



LOCAL GOVERNMENT ACT REVIEW ►► DELIVERING FOR THE COMMUNITY

Local government run businesses

As part of the McGowan Government's reform agenda, a new Local Government Act will be drafted. Our vision is for the local government sector to be agile, smart and inclusive.

Our objective is to transform local government so that it is empowered to better deliver quality governance and services to their communities now and into the future.

We are looking at the **opportunity for local governments to run businesses** as an area of reform.

The current system



Local governments provide **services which may have community benefit** such as childcare facilities.



They **cannot currently form independent corporations** to provide these services.



They **can form regional councils** (entities formed by two or more local governments).



They **can form regional subsidiaries** (neighbouring councils delivering shared services).

Ideas for change

- Modernise the legislation to provide local governments with the option to form beneficial enterprises.
- Local government to develop a business plan to address community expectations and ensure transparency of funding and viability arrangements.
- Introduce eligibility criteria that a local government must meet before it can establish a beneficial enterprise.

What you've told us

- Local governments are not legally permitted to create incorporated businesses, unlike in Queensland and Victoria.
- An independent corporation could be used to manage part of a local government's existing business activity or pursue new commercial opportunities.
- There is some community concern around privatisation of local government services and financial risk to ratepayers.
- Concerns about unfair competition with private businesses.



What do you think?

This is just a snapshot of the reforms being considered on this topic.

We want to hear your ideas.

You can learn more or have your say at www.dlgsc.wa.gov.au/lgareview