The public hearings are considered to be an important part of the Commission's operations and contribute significantly to the Commission's understanding of local government in the State and therefore its overall effectiveness.

Q 3.11.1 Can the value of the public hearings be improved for local governments? If so, how?

By educating the public and raising awareness, anomalies can be considered. This will first require a review of the current process.

Q 3.11.2 Should there be a specific requirement to advertise public hearings?

Yes.

Q 3.11.3 Should the current frequency and format of the public hearing process continue?

By undertaking a review of the public hearing process such things as frequency and format will be highlighted.

Q 3.11.4 Do you have any other comments on issues related to this matter?

No.

3.12 Special Hearings

In addition to the public hearings, the Commission provides local government with an opportunity to request a special hearing. This opportunity is usually taken up by a few local governments each year. These local governments are generally those which are not being visited for a public hearing in that particular year, and feel a particular need to bring certain issues to the Commission's attention.

Q 3.12.1 Can the value of the special hearings be improved for local governments? If so, how?

By educating the public and raising awareness, anomalies can be considered. This will first require a review of the current process.

Q 3.12.2 Should the option of conducting special hearings continue?

Yes, it provides an alternative access if required.

Q 3.12.3 Do you have any other comments on issues related to this matter?

No.

3.13 Submissions

Under section 13 of the Act (and sections 11 and 14 of the Commonwealth Act), the Commission is required to give each local government, the associations of local government, and other persons or bodies it thinks fit, the opportunity of making written submissions to the Commission regarding the allocation of funds to local governments.

Each year the Commission receives around 40 submissions (usually all from local governments). These submissions are for consideration in the following year's grant determination. As it is not possible to respond in detail immediately, a detailed response to each submission is provided by the Commission some months later, after the grant determination process for the year has been completed.

Q 3.13.1 Is the provision for making submissions still appropriate?

Yes, however only if the resources are available and submissions can be considered in a more timely manner for incorporation into the decision making processes of the Commission.

Q 3.13.2 If not, what would be a workable alternative?

Refer to Q 3.13.1

Q 3.13.3 What are the options for improving the submission process?

A process review is required first, which would identify 'gaps' or deficiencies for process re-engineering to occur.

Q 3.13.4 Do you have any other comments on issues related to this matter?

No.

3.14 Powers of the Minister

Under section 10 of the *Local Government Grants Act 1978*, the Commission is to make recommendations to the Minister on the allocations to each local government as soon as practicable in a financial year. The powers of the Minister are limited. In general, the Minister can only approve the Commission's recommendations, although there is provision for the Minister to request a review of the initial recommendations.

Section 14(2) of the legislation provides that where the Minister requests the Commission to review the whole or any part of its recommendations the following provisions shall apply:

- (a) *the request shall contain a statement of the reasons for the request;*
- (b) *on receipt of the request the Commission shall forthwith —*
 - (i) *consider whether, in the light of the request and the reasons given for the request, any amendment to the recommendations is necessary or desirable;*
 - and*
 - (ii) *resubmit the recommendations, with or without amendment, to the Minister;*
- (c) *the Minister shall approve of the recommendations as resubmitted to him under paragraph (b) (ii).*

This process has been activated on one occasion, and on that occasion the Commission returned the original recommendations to the Minister for approval.

Under section 16B, the Minister may request the Commission to report on any matter related to local government finance referred to it by the Minister. There is however no general power for the Minister to direct the Commission.

Q 3.14.1 Are the powers of the Minister in respect of local government grants appropriate?

Yes.

Q 3.14.2 Do you have any other comments on issues related to this matter?

The Minister provides another opportunity for democracy to occur whether it is regulated or not and given that the Minister's powers are limited, the ability to 'audit' a process is a powerful tool in maintaining legislative democracy.

3.15 The Effectiveness of the Commission's Operations

The effectiveness of the WA LGGC's operations are reported in the Annual Reports of the Commission, DLGRD and in the National Report produced by the National Office of Local Government. The Department's reporting includes an analysis of the per capita allocations by region, and a summary of CEO views (from a departmental survey) on Commission processes and services. The Commission also distributes feedback forms to participants after each public hearing.

Q 3.15.1 What other measures of the effectiveness of the Commission's operations should be considered?

1. Satisfaction levels - % of satisfaction to a criteria by its customers;
2. Percentage of distribution of funds to Local Government Authorities;
3. Levels of outputs received for funds granted to Local Government Authorities (i.e. value for \$ indicators);

4. Any other generally used efficiency and effectiveness indicators that can be suitably applied.

Q 3.15.2 Do you have any other comments on issues related to this matter?

No

3.16 Funding of the Commission

Presently the costs of running the Local Government Grants Commission are met from the State's Consolidated Revenue. This means that the State Government meets the administrative costs of local government receiving Federal Government grants.

An arrangement previously in place in South Australia saw the grant funds invested for a short period prior to being distributed to local governments. The funds raised from the investment were used to support the operating costs of the Commission. However, the Commonwealth Act now requires the payments to local government to be made without undue delay.

Q 3.16.1 Should local government contribute to the costs of operating the Grants Commission?

Yes, Local Government Authorities should fund the WA LGGC as an ongoing fixed cost against the revised annual distribution to each Local Government Authority. The Federal Government should increase the amount of funds it distributes so this can occur. This will enable the WA LGGC to have overall independent control for government funding distribution. Distribution will not be unduly influenced but allowing for the cost burden to be met by the Federal Government as opposed to the State Government. The State Government will act as a third party or separate entity providing a 'paid' service to Local Government Authorities. Local Government Authorities should not have any ownership rights to the Commission. This will ensure independence and equity is achieved. Local Government is purely the client.

Q 3.16.2 Is it reasonable for the cost of funding the operations of the Grants Commission to be derived from a short term investment by the State of the grant funds prior to payments being made to local governments?

No, this would not be good practice because funding into the future may not be constant. To apply an ongoing fixed cost against revenue that may be subject to fluctuation may place the Commission at risk.

Q 3.16.3 Do you have any other comments on issues related to this matter?

Yes, the Act should be reviewed with regard to the issue of mining tenements. Currently the State Government collects revenues from mining companies in relation to their activities and those funds can not be passed back through the State Government system to local governments who bear the costs of providing services to mining companies.

Part IV - Miscellaneous

3.17 The Requirement for the Act to be Reviewed

The Act currently requires a review to be undertaken every five years. Given that the 1991 and 1996 reviews resulted in only one minor amendment to the legislation, it is questionable as to whether a review every five years is necessary.

Q 3.17.1 Should the current review cycle be retained?

Yes.

Q 3.17.2 Should the review cycle be extended to every 10 years?

No.

Q 3.17.3 Should the reference to a set review cycle be dropped and provision be made for reviews at the Minister's discretion, as is the case with other legislation?

No.

Q 3.17.4 Do you have any other comments on issues related to this matter?

Yes, regular reviews of policy are desirable given the pace of societal change and raised community expectation. Future review processes should be driven by the use of technology and process improvement review, which will also reduce costs.

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