

# Performance Improvement Direction

## No. 3

Imposed under Part 12B, section 214M of the  
*Local Government Act 1993*

I, Mark David Shelton, Minister for Local Government:

- having considered the recommendation of the Director of Local Government under section 214L of the Act;
- having considered the submissions made under section 214N(1)(e) of the *Local Government Act 1993* (the Act); and
- being satisfied that it is appropriate to issue this Performance Improvement Direction -

hereby issue this Performance Improvement Direction to:

**the Glamorgan-Spring Bay Council (the Council)**

This Performance Improvement Direction is made on the grounds described in Schedule 1.

The Council is required to take the actions described in Schedule 2 and Schedule 3.

If the Council fails to comply with this Performance Improvement Direction I may exercise the measure(s) described in Schedule 4.

This Performance Improvement Direction takes effect from the date upon which it is served, care of registered post.



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The Honourable Mark Shelton MP  
**Minister for Local Government**

Dated: 22-7-2020

## Schedule I – Grounds for the Issue of a Performance Improvement Direction

No.	Grounds
1	<p>The Council has not complied with the <i>Local Government Act 1993</i> (the Act), as follows:</p> <p>A. In breach of sections 70(3)(c), 70A(2)(b), 70B(2), 70C(2)(d), 70D(2)(b) of the Act, Council has failed to include all required matters specified in the <i>Local Government (Contents of Plans and Strategies) Order 2014</i> (made pursuant to section 70F of the Act) in the following plans and strategies:</p> <ul style="list-style-type: none"> <li>○ its Long-Term Financial Management Plan;</li> <li>○ its Financial Management Strategy;</li> <li>○ its Long-Term Strategic Asset Management Plan;</li> <li>○ its Asset Management Policy; and</li> <li>○ its Asset Management Strategy;</li> </ul> <p>B. Council has failed to review the following plans and strategies in accordance with section 70E(1) of the Act:</p> <ul style="list-style-type: none"> <li>○ its Long-Term Financial Management Plan;</li> <li>○ its Financial Management Strategy;</li> <li>○ its Long-Term Strategic Asset Management Plan; and</li> <li>○ its Asset Management Strategy.</li> </ul>

No.	Particulars
1	<p>A. <u>Long-Term Financial Management Plan, section 70</u></p> <p>The Council adopted a <u>Long-Term Financial Management Plan</u> in 2013 but it has not been reviewed at least every four years in accordance with section 70E of the Act. The Plan is a copy of a spreadsheet and does not include all the matters required to be included by section 70 of the Act and clause 5 of the <i>Local Government (Contents of Plans and Strategies) Order 2014</i> (the Order);</p> <p>B. <u>Financial Management Strategy, section 70A</u></p> <p>The Council adopted a <u>Long-Term Financial Strategy</u> in 2015, which appears to be intended to be the Financial Management Strategy as required under section 70A of the Act. The Strategy was due to be reviewed in 2019 to meet the four-yearly review requirement in accordance with section 70E of the Act. The current Strategy does not appear to satisfy all of the requirements of section 70A of the Act and clause 6 of the Order;</p> <p>C. <u>Long-Term Strategic Asset Management Plan, section 70B</u></p> <p>The Council adopted a <u>Transport Infrastructure Asset Management Plan</u> in 2014, which appears to be intended to be the Long-Term Strategic Asset Management Plan, as required under section 70B of the Act. In breach of section 70B(2) of the Act it fails to relate to all major assets that are within a class of assets specified in the Order (clause 4) to be major assets (it should not be limited to only transport assets). The Plan has not been reviewed at least every four years in accordance with section 70E of the Act;</p> <p>D. <u>Asset Management Policy, section 70C</u></p> <p>The Council most recently adopted an <u>Asset Management Policy</u> on 28 April 2020. In breach of section 70C(2)(d) of the Act, the Policy does not appear to include all matters that are specified in clause 8 of the Order;</p> <p>E. <u>Asset Management Strategy, section 70D</u></p> <p>The Council adopted an <u>Asset Management Strategy</u> in 2014 with a review date of June 2018, but the review has not been conducted as required by section 70E of the Act. In breach of section 70D(2)(b) of the Act, the Strategy does not appear to satisfy all of the elements of clause 9 of the Order.</p>

## Schedule 2 – Action(s) required for improved performance (section 214M)

The Council must take the actions specified in column 2 of the following table, within the time limited for that action under column 3:

No.	Description of Actions	Timeframe
1	<p>That Council ensures that it is compliant with Part 7, Division 2 (<i>Plans and Reports</i>) of the Act and that it specifically ensures that it prepares and maintains a compliant:</p> <ul style="list-style-type: none"> <li>• Long-Term Financial Management Plan;</li> <li>• Financial Management Strategy;</li> <li>• Long-Term Strategic Asset Management Plan;</li> <li>• Asset Management Policy; and</li> <li>• Asset Management Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Direction 1 must be fully satisfied by 31 March 2021.</li> <li>• Milestones for satisfaction of Action 1 must be achieved in accordance with the Milestone Plan in Schedule 3.</li> </ul>

## Schedule 3 - Reporting Requirements (section 214M(3)(b))

### **Progress Reports**

The Council is required to provide written progress reports detailing the following:

1. Steps it has taken to progress actions under Schedule 2; and
2. Current status on each of the actions described under Schedule 2 (whether it has fully or substantially complied, or is yet to comply); and
3. Evidence supporting the progress of actions under Schedule 2; and
4. Future steps it will take to continue to progress actions under Schedule 2; and
5. An assessment as to whether it believes it will complete all actions under Schedule 2 within the timeframe imposed under Schedule 3.

### **Dates for Progress Reports**

The Council will be required to provide written, up-to-date progress reports to the parties below on each of the following dates:

1. by 5.00pm on the last day of every second calendar month after the date of this Performance Improvement Direction, until the actions required under Schedule 2 are satisfied; and
2. as otherwise requested by the Director of Local Government.

### **Parties to receive Progress Reports**

The Council will be required to provide a copy of the progress reports to the following parties (the Recipients):

1. The Minister for Local Government; and
2. The Director of Local Government.

### **Making Progress Reports publicly available**

The Council will be required to ensure that the progress reports are available to the public upon its website within 14 days from the date that they are provided to the Recipients.

### **Milestone Plan**

Within three weeks of the date upon which this Performance Improvement Direction is served, Council is to provide to the Recipients a Milestone Plan including the following:

1. a project schedule for the delivery of the actions required under Schedule 2; and
2. a summary of the proposed milestones to be completed by the date of each Progress Report.

### **Telephone Report**

The General Manager must telephone the Director of Local Government by 5:00pm on the last working day before the end of every calendar month, to provide a verbal update on the progress of actions under Schedule 2.

## Schedule 4 – Consequences for non-compliance (section 214O)

Should the Council fail to comply with any of the requirements of this Performance Improvement Direction, I may exercise any or all of the following powers:

No.	Sanction
1	Suspend any or all councillors from the office of councillor for a period not exceeding 6 months.
2	Establish a Local Government Board of Review to commence a specific or general review of the Council.
3	Establish a Board of Inquiry to commence an investigation into the activities of the Council.