



# TRUST IN THE SHIRE OF CHITTERING



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SHIRE OF CHITTERING

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# 1 EXECUTIVE SUMMARY

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In November 2021 Council passed a motion to adopt the following position statement, "the Shire of Chittering is committed to being a leader in the areas of transparency, disclosure, and public accountability. In line with this commitment, we will continually be looking for relevant new opportunities to adopt best practice". This commitment has been made to try and rectify distrust from the community.

This discussion paper looks at the best ways to increase trust between the shire and the community, and the best approaches to accountability and transparency in Western Australia, Australia and worldwide.

There are different types of accountability:

- political accountability (mechanism: democratic elections),
- bureaucratic accountability (legal rules and supervision),
- personal accountability (ethics),
- professional accountability (peer review),
- performance (responsiveness), and
- deliberation (public debate)

Transparency is the availability of information about an organisation or actor allowing external actors to monitor the internal workings or performance of that Organisation and can relate to the following types of transparency:

- (1) transparency of decision making processes,
- (2) transparency of policy content, and
- (3) transparency of policy outcomes or effects.

Transparency is a central element of accountability. However greater transparency does not necessarily lead to an increase in trust.

In the 1990's the trend in management was New Public Management. In the 2002's the trend has changed to Public Value Management. Public Value Management seeks to increase trust by engaging with the community to set performance standards that lead to greater accountability. To develop these standards, there must be an openness of information.

The basis for Public Value Management has been the Public Value Scorecard, developed by Mark Moore. This Public Value Scorecard is the combination of the Public Value Account, Operational Capacity Perspective, Legitimacy and Support Perspective. This work can be seen as the basis of the United Kingdom's Transparency Code and Victoria's new Local Government Act.

Other reviews and discussion papers in Western Australia also provide a number of transparency initiatives that if paired with the introduction of Public Value Management, could aid in increasing the trust between the Shire of Chittering and the community.

## 2 TRANSPARENCY PROJECT DISCUSSION PAPER

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### 2.1 BACKGROUND

At the November 2021 Ordinary Meeting of Council, the following Council Decision was made following a Notice of Motion from Cr Aaron King:

#### **MOT01 – 11/21 Cr Aaron King: Transparency and Accountability**

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|--|
| <p><b>MOTION / COUNCIL RESOLUTION 161121</b><br/><b>Moved Cr King, seconded Cr Angus</b><br/><b>That:</b></p> <ol style="list-style-type: none"><li>1. <b>“The Shire of Chittering” adopts the following position statement: “the Shire of Chittering is committed to being a leader in the areas of transparency, disclosure and public accountability. In line with this commitment, we will continually be looking for relevant new opportunities to adopt best practice.”</b></li><li>2. <b>Council instruct the Chief Executive Officer to report to Council at the December 2021 Ordinary Council Meeting, a draft project plan and discussion paper to provide the basis for a Council Workshop to be held by 28 February 2022 to discuss the Transparency Project.</b></li></ol> <p style="text-align: right;"><b>CARRIED UNANIMOUSLY 7 / 0</b><br/>TIME: 9.12pm</p> |
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The following information was provided to support the Motion to Council:

#### **Introduction**

*Council is requested to consider adopting a position statement committing to transparency, disclosure and public accountability; and to workshop a draft report from the CEO detailing initiatives designed to improve transparency and accountability in the Shire of Chittering and built trust with the community.*

#### **Background**

*A perceived lack of transparency and accountability in Council and the Administration of the Shire of Chittering has led to misinformation and created distrust from the community. Whilst the Shire of Chittering has endeavoured to implement changes to its processes to increase transparency and accountability, these initiatives have been undertaken in a haphazard manner and without consulting the community to gauge what they believe are the most important transparency and accountability initiatives and what resources are both necessary and willing to be provided to improve transparency.*

#### **Result**

- *Acknowledges and responds to the community's attitude to what is expected of government and non-government organisations, elected members and employees.*

- *Confirms commitment to improving transparency and accountability to the community*
- *Provides a process for community engagement;*
- *Provides Council with a clear pathway.*

## 2.2 TABLE OF INITIATIVES

| Source & Transparency Option                         | Estimated Resource Required  | CEO Comment  |   |
|--|--|--|---|
| Local Government Reform Package                      |  |  |   |
| Recording and Live-Streaming of All Council Meetings | Nil if it replaces the audio recording currently performed.  | Council Chambers is being set up in a way that allows this. Videos will need to be stored on YouTube otherwise there will be additional costs for website hosting as the required storage would go into the next tier.   |   |
| Additional Online Registers                          | One day per month to maintain registers.   | This will help to combine available information and potentially add to it, but it may not have the desired effect of increasing the level of public trust.   |   |
| Community and Stakeholder Engagement Charters        | To properly carry out a policy, a part-time to full-time skilled officer would be required to undertake engagement activities. | This would help to cement some of the work that the shire has been undertaking. A positive would be the reduction of the influence of special interest groups. It would increase the accountability of Council to engagement method and may be viewed as reducing the role of Council as it may usurp some of Council's decision making ability. There are already structures around such as the iap2 that could be used as a base for the policy. | * |
| Monthly Reporting on Credit Card Statements          | This will depend on where they are reported. 0.5 days per month.   | This can be implemented straight away, though it would appear to create just as much mischief by delving into the minutia instead of concentrating on issues around standards and performance. Most major fraud is not via Credit Card, so in terms of actual accountability, it would be more towards window dressing.  | # |
| Local Government Review Panel                        |  |  |   |
| Local Government Elections                           | Only time to set up the policy. (1-2 days)   | Council have been choosing to have WAEC run their elections anyway, so   |   |

|  |   |  |   |
|--|---|--|---|
|  |   | this would be an easy position to take.  |   |
| Minimum Service Levels   | This could be done currently, however it would need to be a focus of the shire over the next 2-3 years to the exclusion of other potential initiatives that arise. Conversely, the employment of a full-time, high-level officer with the necessary skills and expertise would be required. | Before determining minimum service levels, the current service levels would need to be determined. By doing this though, it would help to create greater accountability and transparency between Council and the community, Council and the shire, and the shire and the community. Regular service reviews would also then assist in determining the level of performance that the community wants. | * |
| <b>Select Committee into Local Government</b>  |   |  |   |
| Community Education on the different roles   | This could be incorporated into Community Forums and shared by other avenues. 1 day per year to implement.  | This is an important step as it will assist the community in understanding how the shire functions. This increases the transparency as they will have a greater understanding of how and why decisions are made.   | # |
| A policy outlining the different functions and tasks of each of the roles  | Only time to set up the policy. (1-2 days)  | The roles are already legislated, though this policy (or information sheet) could add background to what the roles in the legislation means. The legislated roles could not be over-riden in a policy.   | # |
| <b>City of Perth: Local Government Accountability and Transparency – Opening the Door on International Best Practice</b> |   |  |   |
| Public value management approach   | This could be done currently, however it would need to be a focus of the shire over the next 2-3 years to the exclusion of other potential initiatives that arise. Conversely, the employment of a full-time, high-level officer with the necessary skills and expertise would be required. | This has been included as while the most complex of these ideas, and will require a lot of time, effort and resources, it is also the approach that would introduce the highest level of accountability into the shire and move the shire aware from its short term approach that has plagued the shire for the past 15-30 years.  | * |
| <b>City of Vincent: Raising The Bar – New Transparency Reforms for WA Local Government</b>                               |   |  |   |
| Greater Oversight and Consistency in Financial Reporting   | -   | This is outside of Council's scope.  |   |

|   |   |  |   |
|---|---|--|---|
| Easier Ratepayer Access to Information and Public Online Reporting    | 1 week to develop the portal and 1-2 days per month to keep the portal updated. | Much of the transparency information is already available. This portal could be set-up on the website as a way to bring all the information together.  | # |
| Public Reporting of Travel Undertaken by Councillor Members and Staff | 0.5-1 hour per month.   | It is assumed that this is intended for travel other than attending meetings & public events. This could be incorporated, however currently does not appear to be an issue.  | # |
| Disclosure of Councillor Allowances and Expenses                      | 0.5-1 day per quarter.  | This is now captured in the annual report but it would increase to quarterly publishing on the website.  | # |
| Public Reporting of Disclosure of Conflict of Interest                | 0.5-1 hour per month.   | This already happens through the Council Meeting process, however this would make it more available online.  | # |
| Leasing Arrangements  | 2 days to set up. 2 days per year to keep updated.                              | This would appear to be a similar direction to the facilities review, though that didn't create a lot of feedback or discussion. It would increase transparency for this that take the time to look at the portal/website.   | # |
| Improving Transparency and Accountability for Council Meetings        | -   | This already happens at Council Meetings.  |   |
| Creating a Genuine Opportunity for Ratepayers to Have Their Say       | -   | This already happens at Council Meetings.  | * |
| Mandatory Training of Council Members                                 | -   | This already happens at Council Meetings.  |   |
| Greater Transparency within Senior Executive in Local Government      | 1-2 days per year for an online register.                                       | The Annual Report already contains some salary information and our website contains an outline of responsibilities. Salary information is useful when it is compared to other similar positions. This though can have the opposite effect of leading to an increase in salaries, as when the ASX started reporting CEO salaries. | # |
| Better Governance Regarding the                                       | -   | This already happens in Council Meetings.  | # |

|  |  |   |   |
|--|--|---|---|
| Appointment of Chief Executive Officers                      |  |   |   |
| Greater Transparency and Accountability in Council Elections | -  | This already happens in Council Meetings.   |   |
| Greater Transparency in the Selection of Mayors              | -  | This can be changed via Council. Most of the additional workload would fall on the WAEC. There are potential downsides to this though.  |   |
| United Kingdom: Local Government Transparency Code 2015      |  |   |   |
| How money is spent   | 2 hours per month  | All expenditure is already made publicly available via the accounts payment agenda item. Adding it to a transparency portal on the website would be the only additional time.   | * |
| Use of assets  | This could be done currently, however it would need to be a focus of the shire over the next 2-3 years to the exclusion of other potential initiatives that arise.<br>Conversely, the employment of a full-time, high-level officer with the necessary skills and expertise would be required. | This is heading towards setting service levels, which is a great accountability and transparency measure, but it will require many resources.   | * |
| Decision making  | Will depend on the level of decisions to be made public.   | Education about roles and responsibilities would go towards making this redundant.  | * |
| Issues important to local people                             | Will depend on what and how many issues are identified.  | -   | * |
| Victoria: Local Government Act 2020                          |  |   |   |
| Community Engagement   | To properly carry out a policy, a part-time to full-time skilled officer would be required to undertake engagement activities.   | This would help to cement some of the work that the shire has been undertaking. A positive would be the reduction of the influence of special interest groups. It would increase the accountability of Council to engagement method and may be viewed as reducing the role of Council as it may usurp some of Council's decision making ability. There are already structures | * |

|   |   |   |   |
|---|---|---|---|
|   |   | around such as the iap2 that could be used as a base for the policy.  |   |
| Financial Management                                      | This could be done currently, however it would need to be a focus of the shire over the next 2-3 years to the exclusion of other potential initiatives that arise. Conversely, the employment of a full-time, high-level officer with the necessary skills and expertise would be required. | This is heading towards setting service levels, which is a great accountability and transparency measure, but it will require many resources.   | * |
| Cr David Dewar  |   |   |   |
| Clear Rating Information                                  | 2 days – 1 week per year.   | Work has been done to try and improve the simplicity of rates & budget reporting. The main issue is not so much the time it takes, but with a limited finance & executive staff, the people involved in making the information available are also involved in developing the budget. As Council and staff get better at strategic planning, the budget process will become less time consuming which may increase available time. | # |
| Simplified Budgeting, Accounting & Auditing Documentation | This will depend on the potential integration with current statement production and how different statements are produced.  | Work has been done to simplify these statements, however regulations determine the minimum standards for the statements so any simplification will be on top of the statements already produced.  | # |
| Council Expenditure Policy                                | Only time to set up the policy. (1-2 days)  | This could be added to a policy, however a willingness to adhere to the policy and a culture from Council of doing so, it would likely result in little change.   | # |
| Cr Carmel Ross  |   |   |   |
| Publish the LPS on the website                            | 0.5 days per year   | There is currently a link through to the Planning Scheme located on the Department of Planning Website. Hosting the documents with other  | # |

|  |   |  |   |
|--|---|--|---|
|  |   | transparency initiatives may make it more visible. |   |
| Improve accountability and transparency by having more information available to the public | Dependent on the level of information provided. | This ties in with other suggestions.               | # |

(\*) Elements that would be incorporated in a public value approach

(#) These items could fit into a 'Transparency Portal'.

## 2.3 TRUST

### 2.3.1 Effects of Transparency on the Perceived Trustworthiness of a Government Organization: Evidence from an Online Experiment

*Transparency is the availability of information about an organization or actor allowing external actors to monitor the internal workings or performance of that organization*

In terms of its object, transparency concerns separate events and processes of government:

- (1) transparency of decision making processes,
- (2) transparency of policy content, and
- (3) transparency of policy outcomes or effects.

#### Introduction

Governments all around the world are enhancing their transparency by providing all sorts of information about government activities and performance on public Web sites. The increased attention for government transparency in recent years is to a large extent inspired by the emphasis of the New Public Management (NPM) movement on making government more accountable. Transparency optimists argue that showing citizens the results of government policies through clear performance targets and indicators is supposed to result in increased trust in government. The rise of the NPM doctrine triggered governments to focus on active forms of Transparency.

Will all these effort to enhance government transparency pay off and result in more trust? This is debatable and the NPM argument about the relation between transparency and trust has been challenged. "Transparency pessimists" question whether showing citizens the results of government policies will actually boost their trust. These pessimists argue that transparency may lead to politics of scandal and even "delegitimization" of government. Their key argument is that the complexities of government policies and the democratic process do not lend themselves to be easily communicated to the public through a set of performance indicators.

The empirical basis for both lines of argument is limited: both camps refer to anecdotal material rather than thorough empirical studies. Recently, some empirical studies have been carried but these studies provide support for neither the optimist nor the pessimist argument. The "skeptical" position seems to be supported most by these investigations: transparency seems to have hardly any effect on trust.

#### DISCUSSION AND CONCLUSIONS

What do these results mean for the debate between transparency optimists, pessimists, and skeptics?

The optimists are right when it comes to participants with relatively low levels of prior knowledge about a policy topic and who have a rather low predisposition to trust government in general (27% of our sample). Policy outcome transparency strengthens the perceived benevolence of a specific government organization for this group of citizens. The pessimists are right for the large group of participants with a rather positive

predisposition toward government and limited prior knowledge about a certain policy (36%). Although high transparency has no effect on their perceptions, low transparency decreases the perceived competence of a specific government organization.

The skeptics are right for the group of participants with high knowledge (37%). Transparency does not have any effect at all on trust for this group of participants since they have already formed their opinion about local government and this has resulted in either low or high trust. This knowledge-based trust is not influenced by transparency (at least not by a single encounter with information about air pollution).

#### What are the theoretical implications of these findings?

First of all, this study shows the usefulness of online experiments as rigorous method to investigate effects of government actions on attitude change of individuals. In addition, social psychological theories have been proven to be useful tools in explaining the mechanism in attitude change toward government organizations for different types of citizens, as opposed to using only background variables.

The second implication of our study is that transparency can only influence trust that is based on affection and not on prior knowledge. Our study shows that prior knowledge both attenuates the positive effect of high transparency on perceived benevolence and the negative effect of low transparency on perceived competence. Based on the ELM, we argued that people with high prior knowledge are less likely to be persuaded by new information. Their trust is "cognition based": once (perceived) prior knowledge is high, it becomes the primary driver for perceived trustworthiness of a government organization and citizens are not persuaded (negatively or positively) by the outcome information disclosed through Web sites. By contrast, for individuals with low prior knowledge trust is more "affection based." This group was persuaded by transparency: new information changed their attitudes.

The third theoretical implication is that the confirmation bias does not play a role in the relation between transparency and perceived trustworthiness. We found that people with high predisposition to trust were disappointed in the competence of the government organization when they saw a Web site with low usable information and people with a low predisposition to trust and low prior knowledge had enhanced perceptions of perceived benevolence after seeing the Web site with highly usable policy outcome information. This means that people's predisposition to trust government in general does not result in confirmation bias.

The fourth implication is that the dissatisfier effect helps to understand how a general predisposition to trust moderates the relation between transparency and perceived trustworthiness. People expect local government to be transparent and if their expectations are fulfilled, this at best does not lead to dissatisfaction. For citizens with a high predisposition trust, being transparent only meets the expectation that this is part of a normally functioning government. This is in line with prior research, for example, Piotrowski and Van Ryzin (2007) found a high demand of citizens for transparency. Those with a high general predisposition to trust are only disappointed in the competence of a specific government organization if policy outcomes are not that transparency, whereas low predisposed citizens are positively surprised and perceived the municipality to be acting in the citizens' interest (i.e., benevolence).

### 2.3.2 Transparency In Public Administration

Transparency has become a keyword of responsible governance, but its impacts and qualities can be somewhat surprising and even paradoxical.

Transparency is generally seen as a central element of accountability. Accountability is often defined as a process of "being called to account to some authority for one's actions," or a process of "giving an account". As a process, accountability can be reduced to three questions: *accountable for what; to whom; and how?*

There are different types of accountability cited in the literature with varying mechanisms of accountability, such as:

- political accountability (mechanism: democratic elections),
- bureaucratic accountability (legal rules and supervision),
- personal accountability (ethics),
- professional accountability (peer review),
- performance (responsiveness), and
- deliberation (public debate)

However, these types are not always clear-cut and often overlap. Furthermore, as new forms of governance are replacing more hierarchical government, there are shifts within the types of accountability, highlighting performance and deliberation. This is also relevant for government transparency that is linked to both.

As scholars have pointed out, the effects of the global expansion of transparency are difficult to assess due to the somewhat loose understanding of what actually is being diffused. Moreover, there is a strong symbolic element in the process, as even autocracies have felt the need to adopt information access laws. Furthermore, though the global adoption of transparency is often linked to democratization, it is also deeply entangled in perceptions of economic performance.

In fact, transparency seems to have a somewhat surprising quality in that it eludes traditional dichotomies, such as democracy–efficiency, market–hierarchy, and public–private. Arguably, it enhances both democracy and efficiency of governance, concerning the market and bureaucracy alike, while also touching upon different modalities of public and private. However, a closer look may reveal tensions between the different categories that are important for understanding the actual effects of transparency in public administration. This is apparent in the discussion on deliberation and performance, both of which build on "transparency" but nevertheless may be in tension with each other.

As discussed, the link between trust and transparency is also complex and sometimes even counterintuitive. While transparency is associated with citizens' trust in government, increased transparency may in some circumstances lead to a decrease in trust. As a means of government control, transparency even requires some mistrust of government, leading to active attempts to hold it accountable through requests for information. Moreover, increased openness and broad-based inclusion of actors in the policy process may paradoxically have a negative effect on public debate.

Transparency is linked to the allocation of public information not only through the legal framework that allows access but also through performance management schemes that may lead to commodification of public information, hence limiting its public access. Moreover, concerns of privacy are also related to transparency—here transparency appears both as a cause of concern and a remedy for breaches of privacy. Finally, transparency is prominently visible in global indicators and country rankings that measure good governance, democracy, and economic performance, where transparency is becoming a measurable attribute. At the same time, the indicators themselves are an instance of transparency that may have (constitutive) effects on the subjects of measurement, leading to changes in public governance and administration.

Transparency of public administration is a multifaceted topic, resonating with both democracy and efficiency. While it is often assumed to bring somewhat straightforward advances in these, the nature and effects of transparency are often surprising and even paradoxical. This makes transparency a fascinating topic for scholars and students of public administration.

### 2.3.3 Government Finance Officers Association- Transparency: A Means To Improving Citizen Trust In Government

The underlying reason for transparency is to help create trust among citizens, government administrators, and elected officials. When citizens trust in government, they will be more willing to pay taxes, participate in community governance, cooperate with government officials to solve community problems, and invest in the community. There are two main factors that contribute to how people gauge trust: competence and values.

Competence concerns the ability of a person/institution to accomplish goals and perform tasks. For example, if citizens can see that government keeps local streets well-maintained, then perceptions of competence will increase. Local governments have done much to make demonstrations of competence transparent. For example, they demonstrate competent financial management through comprehensive annual financial reports. They show competent production of public services through the compilation of performance measures in budget documents.

Values address the underlying motives of an institution/person – and they speak to the emotions and moral intuition of the citizen. For example, if citizens believe an official's motives are pure, then they will be more likely to trust the official. Local governments have not done as much to be transparent about underlying values, compared to the efforts made in demonstrating competence. For instance, typical transparency programs might help show that public officials are not defrauding the public, but they don't often do much to show that officials' values align with those of constituents or that officials care about constituents as people. Integrity, dependability, and fairness are leading examples of values that go beyond basic financial probity. These values usually need to be in place for a government and its officials to be trusted.

In the next sections, we will discuss four broad strategies to demonstrate competence and good values through transparency and openness.

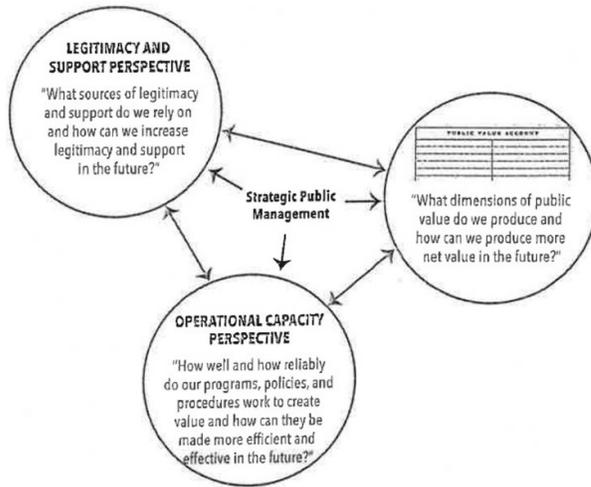
- **Communicate similarity in values.** Citizens trust government officials who share their values.
- **Communicate concern.** When a government official listens to citizens in a way that demonstrates thoughtfulness and compassion, the official is perceived as more worthy of trust.
- **Allow citizens to scrutinize government work.** This demonstrates competence by allowing citizens to see how government is performing. Also, the act of making performance data available may send a signal that the government values openness and integrity.
- **Help citizens understand the decision-making process.** If citizens can see that decision making is fraught with hard choices, often with no perfect solution, they may empathize more with public officials.

Transparency is necessary, but insufficient by itself, to build trust, so it is just one piece of the puzzle. Other pieces include citizen engagement and responsive and reliable public services, but those are beyond the scope of this paper.

## 2.4 ACCOUNTABILITY

### 2.4.1 Public Value Scorecard

In his 2013 book, *Recognizing Public Value* (reference below, p. 110), Mark Moore describes the Public Value Scorecard as a framework that “translates an abstract idea of public value creation into a concrete set of performance measures that can both monitor value creation in the past and guide managerial action necessary to sustain or create greater value in the future.”



*Public Value Scorecard = Public Value Account + Operational Capacity Perspective + Legitimacy and Support Perspective*

#### Exhibit 2: Public Value Account, General Form

|  |  |
|--|--|
| Use of Collectively Owned Assets and Financial Costs | Achievement of Collectively Valued Social Outcomes |
| Financial Costs                                      | Mission Achievement                                |
| Unintended Negative Consequences                     | Unintended Positive Consequences                   |
|  | Client Satisfaction                                |
|  | Service Recipients                                 |
|  | Obligates  |
| Social Costs of Using Authority                      | Justice and Fairness                               |
|  | At individual level in operations                  |
|  | At aggregate level in results                      |

#### Operational Capacity Perspective

Flow of resources to the organization Financial and other  
Human resources  
Public employees and volunteers  
Operational policies, programs, and procedures  
Quality of operational performance  
Organizational learning  
Internal resource allocation  
Performance measurement and management systems  
Organizational outputs  
Quantity of outputs  
Quality of outputs

#### Legitimacy and Support Perspective

Mission alignment with values articulated by citizens  
Inclusion of neglected values with latent constituencies  
Standing with formal authorizers  
Media coverage  
Standing with individuals in polity  
Position of organization in democratic political discourse  
Status of key legislative and public policy proposals to support the organization.  
Engagement of citizens as co-producers

Kavanagh writes:

“Though the public value account will help mobilize and build legitimacy and support, and animate and guide operational capacity, its primary purpose is to force a definition of public value. Public value is only one corner of the strategic triangle, so Recognizing Public Value combines the public value account with two other documents (one for each remaining corner of the triangle) to create a complete “public value scorecard.” [The image above] summarizes the key elements Moore presents. The darkened sections have direct linkages to the public value account or another corner of the strategic triangle.”

“The operational capacity perspective will probably be familiar to most public managers. Moore does advocate for a few concepts, however, that are not part of the approach to performance management for most public sector organizations. These include continuous improvement methodologies (e.g., Lean / Six Sigma), structured management of innovation, and active development of volunteer efforts from the community and other forms of co-production (rather than necessarily relying on direct production by public employees).”

“The legitimacy and support perspective asks managers to consider the extent to which the organization's mission is aligned with the community's values, including those of segments of the community that might not normally be engaged with the government. It also asks managers to think about the organization's standing with formal authorizers (e.g., the governing board), the media, and general citizenry, as well as influential individuals outside of the formal organization and the standing of the organization in larger policy discussions (e.g., political campaigns, the campaign promises of current elected leaders). The last two rows consider legislative actions that could affect the organization and how citizens are engaged in helping to produce public services (e.g., volunteers).”

In his book, *Recognizing Public Value*, Mark Moore develops the idea of an account to help define a comprehensive and accurate picture of a given public agency's performance.

Using the example of a police department in a large city, he writes:

“Getting that picture means taking into account not only the satisfaction of individual clients of the police department (both those who call for services and those who are the objects of enforcement action) but also the capacity of the police department to achieve the outcomes that citizens desire at a cost that is tolerable to taxpayers. It means taking into account that the police department uses the authority of the state as well as tax dollars to serve its mission, and that, all other things being equal, citizens would like the police department to be able to achieve its goals with less rather than more use of authority. It means accounting for the fact that citizens and those who represent their interests are interested in the fairness of police action, and the degree to which police are effective in maintaining sociable and just relationships in their communities. And it means recognizing that while the most important job of the police might be to catch offenders and reduce criminal victimization, the police can produce many other valuable results for society, and that doing these other things

well might actually help rather than hurt their crime control efforts. The goal of this chapter is to establish the core idea that public agencies should be called to account for producing value by developing a clear, explicit, and measurable public value account that names the important dimensions of public value to be pursued by and reflected in the operations of a government organization and enumerates the social and financial costs incurred along the way. That public value account emerges as a concept much larger than a dollars-and-cents “bottom line” or “customer satisfaction.””

| <b>PUBLIC VALUE ACCOUNT</b>                              |   |
|--|---|
| Use of Collectively Owned Assets<br>and Associated Costs | Achievement of Collectively Valued<br>Social Outcomes |
| Financial Costs  | Mission Achievement                                   |
| Unintended Negative Consequences                         | Unintended Positive Consequences                      |
|  | Client Satisfaction                                   |
|  | Service Recipients                                    |
|  | Obligates   |
| Social Costs of Using State Authority                    | Justice and Fairness                                  |
|  | At Individual Level in Operations                     |
|  | At Aggregate Level in Results                         |

In his 2014 review of the book (reference below), Shayne Kavanagh writes:

“At the center of Moore’s approach is what he calls the “public value account,” which [the figure above] illustrates in its generic form. Use of collectively owned assets and financial costs are shown on the left. Financial costs obviously fall on this side of the ledger, but in addition to costs, Moore believes it is important to account for two other categories. The first is unintended negative consequences – for example, an aggressive policing strategy might reduce the level of trust between the government and its citizens. The second is the social costs of using authority – in short, citizens do not like to be compelled to do certain activities or otherwise have government interfere in their lives. Hence, any government activity that imposes obligations on citizens or otherwise impinges on personal freedom should be considered a cost.

“On the right side of the ledger, we have items that go toward achieving valuable outcomes, including things that go toward achieving the organization’s stated

mission. Unintended positive consequences that fall outside of achieving the mission also go in this column. For example, greater achievement of the organization's mission would tend to foster greater job satisfaction for public employees. The righthand side of the ledger also includes client satisfaction, distinct from mission achievement; this is because a public entity's mission is often defined in terms of creating benefit for the greater public, which is often not the same thing as satisfying individual members of the public. Here, Moore differentiates between "service recipients" (who are like traditional "customers") and obligatees, or individuals the government compels to perform certain actions. Finally, there is justice and fairness, which Moore applies to individuals, as they experience government processes, and the whole society, as it experiences the segments of society that benefit from government action.

"Moore invites public managers to complete the public value account in order to more clearly define what "public value" means for their programs. ... The completed accounts rarely exceed a page in length, and the entries consist of short sentences. So, while the technical form is not overly difficult, agreeing on content that has democratic legitimacy and the support of the authorizing environment could be more challenging. However, going through that exercise helps mobilize and build legitimacy and support."

The demands for accountability in local government are continuous. The challenge is that they come from many different places and focus on different aspects of performance. Sometimes they create conflicts. For example, strict adherence to procurement policies can remove the flexibility required to respond quickly and meet complex community needs. But it keeps the Audit Committee happy. A community interest group gains political support for a project that hasn't been included in the budget. But the councillor and their constituents are happy. I am sure you can think of other examples.

Mark H. Moore talks about the sources of accountability in detail in *Recognising Public Value*. He identifies four primary sources of accountability:

1. **Auditing accountability** – State government agencies exist to ensure local government uses its funding and powers appropriately. The existence of these agencies and the threat of audits creates a powerful and continuous accountability focussed on expenditures and compliance with policies and procedures. They typically do not focus on satisfaction of clients or achievement of social outcomes (i.e. public value). It is a type of accountability that can limit innovation and organisational learning by keeping organisations focussed on existing policies and procedures.
2. **Political accountability** – elected representatives seek to ensure that the organisation responds to their expectations and demands. They have been elected to implement a program. There is no guarantee that they will agree with each other and provide a clear, consistent and durable statement of the public value to be produced. Governments are often divided and elected representatives lack the time, energy, skill or incentives to provide thoughtful oversight. As a result, the source of accountability that could be the strongest is weaker, less committed to performance and less able to effectively influence the organisation. Sometimes, the energy that could create that oversight is lost on the limited and self-interested concerns of the elected representatives.

3. **Pluralist demand for accountability** – the uncoordinated demands of anyone with an interest in some aspect of organisational performance and a platform to make that concern heard. This could be anyone in a democratic society and citizens and interest groups can be powerful and demanding agents of accountability. They do not have to wait for special authorisation of elections. They can move on their own whenever they want to and force public managers and elected representatives to pay attention. The media can broadcast and amplify their demands. They play a critical role in focusing the attention of elected officials on the issues they cover.

This type of accountability is problematic and often commands most of the attention of public managers. Whilst this is consistent with government accountability to the people, it is inconsistent with the goal of producing an exacting, consistent, broad demand for improvement on a limited number of dimensions of performance. All too often it focuses on individual incidents instead of aggregate performance, on process over outcomes, and on only one dimension of value creation rather than the full spectrum of values at stake in government operations. It is an unpredictable form of accountability.

4. **Complaint systems and legal recourse** – the institutions that hear and respond to citizen complaints about the conduct of government.

Ideally, these four sources of accountability would integrate to create a compelling demand for performance based on an explicit public value proposition that would clarify expectations of public managers and create a context to measure performance.

Instead, the auditing system tends to focus on cost controls and procedural compliance. The political system focuses on the issues of the day. The pluralist system focuses on whatever captures the interest of any individual or stakeholder. The complaint system focuses on the bad experiences of individual clients. Seldom are the four sources coordinated in any way.

Whilst it is impossible to control the sources of accountability, it would be helpful if the organisation considered its response to each one and tried to avoid conflicts.

## **2.5 ACCOUNTABILITY & TRANSPARENCY IN WESTERN AUSTRALIAN LOCAL GOVERNMENT**

### **2.5.1 Proposed Legislative Changes**

In November 2021, the Western Australian Government Announced a Local Government Reform Package aimed at

1. Earlier intervention, effective regulation and stronger penalties
2. Reducing red tape, increasing consistency and simplicity
3. Greater transparency and accountability
4. Stronger local democracy and community engagement
5. Clear roles and responsibilities
6. Improved financial management and reporting.

The Proposed Reforms are based on extensive consultation over the last five years and considered the following reports:

- The Local Government Review Panel Final Report (mid 2020)
- The City of Perth Inquiry Report (mid 2020)
- Department of Local Government, Sport and Cultural Industries (DLGSC) consultation on Act Reform (2017-2020)
- The Victorian Local Government Act 2020 and other State Acts
- The Parliament's Select Committee Report into Local Government (late 2020)
- Western Australian Local Government Association (WALGA) Submissions
- Direct engagement with local governments
- Correspondence and complaints
- Miscellaneous past reports.

There are various Proposed Reforms that would assist in increasing Accountability, Transparency and Disclosure at the Shire of Chittering. Some would be able to be implemented without any legislation changes however other would require legislative changes.

### **2.5.1.1 No Legislative Changes Required Recording and Live-Streaming of All Council Meetings**

The Shire of Chittering currently records and audio version of Council Meetings and published the recording on the shire's website. A switch to Video Live-Streaming and Recording may make the Council Meetings more open to more members of the public as they can gain further information by being able to view proceedings and be able to view the meeting at a time suitable for them.

#### **Additional Online Registers**

Additional online registers can already be published without legislative changes. Some of the suggested registers are: Lease Register; Community Grants Register; Interest Disclosure Register; Applicant Contribution Register; and Contracts Register.

#### **Chief Executive Officer Key Performance Indicators (KPIs) be Published**

The Shire of Chittering has previously made these KPIs public and can do so without legislative changes being required. The publishing of these KPIs could be done as part of a broader change in setting, publishing and reporting on Performance Standards and Targets. This would create greater accountability to the public as both staff and Council would need to commit to the published performance targets.

(currently doesn't happen, Council ignore targets set previously)

#### **Community and Stakeholder Engagement Charters**

A community and stakeholder engagement charter would assist the shire in both setting out consistent engagement methods, ensure the community understand how decisions are made and reduce the influence of advocacy groups that can currently override decisions. The charter would be a way for Council to provide a commitment to engaging with the community and making decisions based off the process set out by the charter.

#### **Ratepayer Satisfaction Surveys**

While the Shire of Chittering will not be affected by a change in legislation, it can still commence Satisfaction Surveys to determine their performance. This was already partly done in the 2021 Strategic Community Plan Consultation, however a more robust method of setting Service Standards would assist in ensuring that surveys are a useful document in determining service provision.

#### **Council Communication Agreements**

There has been some work over the past two years to formalise the communication between the CEO & Council and amongst Councillors. An agreement would assist in ensuring that the way to and level of communication is understood by all parties.

#### **Standardised Election Caretaker Period**

There is not currently an Election Caretaker Period, however a policy can be developed by Council. If a standard caretaker period is to be introduced though, it may be better to wait until legislation is changed rather than do work that will be overridden.

## **Rates and Revenue Policy**

*The Rates and Revenue Policy is proposed to increase transparency for ratepayers by linking rates to basic operating costs and the minimum costs for maintaining essential infrastructure.*

A Rates and Revenue Policy can be developed prior to the passing of new legislation and updated should new legislation require it. The policy will increase transparency by making the public fully aware of Council's stance on Rate Setting.

## **Monthly Reporting of Credit Card Statements**

This can be implemented straight away, though it would appear to create just as much mischief by delving into the minutia instead of concentrating on issues around standards and performance.

## **Audit Committees**

While the proposed legislative changes go much further, the Shire of Chittering could make changes to bring on independent members and ensure that the Audit Committee Chair is not the President or Deputy President. These basic changes would fall in line with the requirements that the Public Sector Commission has for State Government Audit Committees.

### **2.5.1.2 Legislative Changes Required Standardised Meeting Procedures**

Meeting Procedures are currently governed by the Shire of Chittering's Standing Orders Local Laws. Changes to these Local Laws may assist in transparency of meeting outcomes, however it does require resources to make this changes, due to the prescriptive legislative requirements including passing the Local Law through the Joint Standing Committee of Parliament. Standardised Meeting Procedures will make changes without the resource requirement.

#### **Recording All Votes in Council Minutes**

This initiative is likely to happen without the need to change the Standing Orders Local Laws. While this may assist in Transparency, it may not necessarily lead to greater trust in Council as the public will see split decisions and some decisions will not have the necessary background when printed which may lead to the community misinterpreting a Councillor's intention.

#### **Greater Role Clarity**

Roles and Responsibilities are set out in the Local Government Act. Misunderstanding of these roles affects both the actual performance of the shire and the perceived performance by the general public and advocacy groups who may not have a sufficient understanding of these roles. This lack of understanding has led to mistrust of Council and staff, so clarification will help to reduce this.

#### **Model Financial Statements**

It is proposed to establish Standards templates for Annual Financial Statements, Online Registers and Simpler Strategic and Financial Planning. While some of these can be implemented earlier, with there already being a Council Decision on the development of a Financial Dashboard, it may be better to wait for new legislation before changing the format on the Annual Report.

#### **Simplify Strategic and Financial Planning**

The Shire of Chittering has been endeavouring to simply the Strategic Plans as much as possible within the bounds of the current standards. Further simplification of the plans should wait until the new standards are developed in line with the new legislation.

#### **Amended Financial Ratios**

The current financial ratios are very poorly setup and very poorly understood. New ratios will help to provide more useful measurement.

### **2.5.2 Local Government Review Panel**

In 2017, a review of the *Local Government Act 1995* was commenced. In May 2020, a report from the Local Government Review Panel was released. The recommendations of the panel were given under the following sections:

- Clear Legislative Intent;
- An Agile System;
- Inclusive Local Democracy;
- Smart Planning and Service Delivery;
- Accountability, Self-Regulation and Integrity.

Due to this, not all of the recommendations are relevant, but some of the relevant recommendations are:

#### **Guiding Principles**

Guiding Principles: To ensure the system of local government is sustainable, accountable, collaborative and capable, councils should:

- Provide democratic and effective representation, leadership, planning and decision-making;
- Be transparent and accountable for decisions and omissions;
- Ensure that, as a general rule, all relevant information is released publicly, readily available and easy to understand;
- Seek to continuously improve service delivery to the community in response to performance monitoring;

#### **Community Boards**

An opportunity for communities to have the right to petition for a 'Community Board'. The functions and budgets (if any) would be determined by the parent local government. Membership could vary from the majority being locally elected to all members being appointed by the 'parent' local government. Mechanisms in place for boards to advocate to the 'parent' local government on behalf of their communities, and to play a significant advisory role in planning and budgeting processes.

#### **Local Government Elections**

All elections to be overseen by the Western Australian Electoral Commissioner.

#### **Caretaker Policy**

The introduction of a caretaker policy barring elected members up for re-election from representing the council at events, handing out council grants or donations and moving substantive notices of motion in the period before the election, and a requirement to comply with this policy should be included in the Code of Conduct.

#### **Annual Elector's Meeting**

The panel recommends the annual Elector's Meeting is replaced by an Annual Community Meeting whereby:

- a. As a minimum, councils provide information on their achievements and future prospects;

- b. Councils report on the local government's financial performance and performance against relevant Council Plans;
- c. Both the President and the Chair of the Audit Committee address the meeting;
- d. There is ample time for questions; and
- e. Wider community participation is encouraged through different delivery mechanisms

### **Integrated Planning and Reporting**

The Panel recommends the following IPR Principles are included in the new Act:

- a. Councils plan strategically, using the integrated planning and reporting framework, for the provision of effective and efficient services to meet the diverse needs of the local community;
- b. Strategic planning identifies and incorporates, where appropriate, regional, State and Federal objectives and strategies concerning the economic, social, physical and environmental development and management of the community;
- c. Strategic planning addresses the community's vision;
- d. Strategic planning takes into account the resources needed for effective implementation;
- e. Strategic planning identifies and addresses the risks to effective implementation; and
- f. Strategic planning is a key accountability tool that provides for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.

### **Minimum Service Levels**

The Panel recommends:

- 1. As a minimum, local governments must seek to identify and provide, or offer, to all its citizens, a minimum level of services to meet statutory obligations.
- 2. The Minister should have the power to direct a local government if it fails to provide or offer these services.
- 3. The new Act should incorporate financial sustainability principles which also link to the IPR framework.
- 4. Local government services and programs should be aligned to the IPR framework.
- 5. Local governments conduct regular reviews of services and service levels including community consultation.

### **Modernise Financial Management (1)**

The Panel recommends the following financial management principles be included in the new Act:

- a. Councils should have regard to achieving intergenerational equity, including ensuring the following:
  - i. Policy decisions are made after considering their financial effects on future generations;
  - ii. The current generation funds the cost of its services; and
  - iii. Long life infrastructure may appropriately be funded by borrowings.

- b. Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with the council's financial policies and strategic plans;
- c. Financial risks are monitored and managed prudently having regard to economic circumstances;
- d. Financial policies and strategic plans, including the Revenue and Rating Strategy and Investment policy, seek to provide stability and predictability in the financial impact on the community; and
- e. Accounts and records that explain the financial operations and financial position of the council are kept.

### **Modernise Financial Management (2)**

Having regard to the need for sound financial decision-making and accountability, the Panel recommends the following:

- a. Local governments should be required to adopt or justify departures from a model investment policy to the Audit, Risk and Improvement Committee.
- b. Debt should not be used for recurrent expenditure except in an emergency situation.
- c. Notice should continue to be required to be given for borrowings not included in the local government's annual budget.
- d. Local governments should adopt program budgeting to more clearly show the actual cost of delivering a service or undertaking an activity.
- e. Local governments should report on the percentage of their expenditure spent on local businesses in their annual report.

### **Audit Committee**

The Panel recommends the role of audit committees be expanded to become Internal Audit, Risk and Improvement Committees and:

- a. The majority of the Committee members, including the Chair, should be independent of the local government;
- b. Developing an audit plan which focuses on compliance, risk (including procurement), financial management, fraud control, governance and delivery of the Council Plans;
- c. Identifying continuous improvement opportunities and monitoring programs and projects in this area;
- d. Conducting the mandatory internal audits as outlined in the audit plan; and
- e. Providing advice to the council in relation to these matters.

### **Renewed Focus On Integrity**

In relation to governance, the Panel recommends:

- a. Meeting procedures are standardised across all local governments, allowing for both a committee system and a public briefing system.
- b. Elected members should be required to lodge a declaration of interest as well as a confirmation of impartiality prior to meetings.
- c. Elected members who believe that they are unable to maintain impartiality on a particular matter should be permitted to withdraw from that part of the meeting provided a quorum is maintained.

- d. All votes should be recorded in the minutes on each motion with details of how each councillor voted.
- e. As a minimum, audio recordings of public parts of council meetings should be available on the local government's website when the minutes become available, with livestreaming to be encouraged.
- f. CEO contracts should be standardised and consistent with the Public Sector Commission's policy and relevant conditions for public sector employees.
- g. CEO contracts should be no more than five years and after two terms the local government must readvertise the position.
- h. The department should facilitate additional oversight in the recruitment and management processes of CEOs. This could include representation on the selection panel and/or screening of applicants.
- i. Primary and Annual Returns should include disclosure of membership of political parties and associations likely to be seen as exerting an influence on decision-making.

The Panel discussed ways to ensure council decision-making was transparent and accountable. It recommends that not only should actual conflicts of interest be declared before the council meeting, but that each councillor should make a declaration in relation to any item on the agenda on which they may not be impartial. This would include, for example, items where they had taken a public position or lobbied in relation to the matter before the meeting. If the councillor believes that they are unable to put those interests aside and make a decision in the best interests of the district as a whole, the person should be able to remove themselves from the meeting for that item, providing a quorum is maintained so that a vote can be taken. A declaration prior to the meeting would assist the CEO in determining whether or not a quorum is available for a matter.

While webcasting (livestreaming) of council meetings was preferred, given the technology constraints that could be experienced by some local governments, audio recordings of the meetings was considered as a practical minimum to ensure greater transparency in the decision making process. These recordings would be State records under the State Records Act 2000. The recordings should be required to be published on the website by the time the minutes were published.

The Panel agreed that the department should play an active role in assisting the council in the CEO recruitment and performance review processes. Another option is that prior to selection, the Department could provide a reference check and possible recommendations for training for the shortlisted candidates for the positions of CEO.

To increase transparency and foster greater trust in local government, the Panel believed that elected members should declare in their Primary and Annual Returns interests that could be perceived as affecting decision-making. This would include membership of political parties, business associations and the holding of any office in an incorporated association such as a sporting club.

### **2.5.3 Select Committee Into Local Government**

In September 2020, a Final Report from a Select Committee Into Local Government was released. The Committee inquired into a wide range of systemic issues affecting the local government sector in Western Australia.

#### **Select Committee into Local Government**

##### **Date first appointed:**

26 June 2019

##### **Terms of Reference:**

- (1) That a Select Committee into Local Government is established.
- (2) The select committee is to inquire into how well the system of local government is functioning in Western Australia, with particular reference to—
  - (a) whether the Local Government Act 1995 and related legislation is generally suitable in scope, construction and application;
  - (b) the scope of activities of local governments;
  - (c) the role of the department of state administering the Local Government Act 1995 and related legislation;
  - (d) the role of elected members and chief executive officers/employees and whether these are clearly defined, delineated, understood and accepted;
  - (e) the funding and financial management of local governments; and
  - (f) any other related matters the select committee identifies as worthy of examination and Report.
- (3) The select committee shall comprise five members.
- (4) The select committee shall report by no later than 12 months after the motion for its establishment is agreed to and may, if it sees fit, provide interim reports to the House.

Very few of the recommendations were in regards actions that a Local Government could take to increase Accountability, Disclosure or Transparency.

Finding 26 & 27 referred to the ambiguity between the roles of Councillors, Council and the Chief Executive Officer. This ambiguity leads to a poor public understanding of each of the roles. Though the subsequent recommendation called for greater clarification in the Local Government Act, there are some steps that the Shire of Chittering could take including:

- Increased training by Council and the Executive on the roles and relationships of a Local Government;
- Community education on the different roles;
- Councillor leadership to the community on the roles;
- A policy outlining the different functions and tasks of each of the roles.

## 2.5.4 City of Perth: Local Government Accountability and Transparency – Opening the Door on International Best Practice

Over the past decade there has been a growing and evolving focus on local government compliance, accountability and transparency. There are many similarities particularly in developed countries, but also in developing countries that are looking for leadership in these matters. However, the focus has moved from compliance with regulations to new forms of accountability.

Accountability requires “holding people and organisations to account” for their actions. The traditional approach to public management was focused on compliance with regulations, policies and procedures. During the 1990s, public organisations changed to the public management approach in which citizens were treated as customers and accountability was focused on meeting customer service standards. Accountability measures were focused on reporting on costs, efficiency and customer satisfaction. The criticism of this approach was that people in the community were disempowered and services were designed to produce specified outputs with a loss of focus on outcomes the community want. The focus on service outputs was not conducive to government agencies, the private sector and the community coordinating and combining their efforts to achieve the outcomes the community want.

In response to this, a new approach to government in the public sector gained support. Public value management involves creating value through the combined action of citizens acting together for the public good. Its focus is outcomes achieved through community engagement processes and the participation of all stakeholders.

The time line in the development of management approaches and its predominant type of accountability is shown in the graphic below.



Local government with its broad responsibilities to the community as a service provider, advocate and partner is central to the achievement of public value.

There are four principle spheres of accountability in local government:

**Political** – accountability through elections

**Compliance and Integrity** – conforming to regulations, personal and organisational conduct and ethical considerations.

**Participatory** – processes to listen to community concerns and for the community to influence decisions.

**Performance** – identification of community priorities, measurement and public access to information.

A public value management approach requires effective community engagement processes. At the same time, and in conjunction with public value management, there has been a move toward localism and the concept of subsidiarity in which services are provided at the lowest level of government possible.

There is also evidence that personal values and organisational culture are important elements of accountability and that ethics and integrity need to be embedded in the organisation's values.

The current approach to accountability at the City of Perth is mainly within the traditional management approach. There has been limited use of new public management approaches such as customer surveys, benchmarking and the use of efficiency measures. Community consultation takes place for many projects and has been incorporated in procedures for approval of capital projects. As required by the Local Government regulations, community consultation was undertaken for the development of the Community Strategic Plan. However, community consultation has been primarily to provide information and/or input with no, or very limited, opportunity for stakeholders or the community to be involved in the decision making process. Research clearly shows that effective community engagement is a prerequisite to building the trust of the community in both the integrity of the Council and its administration as well as the decisions that are made of behalf of the community.

A search for 'best practice' transparency and accountability measures in Australia was undertaken. There are a number of actions that can be easily adopted to increase the information available to the public. However, historically, Australia has followed western countries, particularly the UK, Canada and the United States of America in management practices. The review of international trends indicates that to take a 'leadership' role in transparency and accountability, the City will need to move further than this and to adopt the approaches based on public value management principles. As a result of the changes in management approaches, and building on the concepts of public value management and localism, accountability has increasingly been associated with open government and open data.

The benefits of open data are not only related to accountability. A major driver is to promote the use of the information to drive innovation.

The City of Guelph in the USA has adopted an Open Government Framework with the objective:

*To create a fully transparent and accountable City which leverages technology and empowers the community to generate added value as well as participate in the development of innovative and meaningful solutions.*

The City of Guelph Open Government Framework has four key directions:

1. open engagement
2. open data
3. access to information
4. open governance.

An open government approach would be a counter balance for calls for more regulation by State Government, including greater scrutiny by the Auditor General.

Increasing regulations adds to the complexity and the cost of governance. By its nature, it also increases the possibility of inadvertent breaches as it is bound by rules rather than outcomes. A community focused approach to accountability places the community that the City represents at the centre of the process, and empowers and enables it to be the arbiter of good governance. A simple analogy to compare the approaches is to consider the operations of an organisation to be contained in a closed building with all the window blinds down. Increased reporting and regulation - opens some of the window blinds (the current situation in most local governments).

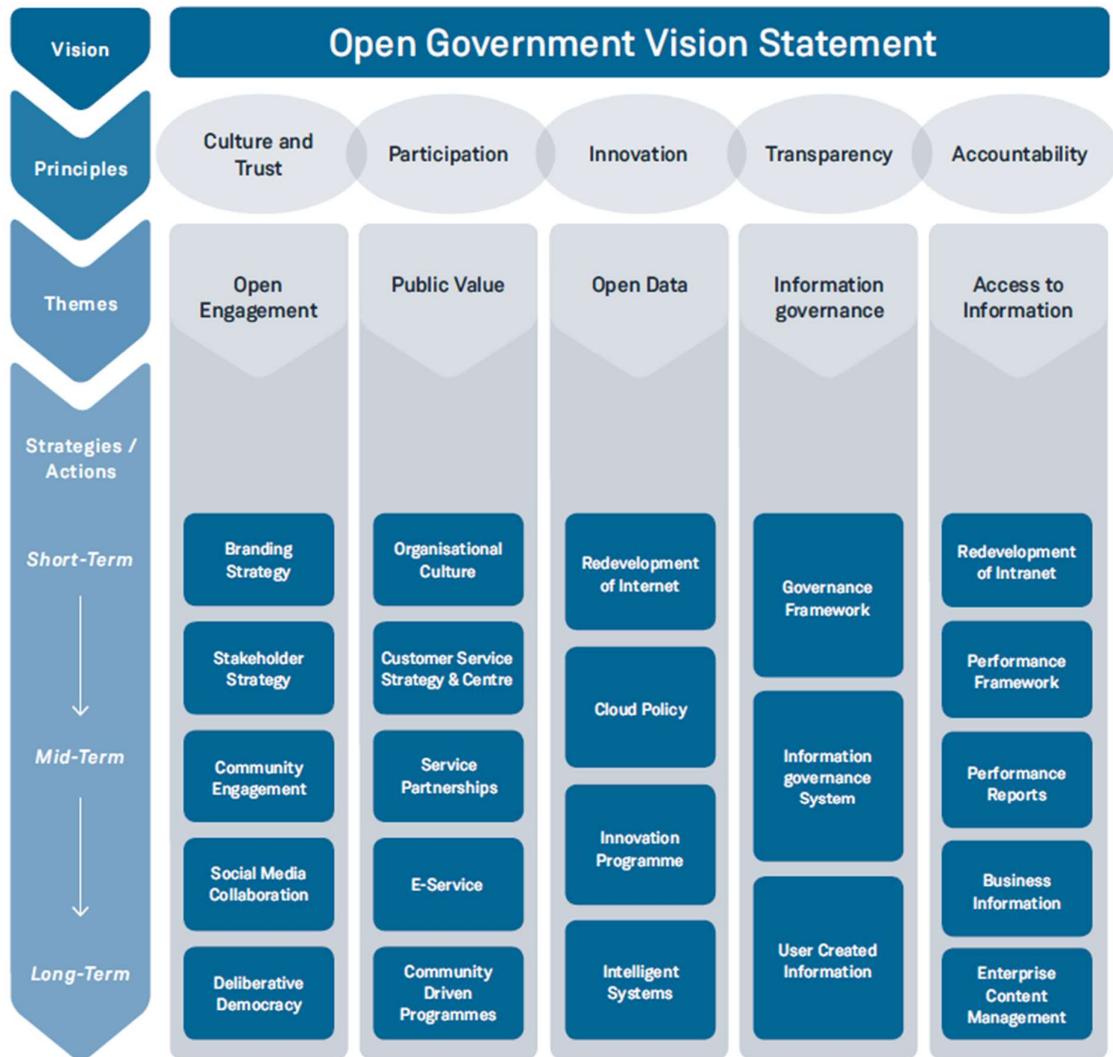
Open Data – opens the window blinds and invites people to look inside. Open Government – opens the window blinds and the door and says “welcome”.

To move toward open government it will be necessary to put into place a broad strategy including:

- I. A clear objective in the Strategic Community Plan
- II. Developing a governance/accountability framework based on principles of:
  - a. Information – using an open data approach
  - b. Values – based on the public value management ethos
  - c. Enforcement – primarily community focussed and meeting customer satisfaction and legal compliance obligations.
  - d. Relationships – based on a partnership approach with an engaged community.

In keeping with the philosophy of open government, the framework and approach should be developed with input from the community. The diagram in Fig 1 provides a representation of the framework structure that may be adopted, and the strategies and actions that would be required over time to implement it.

Many of the actions are currently included in the City of Perth Corporate Business Plan and will provide the basis for an open government framework and strategy.



In the short-term there are immediate actions that can be taken including:

- I. Expand the accountability and transparency section of the City of Perth website to include examples identified in appendix 1.
- II. Inform stakeholders and the community of changes, and explain how they can contribute to developing the governance/accountability framework.

### **2.5.5 City of Vincent: Raising The Bar – New Transparency Reforms for WA Local Government**

The City of Vincent wrote a discussion paper in 2016. This is especially relevant as the Mayor at the time is now the Minister for Local Government in Western Australia. The paper contained 13 Recommendations:

#### **Recommendation 1: Greater Oversight and Consistency in Financial Reporting**

The State Government legislate to give the Auditor General authority and responsibility for overseeing the financial and compliance auditing of all local governments in Western Australia, including:

- Establishment of a standardised reporting scheme for all local government audits;
- Responsibility for an annual public report on audit reports for local government across the sector, similar to the approach which is in place for state agencies;
- Performance auditing of local governments with oversight of a range of delivery areas, similar to the approach in place for public sector agencies;
- The authority to audit Compliance Audit Returns submitted by local governments under Part 7 of the Local Government Act 1995 to ensure independent assessment and review of all local governments' compliance obligations;
- The authority to audit CEO review reports into the appropriateness and effectiveness of certain systems and procedures, as required by Regulation 17 of the Local Government (Audit) Regulations 1996; and
- Establishment of a sector wide report on the outcomes of the Compliance Audit Return process, outlining each local government's performance in meeting their obligations under the Local Government Act 1995.

#### **Recommendation 2: Easier Ratepayer Access to Information and Public Online Reporting**

Each local government be required to establish a Governance and Accountability portal, directly linked from the homepage of their website, to host all required public registers, governance structures and complaint mechanisms for both local and state authorities.

#### **Recommendation 3: Public Reporting of Travel Undertaken by Councillor Members and Staff**

That each Local Government be required to establish a public online travel register, updated on a monthly basis, which requires the following information:

- Name of relevant Council Member or staff member;
- Date and duration of travel;
- Cost of the travel;
- Travel locations; and
- Travel Purpose.

Expenditure relating to travel for staff and Council Members must be considered in advance and publicly approved at a Council level. The requirement for a report to be tabled at a Council meeting once travel has been undertaken by a staff or Council Member no later than one month after the trip has been taken.

#### **Recommendation 4: Disclosure of Councillor Allowances and Expenses**

Each Local Government must establish an online Councillor Allowances and Reimbursements register which:

- Outlines all allowances provided to the Mayor and Councillors, including attendance fees, phone and IT allowances, clothing allowances and other reimbursements permitted; and
- Detail on a quarterly basis specific expense reimbursement claims made by each Council Member and Mayor, for each permitted category.

#### **Recommendation 5: Public Reporting of Disclosure of Conflicts of Interest**

Recommendation:

Local governments are required to establish and regularly maintain a public online register of all financial and impartiality interests disclosed by Council Members and relevant staff, including the following information:

- Council Member / staff member name;
- Meeting date;
- Agenda item and title;
- Type of interest; and
- Nature of interest.

The public online register is required to include the opportunity for Council Members and staff members to declare enduring interests that may be perceived as affecting their impartiality.

#### **Recommendation 6: Leasing Arrangements**

Local government be required to produce an annual online register of leases and licences detailing the occupancy and rental arrangements for external organisations which have a lease or licence to use local government owned or managed land and/or buildings, including the following information:

- Name of lessee/occupier;
- Location and venue;
- Start and end date of lease or licence, with extension options;
- Revenue received each year and cost incurred by local government; and
- Purpose allowed.

#### **Recommendation 7: Improving Transparency and Accountability for Council Meetings**

That the Local Government Act 1995 be amended to require all local governments create an audio recording of Council meetings and for those audio recordings to be made available to any ratepayer at the local government's office or online via their website.

#### **Recommendation 8: Creating a Genuine Opportunity for Ratepayers to Have Their Say**

That the Local Government (Administration) Regulations 1996 be amended to provide more consistent and minimum standards for question time and statements from the public across all local governments to enable greater participation, including:

- Specifically allowing the making of a public question and/or a general statement in relation to an agenda item or broader Council matter;

- Allowing a member of the public to directly ask the question without being required to submit the question in advance; and
- Setting a prescribed time limit of three minutes for any question or statement to be made by a member of the public at a Council meeting but limits such statements or questions to one ratepayer per meeting to enable a timely management of meetings.

### **Recommendation 9: Mandatory Training of Council Members**

That the Local Government Act 1995 is amended to require mandatory induction training for new and re-elected Council Members, with new regulations established to require:

- Each local government to have a training policy for new and existing Mayors and Council Members, to be reviewed every four years;
- Training must cover four basic modules of learning, including:
  - Introduction to Local Government – the role and functions of local government;
  - Legal responsibilities – legal obligations and responsibilities under the Local Government Act 1995;
  - Council Meetings – meeting procedures to guide Council decision making; and
  - Financial Management and Reporting – understanding Council Members responsibilities for financial and asset management.
- If training is not undertaken with the Western Australian Local Government Association, it must be approved by the Department of Local Government and Communities; and
- A six month prescribed time frame in which Council Members must undertake mandatory training.

### **Recommendation 10: Greater transparency within Senior Executive in Local Government**

The Local Government Act 1995 is amended to require each local government to establish an annual Register of Senior Salaries (CEO, Directors and Managers), with the following information:

- Title/position of the employee of the Council;
- The salary or salary scale applicable;
- Start and end date of the contract;
- The details of any other allowances or benefits paid or payable; and
- Primary function of each role.

This information should be both made public in the Annual Report of the organisation and updated at the same time as the release of the Annual Report to an online register.

### **Recommendation 11: Better Governance Regarding the Appointment of Chief Executive Officers**

The Local Government (Administration) Regulations and/or Section 5.36 of the Local Government Act 1995 are amended to include the following requirements:

- The Council must approve the recruitment brief and advertisement before commencement of advertising the CEO position;

- The Council must, at a formal meeting, review and approve the proposed employment contract before an offer of appointment to a CEO or re-appointment of an existing CEO. The Local Government Act 1995 is amended to prohibit a Council from making any decision in respect to the appointment of a CEO or the renewal or extension of a CEO's contract of employment within the six months prior to the bi-annual Council election. The Local Government Act 1995 is amended to require all Councils to advertise the position of CEO following the completion of three consecutive five year terms by the same employee.

**Recommendation 12: Greater Transparency and Accountability in Council Elections**

The Local Government Act 1995 is amended to require the Chief Executive Officer or his delegated authority to verify the accuracy and eligibility of at least thirty percent of existing business enrolments within each financial year.

**Recommendation 13: Greater Transparency in the Selection of Mayors**

Section 2.11 of the Local Government Act 1995 is amended to only permit a local government to fill the position of Mayor or President through direction election by ratepayers.

## 2.6 ACCOUNTABILITY & TRANSPARENCY IN WORLDWIDE LOCAL GOVERNMENT

### 2.6.1 United Kingdom: Local Government Transparency Code 2015

This Code is issued to meet the Government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society. The availability of data can also open new markets for local business, the voluntary and community sectors and social enterprises to run services or manage public assets.

Three principles have guided the development of this Code:

- **demand led** – there are growing expectations that new technologies and publication of data should support transparency and accountability. It is vital that public bodies recognise the value to the public of the data they hold, understand what they hold, what their communities want and then release it in a way that allows the public, developers and the media to use it
- **open** – provision of public data should become integral to local authority engagement with local people so that it drives accountability to them. Its availability should be promoted and publicised so that residents know how to access it and how it can be used. Presentation should be helpful and accessible to local people and other interested persons, and
- **timely** – the timeliness of making public data available is often of vital importance. It should be made public as soon as possible following production even if it is not accompanied with detailed analysis.

This Code ensures local people can now see and access data covering (annex A summarises the publication requirements specified in this Code):

- **how money is spent** – for example, all spending transactions over £500, all Government Procurement Card spending and contracts valued over £5,000
- **use of assets** – ensuring that local people are able to scrutinise how well their local authority manages its assets<sup>5</sup>. For example, self-financing for council housing – introduced in April 2012 – gave each local authority a level of debt it could support based on the valuation of its housing stock. This Code gives local people the information they need to ask questions about how their authority is managing its housing stock to ensure it is put to best use, including considering whether higher value, vacant properties could be used to fund the building of new affordable homes and so reduce waiting lists. The requirement in paragraphs 38 to 41 builds on existing Housing Revenue Account practices
- **decision making** – how decisions are taken and who is taking them, including how much senior staff are paid, and
- **issues important to local people** – for example, parking and the amount spent by an authority subsidising trade union activity.

### 2.6.2 Victoria: Local Government Act 2020

Victoria is introducing a new Local Government Act. Included in the Act will be the requirement for a Transparency Policy, a draft of which is contained in Appendix 4, and a Community Engagement Policy that is required to support the Transparency Policy.

The new Act will be based on five principles:

### **Community Engagement**

This principle aims to ensure all Victorians have the opportunity to engage with their council on the future of their community. At a minimum, all councils must adopt and maintain a community engagement policy which must be used in the development of:

- planning and financial management
- community vision
- council plan
- financial plan

### **Strategic Planning**

The Local Government Act 2020 requires councils to develop an integrated, longer-term and transparent approach to planning that supports councillors in leading strategically, rather than focusing on operational issues.

The strategic planning principle works together with the community engagement principle to ensure that communities are involved in strategic planning and decision making.

### **Financial Management**

A significant percentage of a council's revenue comes from rates, and the community has expectations that these rates will be used to deliver an array of services and infrastructure. It is vital that councils undertake responsible spending and investment that ensures financial, social and environmental sustainability.

The new Local Government Act 2020 is also intended to create a legislative environment that embraces innovation, modern business practices and microeconomic reform.

### **Public Transparency**

Openness, accountability and honesty are essential to build high levels of accountability and trust amongst citizens and enable fully informed engagement in the democratic process.

Councils will be required to adopt and maintain a public transparency policy, which must be in line with underpinning principles in the Act.

### **Service Performance**

This principle ensure that councils deliver services to the community that are equitable, accessible, good value and meet the needs of their diverse communities.

## **2.7 ACCOUNTABILITY & TRANSPARENCY IN OTHER JURISDICTIONS**

### **2.7.1 Public Sector Commission**

Agencies are responsible for their own governance systems, structures and approaches, which must be consistent with any applicable legislation. Governance arrangements need to be fit for purpose, and consider the 'type' of public sector agency and its business context. Considerations may include its size, risk profile and type of business the agency conducts.

Agencies should have balanced processes that are efficient and enforce accountability.

This guide has nine governance principles to help agencies:

- apply appropriate governance systems and structures
- meet accountability obligations
- achieve a high level of organisational performance.

#### **Principle 1: Government and public sector relationship**

The agency's relationship with the government is clear.

#### **Principle 2: Management and oversight**

The agency's management has clear oversight and accountability and clearly defined responsibilities.

#### **Principle 3: Organisational structure**

The agency's structure serves its operations.

#### **Principle 4: Operations**

The agency plans its operations to achieve its goals.

#### **Principle 5: Ethics and integrity**

Ethics and integrity are embedded in the agency's values and operations.

#### **Principle 6: People**

The agency's leadership in people management contributes to individual and organisational achievements.

#### **Principle 7: Finance**

The agency safeguards financial integrity and accountability.

#### **Principle 8: Communication**

The agency communicates with all parties in a way that is accessible, open and responsive.

#### **Principle 9: Risk management**

The agency identifies and manages its risks.

## 2.7.2 Office of the Information Commissioner

Information Commissioners and Ombudsmen across Australia oversight and promote citizens' rights to access government-held information and have powers to review agency decisions under the applicable right to information (RTI) legislation. Beyond formal rights of access, the proactive disclosure of government-held information promotes open government and advances our system of representative democracy i.

All Australian Governments (Commonwealth, State, Territory, and Local) and public institutions are strongly encouraged to commit to being Open by Design by building a culture of transparency and by prioritising, promoting and resourcing proactive disclosure.

These principles recognise that:

1. information held by government and public institutions is a public resource and, to the greatest extent possible, should be published promptly and proactively at the lowest reasonable cost, without the need for a formal access request, and
2. a culture of transparency within government is everyone's responsibility requiring action by all public sector leaders and officers to encourage and support the proactive disclosure of information, and
3. appropriate, prompt and proactive disclosure of government-held information:
  - **informs community** – proactive disclosure leads to a more informed community, and awareness raising of government and public institutions' strategic intentions and initiatives, driving innovation and improving standards. Transparent and coherent public communication can also address misinformation
  - **increases participation and enhances decision-making** – proactive disclosure increases citizen participation in government processes and promotes better informed decision-making through increased scrutiny, discussion, comment and review of government and public institutions' decisions
  - **builds trust and confidence** – proactive disclosure enhances public sector accountability and integrity, builds public trust and confidence in decision-making by government and public institutions and strengthens principles of liberal democracy
  - **improves service delivery** – proactive disclosure improves service delivery by providing access to information faster and more easily than formal access regimes, providing the opportunity to decide when and how information is provided, and to contextualise and explain information
  - **is required or permitted by law** – proactive disclosure is mandated, permitted, or protected by law in all Australian States and Territories and the Commonwealth
  - **improves efficiency** – proactive disclosure reduces the administrative burden on departments and agencies and the need for citizens to make a formal information access request.

## 2.8 COUNCILLOR PROPOSED INITIATIVES

| Source & Transparency Option   | Estimated Resource Required  | CEO Comment   |   |
|--|--|---|---|
| Cr David Dewar   |  |   |   |
| Clear Rating Information   | 2 days – 1 week per year.  | Work has been done to try and improve the simplicity of rates & budget reporting. The main issue is not so much the time it takes, but with a limited finance & executive staff, the people involved in making the information available are also involved in developing the budget. As Council and staff get better at strategic planning, the budget process will become less time consuming which may increase available time. | # |
| Simplified Budgeting, Accounting & Auditing Documentation                                  | This will depend on the potential integration with current statement production and how different statements are produced. | Work has been done to simplify these statements, however regulations determine the minimum standards for the statements so any simplification will be on top of the statements already produced.  | # |
| Council Expenditure Policy   | Only time to set up the policy. (1-2 days)   | This could be added to a policy, however a willingness to adhere to the policy and a culture from Council of doing so, it would likely result in little change.   | # |
| Cr Carmel Ross   |  |   |   |
| Publish the LPS on the website   | 0.5 days per year  | There is currently a link through to the Planning Scheme located on the Department of Planning Website. Hosting the documents with other transparency initiatives may make it more visible.   | # |
| Improve accountability and transparency by having more information available to the public | Dependent on the level of information provided.  | This ties in with other suggestions.  | # |

(\*) Elements that would be incorporated in a public value approach

(#) These items could fit into a 'Transparency Portal'

## 3 APPENDICES

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### 3.1 APPENDIX 1 - PROJECT PLAN

1. Draft Discussion Paper Development – Chief Executive Officer – December 2021  
A Draft Discussion Paper is developed providing details of the project plan and an outline of the discussion paper.
2. Draft Discussion Paper Acceptance – Council – December 2021  
The Draft Project Plan and Discussion Paper is put the December 2021 Ordinary Meeting of Council for acceptance by Council.
3. Discussion Paper Councillor Input – Councillors – January 2022  
Councillors are requested to provide further input into the Discussion Paper that is being prepared for the Council Workshop. This allows assurance that discussion at the Workshop covers all topics that Council believe are important for the discussion.
4. Discussion Paper Finalisation – Chief Executive Officer – January 2022  
The Discussion Paper is finalised. The discussion paper is to contain background on relevant topics, potential initiatives, resources required for implementation and further background reading.
5. Workshop – Shire President – February 2022  
A workshop is held to allow Council to discuss the Transparency Project. Prioritisation and rejection of initiatives may be undertaken.
6. Community Engagement – Chief Executive Officer – March/April 2022  
Community engagement is undertaken through a minimum of Community Advisory Forums and Surveys. Community engagement includes the provision of information for the public to make a proper assessment of initiatives.
7. Community Engagement Summary – April 2022  
A summary of the Community Engagement is prepared and presented to Council.
8. Workshop – Shire President – May 2022  
A workshop is held to discuss the Transparency Project and the Community Engagement Summary.
9. Council Transparency Initiatives Adoption – May 2022  
Council adopt a plan for undertaking Transparency Initiatives. Resourcing can then be provided through the budget process.

## **3.2 APPENDIX 2 – LINKS TO REFERENCE MATERIAL**

### **Trust**

Effects of Transparency on the Perceived Trustworthiness of a Government Organization: Evidence from an Online Experiment

<https://academic.oup.com/jpart/article/24/1/137/916830>

Transparency In Public Administration

<https://oxfordre.com/politics/view/10.1093/acrefore/9780190228637.001.0001/acrefore-9780190228637-e-1404#acrefore-9780190228637-e-1404-div1-5>

Government Finance Officers Association- Transparency: A Means To Improving Citizen Trust In Government

<https://www.gfoa.org/materials/transparency-a-means-to-improving-citizen-trust>

### **Accountability**

Public Value Scorecard

<http://www.atlas101.ca/pm/concepts/public-value-scorecard/>

<http://www.atlas101.ca/pm/concepts/public-value-account/>

<https://localgovernmentutopia.com/2015/02/16/accountability-in-local-government-who-are-we-really-accountable-to-and-why-does-it-matter/>

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=402880](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=402880)

### **Accountability & Transparency In Western Australian Local Government**

Local Government Act Reform Package

<https://www.dlgsc.wa.gov.au/department/publications/publication/local-government-reform>

Local Government Review Panel

<https://www.dlgsc.wa.gov.au/department/publications/publication/local-government-review-panel-final-report>

Select Committee Report Into Local Government

[https://www.parliament.wa.gov.au/Parliament/commit.nsf/\(Report+Lookup+by+Com+ID\)/D0945E0944747068482585EA001F7481/\\$file/lo.lgi.200922.rpf.001.xx.002.002.pdf](https://www.parliament.wa.gov.au/Parliament/commit.nsf/(Report+Lookup+by+Com+ID)/D0945E0944747068482585EA001F7481/$file/lo.lgi.200922.rpf.001.xx.002.002.pdf)

City of Vincent "Raising the Bar: New Transparency Reforms for WA Local Government"

<https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Documents/News/Discussion Paper Raising the Bar - New Transparency Reforms for WA Local Government.pdf>

## **Accountability & Transparency In Worldwide Local Governemnt**

United Kingdom: "Local Government Transparency Code 2015"

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/408386/150227\\_PUBLICATION\\_Final\\_LGTC\\_2015.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/408386/150227_PUBLICATION_Final_LGTC_2015.pdf)

Victoria: Local Government Act 2020

<https://www.localgovernment.vic.gov.au/council-governance/local-government-act-2020/principles-of-the-local-government-act-2020>

Implementation Guidance

<https://www.localgovernment.vic.gov.au/council-governance/local-government-act-2020/local-government-act-2020-implementation-guidance>

Public Transparency

<https://engage.vic.gov.au/index.php?cID=3692>

Community Engagement Policy

<https://engage.vic.gov.au/local-government-act-2020/community-engagement-workshop-feedback-themes>

## **Accountability & Transparency In Other Jurisdictions**

Public Sector Commission

<https://www.wa.gov.au/government/publications/good-governance-public-sector-agencies>

Office of the Information Commissioner: Statement of Principles

<https://www.oic.wa.gov.au/en-us/Useful-Resources/Open-Government/Open-by-Design-Principles>

### **3.3 APPENDIX 3 - VICTORIA: LOCAL GOVERNMENT ACT 2020 – PRINCIPLES OF COMMUNITY ENGAGEMENT**

The Local Government Act 2020 is a principles-based Act, removing unnecessary regulatory and legislative prescription.

#### **Community engagement**

The Local Government Act 2020 ("the Act") has, at its core, the aim of ensuring all Victorians have the opportunity to engage with their council on local priorities and the future of their community.

As the level of government closest to the community, councils have both the opportunity and the responsibility to enable participatory democracy. Many citizens now want a stronger voice in shaping their community's future. Community support for and involvement in consultation is only likely to intensify in coming years as technological advances provide a greater range of tools to enable engagement across a broader audience in each municipality.

Community engagement seeks to better engage the community to achieve long-term and sustainable outcomes, processes, relationships, discourse, decision-making, or implementation. To be successful, it must encompass strategies and processes that are sensitive to the community-context in which it occurs.

The principles for community engagement refer to deliberative engagement practices (s.55(2)(g)). The Act does not prescribe what are deliberative engagement practices, however a broad interpretation should be taken. The key characteristics of deliberative engagement are considered to be: authentic engagement with the community; good representation of the community in engagement activities; clear demonstration of how all views have been considered; accessible and relevant information available to the community to ensure the decision-making process and the community's level of influence is clear in each instance and that participants are fully informed. Transparency is key to an effective process.

The process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest, or similar situations to address issues affecting the well-being of those people is a powerful vehicle for bringing about positive change that a community is invested in. It often involves partnerships and coalitions that help mobilise resources and influence systems, change relationships among partners, and serve as a catalyst for changing policies, programs, and practices.

Community engagement encompasses a range of practices and processes, from a simple online poll, through to elaborate citizen juries. The Act does not define any type of community engagement that councils must employ; however it does ensure that, at a minimum, a council use and deliberative engagement practices in developing certain documents and processes, including strategic and financial plans.

Community engagement, when well-planned and genuine, can be a positive and productive practice. The intent of the Act is to encourage this by assisting councils to

build capacity in deliberative engagement and for it to become usual practice, rather than an exceptional exercise.

### **What it means**

The Act says that a council must adopt and maintain a community engagement policy. The policy must, amongst other things, be developed in consultation with the community and give effect to the community engagement principles listed in the Act.

Section 56 of the Act lists the principles:

- a community engagement process must have a clearly defined objective and scope;
- participants in community engagement must have access to objective, relevant and timely information to inform their participation;
- participants in community engagement must be representative of the persons and groups affected by the matter that is the subject of the community engagement;
- participants in community engagement are entitled to reasonable support to enable meaningful and informed engagement;
- participants in community engagement are informed of the ways in which the community engagement process will influence Council decision making.

### **Expectation**

Councils must, at a minimum, apply their community engagement policy in the development of the following:

- planning and financial management
- community vision
- council plan
- financial plan
- revenue and rating planning
- asset plan

Many other council requirements, under this Act and other legislation, would benefit from councils considering the use of deliberative engagement activities.

When applying deliberative engagement practices in the development of council plans, documents, policies and procedures, councils should also be aware that all principles within the Act should also be applied, where relevant. For example, financial management, public transparency, strategic planning and service performance principles must also be considered.

### 3.4 APPENDIX 4 – VICTORIA DRAFT PUBLIC TRANSPARENCY POLICY

#### DRAFT PUBLIC TRANSPARENCY POLICY

##### PURPOSE

This policy supports Council in its ongoing drive for good governance, open and accountable conduct and the public availability of council information. The *Local Government Act 2020* (the Act) requires Council to adopt and maintain a public transparency policy (section 57). This policy gives effect to the Public Transparency Principles outlined in section 58 of the Act.

##### OBJECTIVES

The objective of Council's Public Transparency Policy is to formalise its support for transparency in its decision-making processes and the public awareness of the availability of Council information. This policy promotes:

- a) greater clarity in Council's decision-making processes;
- b) increased confidence and trust in the community through greater understanding and awareness;
- c) enhanced decision making by the community;
- d) improved Council performance;
- e) access to information that is current, easily accessible and disseminated in a timely manner;
- f) reassurance to the community that Council is spending public monies wisely.

This policy describes what council information is, information on transparency processes and how information will be made available to the public. It is an integral part of council's Good Governance Framework.

##### SCOPE

This policy applies to Councillors and Council staff of the Council.

##### DEFINITIONS

For the purposes of this policy, Council adopts the following definitions:

**Community** Community is a flexible term used to define groups of connected people. We use it to describe people of a municipality generally, including individuals or groups who live, work, play, study, visit, invest in or pass through the municipality.

More specifically, it can refer to everyone affiliated with the municipality, or smaller groups defined by interest, identity or location, and not necessarily homogenous in composition or views. Different types of communities often overlap and extend beyond municipal boundaries. Communities may be structured, as in clubs or associations or unstructured, such as teens. Communities are flexible and temporary, subject individual identity and location

|                             |  |
|-----------------------------|--|
| <b>Consultation</b>         | The process of seeking input on a matter.  |
| <b>Public</b>               | This definition should be drawn from your Community Engagement Policy.<br>Public   |
| <b>Participation</b>        | participation encompasses a range of public involvement, from simply informing people about what government is doing, to delegating decisions to the public and community activity addressing the common good.   |
| <b>Stakeholder</b>          | An individual or group with a strong interest in the decisions of Council and are directly impacted by their outcomes.   |
| <b>Closed Meetings</b>      | When Council resolves to close a meeting to the general public in order to consider a confidential matter regarding issues of a legal, contractual or personnel nature and other issues deemed not in the public interest.   |
| <b>Transparency</b>         | A lack of hidden agendas or conditions, and the availability of all information needed in order to collaborate, cooperate and make decisions effectively. Importantly, "transparency" is also human rights issue: the right to have the opportunity, without discrimination, to participate in public affairs (s.58 of The Act).   |
| <b>Public Interest Test</b> | Council may refuse to release information if it determines that the harm likely to be created by releasing the information will exceed the public benefit in being transparent. When considering possible harm from releasing information, the Council will only concern itself with harm to the community or members of the community. Potential harm to the Council will only be a factor if it would also damage the community, such as where it involves a loss of public funds or prevents the council from performing its functions. |

## **WHAT WILL COUNCIL BE TRANSPARENT WITH**

### **Decision Making at Council Meetings**

- Will be undertaken in accordance with the Act and the Governance Rules.
- Will be conducted in an open and transparent forum, unless in accordance with the provisions in the Act and Governance Rules.
- Will be informed through community engagement, in accordance with the Community Engagement Principles and the Community Engagement Policy.
- Will be made fairly and, on its merits, and where any person whose rights will be directly affected by a decision of the Council will be entitled to communicate their views and have their interests considered.

### **Council Information**

This information includes but is not limited to:

**Process information** such as:

- Practice notes and operating procedures;
- Application processes for approvals, permits, grants, access to Council services;
- Decision making processes;
- Guidelines and manuals;
- Community engagement processes;
- Complaints handling processes.

**Council records** will, at a minimum, be available on Council's website:

- Council meeting agendas;
- Reporting to Council;
- Minutes of Council meetings;
- Reporting from Advisory Committees to Council through reporting to Council;
- Audit and Risk Committee Performance Reporting;
- Terms of reference or charters for Advisory Committees;
- Registers of gifts, benefits and hospitality offered to Councillors or Council Staff;
- Registers of travel undertaken by Councillors or Council Staff;
- Registers of Conflicts of Interest disclosed by Councillors or Council Staff;
- Submissions made by Council;
- Registers of donations and grants made by Council;
- Registers of leases entered into by Council, as lessor and lessee;
- Register of Delegations;
- Register of Authorised officers;
- Register of Election campaign donations.
- Summary of Personal Interests
- Any other Registers or Records required by legislation or determined to be in the public interest.

Consistent with the Part II statement, Council will make available the following records for inspection. Examples include but are not limited to:

- Summary of Personal Interests ('Register of interests' until 24 October 2020); and
- Submissions received under section 223 of the Local Government Act 1989 until its repeal or received through a community engagement process undertaken by Council.

## PUBLICATIONS

Council publishes a range of newsletters, reports and handbooks for residents, businesses and visitors to council. You can download them from the website or call Council for a copy. Some of these publications are available at Council's libraries.

## ACCESS TO INFORMATION

- Information will be made available on the Council website, open data, at Council offices, or by request.
- Consideration will be given to accessibility and cultural requirements in accordance with the *Charter of Human Rights and Responsibilities Act 2006*.
- Consideration will be given to confidentiality in accordance with the Act and public interest test where appropriate.
- Council will respond to requests for information in alignment with the Act including the Public Transparency Principles, and this policy.

## INFORMATION NOT AVAILABLE

Some Council information may not be made publicly available. This will only occur if the information is confidential information or if its release would be contrary to the public interest or in compliance with the *Privacy and Data Protection Act 2014*.

"Confidential information" is defined in section 3 of the *Local Government Act 2020*. It includes the types of information listed in the following table.

| Type  | Description  |
|---|--|
| Council business information                      | Information that would prejudice the Council's position in commercial negotiations if prematurely released.  |
| Security information                              | Information that is likely to endanger the security of Council property or the safety of any person if released.   |
| Land use planning information                     | Information that is likely to encourage speculation in land values if prematurely released.  |
| Law enforcement information                       | Information which would be reasonably likely to prejudice the investigation into an alleged breach of the law or the fair trial or hearing of any person if released.  |
| Legal privileged information                      | Information to which legal professional privilege or client legal privilege applies.   |
| Personal information                              | Information which would result in the unreasonable disclosure of information about any person or their personal affairs if released.   |
| Private commercial information                    | Information provided by a business, commercial or financial undertaking that relates to trade secrets or that would unreasonably expose the business, commercial or financial undertaking to disadvantage if released. |
| Confidential meeting information                  | Records of a Council and delegated committee meetings that are closed to the public to consider confidential information   |
| Internal arbitration information                  | Confidential information relating internal arbitration about an alleged breach of the councillor code of conduct.  |
| Councillor Conduct Panel confidential information | Confidential information relating to a Councillor Conduct Panel matter   |
| Confidential information under the 1989 Act       | Information that was confidential information for the purposes of section 77 of the <i>Local Government Act 1989</i>   |

The Council may decide, in the interests of transparency, to release information to the public even though it is confidential under the Act. However, this will not happen if release is contrary to law or if releasing the information is likely to cause harm to any person or is not in the public interest to do so.

Where information is not confidential, and not already available, Council will apply the principles of a public interest test with consideration also of the resources required to respond to the request.

## RESPONSIBILITIES

| Party/parties             | Roles and responsibilities  | Timelines |
|---------------------------|---|-----------|
| Council                   | Champion the commitment and principles for public transparency through leadership, modelling practice and decision-making.  | Ongoing   |
| Executive Management Team | Champion behaviours that foster transparency and drive the principles through policy, process and leadership.<br>Monitor implementation of this policy.   | Ongoing   |
| Senior Management Team    | Manage areas of responsibility to ensure public transparency, good governance and community engagement is consistent with this policy.  | Ongoing   |
| All Staff                 | Public transparency is the responsibility of all employees as appropriate to their role and function.<br>All staff respond to requests for information and facilitate provision of information in consultation with their manager and in alignment with the Policy. | Ongoing   |
| Manager Governance        | To monitor implementation of this policy and conduct periodic reviews to drive continuous improvement.  | Ongoing   |
| Unit Manager Governance   | To monitor implementation of this policy and conduct periodic reviews to drive continuous improvement.  | Ongoing   |

## HUMAN RIGHTS CHARTER

This policy has been reviewed against and complies with section 13 of the *Charter of Human Rights and Responsibilities Act 2006*, as this Policy aligns with and provides for the protection of an individual's right not to have their privacy unlawfully or arbitrarily interfered with. It is also in line with section 18 which recognises a person's right to participate in the conduct of public affairs.

## NON-COMPLIANCE WITH THIS POLICY

If a member of the community wishes to question a decision about the release of information, this should be raised directly with the officer handling the matter in the

first instance. If still not satisfied and would like to contest the decision, this can be reported to the (designate an officer such as the officer responsible for FOI in council).

If not satisfied with Council's response, the concerns can be raised directly with the Victorian Ombudsman's office on (03) 9613 6222. or via the website – www.ombudsman.vic.gov.au.

## **OTHER WAYS TO ACCESS INFORMATION**

The *Freedom of Information Act 1982* gives you right of access to documents that Council hold. Council is committed to, where possible, proactive and informal release of information in accordance with the Freedom of Information Professional Standards issued by the Victorian Information Commissioner. Read more at www.ovic.vic.gov.au.

A list of available information is provided in the Part II Statement (the Statement) published on Council's website in accordance the Freedom of Information Act 1982. This Statement requires government agencies and local councils to publish a number of statements designed to assist members of the public in accessing the information it holds.

If you can't find the information you require, call us directly so we may assist you.

## **MONITORING, EVALUATION AND REVIEW**

Council commits to monitoring processes, information sharing and decision making to understand the overall level of success in the Policy's implementation.

A periodic review of this policy will be undertaken to ensure any changes required to strengthen or update the policy are made in a timely manner.

## **RELATED POLICIES & LEGISLATION**

Council's:

- Governance Rules
- Public Transparency Principles
- Governance Framework (Template available from LGV if required based on Geelong model)
- Community Engagement Policy
- Information Privacy Policy
- Health Records Policy
- Information Rights Policy
- Open Data Policy

*Charter of Human Rights and Responsibilities Act 2006*

*Freedom of Information Act 1982*

*Local Government Act 2020*

*Local Government Act 1989*

*Privacy and Data Protection Act 2014*

*Equal Opportunity Act 2010.*

**INTERNAL USE ONLY**

REVIEW

Responsible Manager:           Manager Governance

Date Adopted:                    August 2020

Date of Next Review:            August 2024

### 3.5 APPENDIX 5 - ADDITIONAL READINGS

Restoring public trust in government: Ken Smith

[https://www.anzsog.edu.au/resource-library/news-media/restoring-public-trust-ken-smith/?searchword=transparency&\\_content-type=Resource+Library&published\\_date%5B%5D=&published\\_date%5B%5D=&resource-library=&ordering=relevance+ASC&searchmodule=131&limitstart=36](https://www.anzsog.edu.au/resource-library/news-media/restoring-public-trust-ken-smith/?searchword=transparency&_content-type=Resource+Library&published_date%5B%5D=&published_date%5B%5D=&resource-library=&ordering=relevance+ASC&searchmodule=131&limitstart=36)

A matter of trust: how public servants can restore faith in democracy

[https://www.anzsog.edu.au/resource-library/thought-leadership/a-matter-of-trust-restoring-faith-in-democracy/?searchword=transparency&\\_content-type=Resource+Library&published\\_date%5B%5D=&published\\_date%5B%5D=&resource-library=&ordering=relevance+ASC&searchmodule=131&limitstart=12](https://www.anzsog.edu.au/resource-library/thought-leadership/a-matter-of-trust-restoring-faith-in-democracy/?searchword=transparency&_content-type=Resource+Library&published_date%5B%5D=&published_date%5B%5D=&resource-library=&ordering=relevance+ASC&searchmodule=131&limitstart=12)

Public Value Scorecard

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=402880](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=402880)

<https://deliverypdf.ssrn.com/delivery.php?ID=080024092024097109125099098121088110000078062093055026025126006111119091058118001016110008044117123093073124001007005023007053089027074030074075097067113064006080034092068027094083081097077067123093090023000030112093091086083022079087124101113&EXT=pdf&INDEX=TRUE>

<https://localgovernmentutopia.com/2015/02/23/38-applying-the-public-value-scorecard-in-local-government-services-part-1/>

<https://localgovernmentutopia.com/2015/02/23/39-applying-the-public-value-scorecard-in-local-government-services-part-2/>

<https://localgovernmentutopia.com/2015/02/16/accountability-in-local-government-who-are-we-really-accountable-to-and-why-does-it-matter/>

<https://localgovernmentutopia.com/2015/10/26/186-essay-no-1-local-government-and-accountability/>

<https://localgovernmentutopia.com/2016/01/26/198-essay-no-5-local-government-and-leadership/#more-1913>

<http://www.atlas101.ca/pm/concepts/operational-management/>

Community Engagement

<https://www.iap2.org.au/resources/spectrum/>

<https://www.oecd.org/gov/innovative-citizen-participation-and-new-democratic-institutions-339306da-en.htm>

<https://www.oecd.org/gov/open-government/good-practice-principles-for-deliberative-processes-for-public-decision-making.pdf>