

**STANDING COMMITTEE ON
ENVIRONMENT AND PUBLIC AFFAIRS**

LOCAL GOVERNMENT AMENDMENT BILL (NO. 2) 2006

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
MONDAY, 15 JANUARY 2007**

SESSION THREE

Members

**Hon Louise Pratt (Chair)
Hon Bruce Donaldson (Deputy Chairman)
Hon Kate Doust
Hon Paul Llewellyn
Hon Robyn McSweeney**

Hearing commenced at 2.04 pm**LUMSDEN, MR ERIC****Chief Executive Officer, City of Melville examined:**

CHAIR: Welcome, Mr Lumsden. On behalf of the committee I would like to welcome you to this meeting. To begin with, please state the capacity in which you appear before the committee?

Mr Lumsden: I am the Chief Executive Officer of the City of Melville, and prior to that, the City of Swan. I appear as President of the Local Government Managers Association of Western Australia.

CHAIR: You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

Mr Lumsden: Yes, I have; thank you, Madam Chair.

CHAIR: These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, I ask you to quote the full title of any document you refer to during the course of this hearing, for the record; to be aware of the microphones, and to try to talk into them. Ensure that you do not cover them with papers or make noise near them.

Mr Lumsden: Thank you, Madam Chair. I have taken the liberty of circulating to you two documents; one is our submission from the association to your standing committee, and the second is a publication from *Statewide*, which refers to proportional representation - a South Australian perspective on page 4 and 5. They are the only documents I will be referring to.

CHAIR: Great, thank you. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. Premature publication or disclosure of your evidence might constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege.

Mr Lumsden: Thank you.

CHAIR: Would you like to make an opening statement to the committee?

Mr Lumsden: Thank you, Madam Chair. I think it is fair to say that the association is concerned about the proposed change. We do not believe that the system proposed, whilst it is obviously appropriate for the upper house of Parliament, is the appropriate system for local government throughout this state, bearing in mind that there is a wide range of local governments and elections ranging from individual wards right through to perhaps the whole of council votes. They are quite significantly different in terms of numbers, electors, and people nominating than perhaps occurs in the upper house. The second point that I think is most important is that we do not believe that the community at large - which includes the whole wide-ranging and different characteristics of community, from ethnic communities to indigenous communities - would have a full appreciation of the proposed system and its complexity, whereas the first-past-the-post system is easily understood by, not only the applicants, but also by the wider community. Other issues, such as costs, may not be as relevant, but certainly arise in conjunction with timing changes and election type for the 2007 election, which has been proclaimed for October rather than May. Local governments need to not only have appropriate training on these issues, but also a full appreciation

of what is involved, bearing in mind its diversity across the state. Having said that, we do propose an alternative, which is in the submission.

Hon PAUL LLEWELLYN: I think we should take a minute to read this.

Hon BRUCE DONALDSON: Could I just ask a question?

CHAIR: Yes.

Hon BRUCE DONALDSON: Eric, what consultation, or information or submissions were you asked to provide to the Local Government Advisory Board for their inquiry, as part of that inquiry was about changes to the process of council elections?

Mr Lumsden: If I recall correctly, we received an invitation to make a submission just like any other member of the public, or any other council. In terms of discussion on the division of council itself, it endorsed the view that we would support on balance the first-past-the-post remaining, and hence the nature of our submission before you today.

Hon BRUCE DONALDSON: You have been involved with two fairly large councils; both the City of Swan and the City of Melville, which always consider themselves to be leading councils in Western Australia. Has there been any approach to the council that there are flaws within the present voting system?

[2.10 pm]

Mr Lumsden: Certainly I cannot speak for the City of Swan, but I understand that it supports the first-past-the-post system. The City of Melville strongly supports the first-past-the-post system on the basis that it believes the wider community understands it. Like many councils in the metropolitan area, the City of Melville has a large proportion of ethnic people who may or may not have a greater understanding of English than other people depending on when they arrived in Australia, and their training and education. I refer, for instance, to the Chinese community. The City of Melville has supported that approach. I also add that I was a returning officer for over 20 years from 1984 until Parliament introduced the postal voting regime. I have a good understanding of the system given my time as a returning officer and in dealing with members of the public. I have a good understanding of nominees, of those who cast their votes and of the scrutineers.

Hon BRUCE DONALDSON: Does Local Government Managers Australia have a full membership from all councils?

Mr Lumsden: Yes. It is quite extensive. In fact, our membership has been growing significantly over the past two to three years.

Hon KATE DOUST: Who are the members of your association? Does the membership comprise predominantly chief executive officers?

Mr Lumsden: There is a cross-section. The vast majority of CEOs in the state are members of the association. We also have male and female members from management and below management level. We encourage their involvement with us in terms of training and representing their views. There is quite a cross-section, because our members are records officers, planning officers, health surveyors etc.

Hon KATE DOUST: How many people are members of the association?

Mr Lumsden: Approximately 450.

CHAIR: To what extent do you think the proposed changes will impact on the management and operation of local government elections? You could answer that in a number of different ways. Indeed, many of those ways have been outlined in your submission. In terms of in-house training for local governments that run their own elections, clearly that must be conducted at arms-length from the councillors. It is incumbent on chief executive officers to conduct and oversee those fairly. What is the nature of concerns about the practice of conducting an election?

Mr Lumsden: I will answer that question in a number of ways. It is fair to say that local government managers overall breathed a sigh of relief upon the introduction of not only the first-past-the-post system, but also postal voting. Many local government CEOs who are invariably returning officers often find themselves in invidious positions not only prior to an election, but also when they have to rule, in conjunction with the scrutineers, on whether a vote is invalid. Unless other factors come into play - such as costs - there has generally been a move to use the state Electoral Commission. There is no way that I would be a returning officer in any local government operating under the proposed system. From my experience, the preferential system is bad enough. There is concern about the complexity for CEOs who are also returning officers and that in the event of costs they will stick with conducting elections in-house. They would have to be satisfied that they are across the niceties of the proposals, particularly in terms of rulings about whether votes are spoilt or invalid. You must bear in mind that under the preferential system there is a lot of case law to draw on through the Court of Disputed Returns. When I started at the City of Swan - at that stage it was the Shire of Swan - I had the privilege of drawing on the information that was passed down by past CEO Mr Reg Dawson, a well experienced local government CEO. He had a number of issues with the Court of Disputed Returns that we turned to when we needed to hand down judgments. Often CEOs who are returning officers - whether at their own council or at some other council, where that person may be acting even on behalf of the Electoral Commission - are called upon to give rulings at the request of scrutineers on behalf of a candidate. They have to know their facts. This is a new system from the way the votes will be cast to the actual counting of the votes. I would expect CEOs to be concerned that they are fully trained and in a position to defend themselves if a conflict arises in the Court of Disputed Returns.

Hon PAUL LLEWELLYN: I want to question that, because preferential elections are held in every other level of government. We run highly successful elections in complicated situations. Why is it that local governments cannot hold this type of election? Why would it be more complex and difficult?

Mr Lumsden: First of all, local governments like to be impartial. Often a CEO who is acting as a returning officer is dealing with a person who is a member of the current council and seeking re-election or with someone who is seeking election. I can assure you, notwithstanding your observations, that immense pressure is placed on CEOs by people in the electoral process prior to and during the count. That person must work with those individuals if they are elected to council. Having had first-hand experience, I can advise that that situation is often difficult. You have to rise above it. There have been instances in the past in which CEOs have been attacked -

Hon PAUL LLEWELLYN: Is it not possible to simply short-circuit that by not having CEOs as returning officers?

Mr Lumsden: Certainly I would encourage that. That is one of the reasons that many CEOs do not wish to be returning officers for their own council.

Hon PAUL LLEWELLYN: The point I am making is that the question about complexity is one issue. I do not think that it is beyond the capabilities of people to run an election based on that system, because it is done all the time. The issues of complexity and of keeping things at arms-length can be resolved relatively easily through a simple arrangement.

Mr Lumsden: I agree. However, I certainly would not encourage a CEO to be a returning officer in his own council.

Hon PAUL LLEWELLYN: I refer to your submission. I totally acknowledge that there was little consultation about this part of the bill. One comment that is made about the new system is that it will reduce voter turnout and will result in elected members who are not those most preferred by the electorate. On what basis do you make those two assertions?

Mr Lumsden: The community must receive adequate education to understand the system. It is very difficult even now to get good qualified people to stand as candidates for local government elections because of compliance issues and because of the complexities faced by councillors. As the first part of the submission states, we wish to encourage good people to stand as candidates in local government elections. It is another issue that would discourage people from embracing local government. It is fine from a state view. However, I also make the point that you are talking about a system that applies to the upper house. I cannot remember the number of seats in the upper house off-hand. There are 140-odd local governments, some of which are divided into wards. If we take on average three wards per local government, we are talking about 450-odd seats for which there are a range of candidates. There are different local governments throughout the state. It is a complex system over a vast area.

Hon PAUL LLEWELLYN: I understand that it is complex. You make the assertion that the proposed system will reduce voter turnout and will result in elected members who are not those most preferred by the electorate. What is the factual basis for that statement?

Mr Lumsden: We have anecdotal evidence, but we also make that assertion from experience. People do not understand the proposed system; however, they understand the first-past-the-post system. They might ask who is number one and who is number two, bearing in mind that they generally know, particularly in rural elections, the candidates who are standing. Then if they do not know how the system works, they either leave it blank or put in an X or involve spoilt votes.

[2.20 pm]

Hon PAUL LLEWELLYN: That is not the question I am asking. I understand that; I am simply saying that it seems more in the domain of an assertion that it will reduce voter turnout. We do not know that. Secondly, it goes on to refer to people who vote for a council on factional and political lines. What evidence do you have that that will be the case?

Mr Lumsden: Certainly, prior to first-past-the-post I am personally aware of that occurring.

Hon KATE DOUST: In what way?

Mr Lumsden: When people run as a ticket -

Hon KATE DOUST: Do they run as a ticket supported by a political party or a factional group?

Mr Lumsden: No, basically as a faction. That may be on personal lines and on political lines. We are concerned that any perception by the community that that is behind the process -

Hon KATE DOUST: It does still happen, does it not?

Mr Lumsden: It can happen, but to a lesser degree.

Hon KATE DOUST: It does happen. I am aware of that in a number of councils in my electorate.

Hon PAUL LLEWELLYN: I hear the quality and intent of your paper. I have not had a lot of time to read it. Clearly, it is just as possible to have collusion with the first-past-the-post system. There is evidence of that in other jurisdictions.

Mr Lumsden: I accept what you are saying. We are saying that we can probably never avoid that. We are saying that first-past-the-post at least minimises it to the greatest possible degree.

Hon KATE DOUST: When the decision about changing the electoral system was first made public, some comments were made by a number of local governments and a number of CEOs about how the change would impact. The minister is quoted in the *Southern Gazette* of 10 October 2006 as saying that the new system would also give single-issue candidates a better chance of being elected. Also quoted here is the Victoria Park CEO, John Bonker, who said that that was exactly the type of candidate the industry could do without and showed how inappropriate preferential voting was for the council elections. Do you agree with John Bonker's position?

Mr Lumsden: I agree in part, and I am not trying to dodge -

Hon KATE DOUST: Do you think that is a very arrogant approach to take?

Hon BRUCE DONALDSON: The minister made the statement.

Hon KATE DOUST: When I saw it, I was very concerned. I have always taken the view in a democracy that every citizen who is eligible should be able to nominate, regardless of whether they are single-issue or multi-issue candidates. I was very surprised that a CEO of a council would take that position. I was curious to know whether that was a position shared by your colleagues.

Mr Lumsden: I do not believe it is entirely a position shared by my colleagues, but I would be very quick to say that the press does not write everything we say.

Hon KATE DOUST: Really!

Mr Lumsden: I would have probably gone to some length to qualify that. Single-issue candidates have been of concern in the past. Those candidates have come on council and not been prepared to consider all the reports and other issues before them, although they are required under the act to consider issues other than just a single issue. I have seen that in the past. I will not name the council, but I was giving some presentations on town planning issues, when a person who was a candidate was a councillor and the councillor said "I can't agree with that because I stood on this issue and I will vote on that issue regardless of any argument put to me by any person or any state agency or any officer of the council." I had to advise the councillor that that was incorrect. He was putting himself - in this case it was a him - in breach of the Local Government Act and town planning legislation. Whilst he may have held that position prior to standing on council, once he became a member of the council he was bound by the appropriate laws. On a planning issue he had to consider all the facts and all the arguments rather than simply having a closed mind prior to the matter being presented to him. That was what I think Mr Bonker was trying to get at, but he probably did not put it across -

Hon KATE DOUST: - articulate it as well as he could have.

Mr Lumsden: Yes.

Hon ROBYN McSWEENEY: I think he articulated it quite well.

Hon KATE DOUST: You may have, but I do not agree with you.

Hon ROBYN McSWEENEY: I do not believe that people should be elected to councils on the basis of a single issue.

Hon KATE DOUST: At the end of the day when people are elected on the basis of supposedly single issues, if the ratepayers do not like the way they operate as representatives on council, they will vote them out next time around, will they not?

Hon ROBYN McSWEENEY: They will have to understand the system first.

Mr Lumsden: That is generally the rule of thumb we work on, yes.

CHAIR: I would not find it unusual that chief executive officers do necessarily express strong opinions about who should or should not be elected because you would need to support the council. How do you go about separating out the issues of good management and the independence of chief executive officers and other council staff, while ensuring that inappropriate relationships with councillors and/or potential candidates are transparent?

Mr Lumsden: I cannot speak for others; I can speak only for myself. I hope this would be the approach: the CEO is firstly responsible to the full council. He or she is required to give unbiased views on issues before council even though it may be sometimes advice that a councillor may not wish to hear. It must always operate that way. The CEO can certainly advise the council of the options but certainly would not advise the council to do anything that is against appropriate body

corporate view. I imagine that is a straight rule of thumb. If someone plans to stand for election, some local governments through the CEOs, either at local or regional level, will conduct forums over and above what the Department of Local Government and Regional Development will do titled "So You Want to be a Councillor". I have always made it a point to try to convey to people that, although people may have individual views when they become a council, they have a role and they may often not get their way in council; it is a collective view. Officers are there to give them advice but only up to a certain point; then it is up to them to go away. Because of the subtleties of the issue, it requires the judgment and skill to say to the councillor, "I have told you all I can tell you now; this is the issue; and I cannot help you any further." The professionalism of the officer is paramount whether it is the CEO or one of the managers in the council.

CHAIR: I have a deep respect for the chief executive officers and other council staff whom I work with. However, I notice that after many years councillors and chief executive officers tend to have good working relationships. That is a terrific thing. I wonder whether at a more subtle level - perhaps not overt - some chief executive officers and other council staff might be wary of a change in election systems by virtue of thinking that large changes might occur to the make-up of a council and that some people would be, I suppose, a little threatened by that, although not necessarily in an overt way. It is one of those issues that suddenly underplays and influences the opinions we put forward, including about not wanting to advocate or about having a very clear opinion about not changing the system.

Mr Lumsden: That has never been expressed to me. I would be disappointed as president of the association if that were the case.

CHAIR: I would not expect it to be the kind of argument that would be made overtly.

Mr Lumsden: While CEOs can have good working relationships with the council, all the members of the association strongly support democracy. We do not want to see that going backwards. We strongly want to prove the government's process and the accountability process and want more people to vote. I would love to see 100 per cent turnout because it would strengthen local government's position.

Hon KATE DOUST: Would you support compulsory voting for local government?

Mr Lumsden: Personally I would, but it is not the view of the association because it has not been tested.

CHAIR: Generally, do you find that chief executive officers adapt well when there is a large turnover of councillors on their council? Is that a big issue?

[2.30 pm]

Mr Lumsden: To be fair, it can be. Local government today is far more complex than it was 10 or 15 years ago. Even small local governments are now dealing with more strategic issues. Invariably, it is fair to say that the majority of people who become councillors suffer from shellshock. First, the workload is considerable; secondly, the compliance obligations on councillors are considerable, both individually and corporately; and, thirdly, the time a councillor must make available to be a councillor is significant. I am on the record as saying that I would not be a councillor for quids.

Hon KATE DOUST: I have read your comments about the workload of local councillors!

Mr Lumsden: I mean that sincerely. Although I do my best in my role to engage people, because I do not want to put people off, people have told me that I did not tell them beforehand about all the work that is involved in being a local councillor. They said that I should have told them. I am between a rock and a hard place. They are the issues that governments must have due regard for, and I am on the record as saying that too.

Hon BRUCE DONALDSON: If the City of Melville had no wards and its elections were held under the proportional representation system that we are debating, what would be the cost per elector of using the Electoral Commission for postal voting, for argument's sake?

Mr Lumsden: If a council did not have wards, the cost would probably be reduced, because instead of having, say, five council votes there would be only one or two, including the mayoral election. The short answer to that question is the cost would be reduced. Although the process of moving away from wards would reduce costs for some local governments, I urge caution about doing that, because from my experience there is still a need to ensure that there is adequate representation on large councils that have very large geographic areas that comprise very different types of communities, especially in the rural areas. I acknowledge that in many local governments there is a very strong community opinion that they wish to have "local representation" representing their area. There is often a resistance to move away from wards by a council and/or the community. That will depend on the area of the state. However, there is a view that people know that Mr Donaldson is representing X, Y or Z ward of such and such a council, and that is a lot easier. However, I encourage members of the community to understand that they can approach any councillor other than their ward member.

CHAIR: Do you believe that the change in the voting system will influence the direction of whether councils choose to drift into or out of a ward system?

Mr Lumsden: From the communication I have received, on balance there is an incentive to do away with wards. I emphasise that that is on balance.

Hon BRUCE DONALDSON: The first-past-the-post voting system got rid of many dummy candidates back in the old preferential days. Many people were very dissatisfied with what was going on then, particularly in some of the larger councils. Under proportional representation, if I wanted to be a candidate, I would make sure that I had about six other dummy candidates running with me. They would never admit to it, but they would be told that their preferences were to go to me. Six good friends of a candidate can help out the candidate no end to load up a ballot paper. The ability to do that currently has been significantly removed. Under the old preferential system, that was a concern.

Mr Lumsden: I cannot comment on the proposed system because I have not seen it in action. Certainly the member is correct; there is no doubt that that occurred under the preferential system. As a returning officer, I saw that happen. In fact, it occurred in one ward in the last election at my previous local government.

CHAIR: I will ask a follow-up question to Hon Bruce Donaldson's question. That outcome is likely to be influenced by whether or not people use postal voting and the manner in which people campaign to promote a ticket vote. Would you agree that it would be quite difficult to distribute tickets and have them very easily adhered to in a postal voting system?

Mr Lumsden: The postal voting system has been a major improvement. That applies to any electoral system. It is certainly an improvement in that regard. Previously under the preferential system, and also when there was in-person voting, I am aware of a number of cases whereby potential councillors hired buses and suddenly many bowling club members who had been told which way to vote showed up to vote, and they did vote as they were told to vote.

Hon ROBYN McSWEENEY: Before this bill was introduced into Parliament, were local government managers made aware that changes were going to be made?

Mr Lumsden: No. With due respect to the minister, although the Local Government Advisory Board had considered the options, the association was also aware - because the report was made public - that the board had recommended that the current system remain. There was an expectation that unless consultation took place, that would occur.

Hon BRUCE DONALDSON: I notice that in the conclusion of your submission you state that the arguments for change are weak. As the president of Local Government Managers Australia, and as one who has his finger on the pulse of what is happening across local government, has the management group ever considered or talked about what will be the benefits to individual electorates of local authorities if the proposed system is introduced? Have you either talked about, or has anybody explained to you, what will be the benefits of changing the current voting system to a proportional representation system?

Mr Lumsden: The board took the initiative to have a recent past member of the state Electoral Commission explain to us the current system. That was prior to our formulating the submission to this committee. The consensus of the board members - apart from the lack of consultation - was that the proposed system is extremely complex. We have concerns about explaining it to the community and about the administration of it, which is reflected in my submission to the committee today.

Hon BRUCE DONALDSON: Were the benefits of the change ever explained to you?

Mr Lumsden: Only by what we have seen through the minister's office; that is, the minister's press releases.

Hon KATE DOUST: I refer to your earlier comments about returning officers and how if you had your druthers, you would rather not be a returning officer. Do you want the government to take into consideration whether the returning officers for local government elections should be provided by the Electoral Commission, as they are currently for a range of other organisations in this state? That would hopefully take some pressure off the CEOs.

Mr Lumsden: Certainly that is my first preference. As a second preference - I refer back to my previous answer to Hon Paul Llewellyn - if I was approached to be a returning officer, I certainly would not agree to be a returning officer in the metropolitan region. That is mainly because local government is a small world. I know a lot of elected members throughout the state. I would like to make sure that if I were appointed a returning officer, I was seen to be as independent as possible, for not only my own perspective of self-independence, but also the benefit of the council.

Hon KATE DOUST: To provide that certainty, maybe the committee should consider whether the Electoral Commission should provide returning officers for local government elections.

Mr Lumsden: I say that because I am aware that there are people with considerable expertise in that field. CEOs do not want to be made the meat in the sandwich.

Hon KATE DOUST: If that type of change were possible, would it be acceptable to your membership?

Mr Lumsden: Without seeking a vote from the members, I believe that I can confidently say that that would be acceptable, so long as it was done voluntarily and people were not compelled to be recruited.

Hon BRUCE DONALDSON: An alternate consideration in the association's submission is that the proposed changes be deferred until the October 2009 elections if the legislation is passed through the Parliament.

[2.40 pm]

Mr Lumsden: We made that suggestion, bearing in mind that the legislation passes and training is provided. The association hopes - I am sure the government would agree - that if a new system is introduced, it is done effectively, and that the computer programs that will be required will work without fail. There have been instances with the preferential system when local governments have had their own computer systems. There are always glitches with computer systems on the night, I assure you. We would want to be satisfied on behalf of the industry that everything possible was being done to make sure that things can run smoothly and also that there is an understanding. The

last thing that any local government or government would want would be problems across the state, because that would reflect on not only the Electoral Commission and local government but also and equally the state government.

Hon BRUCE DONALDSON: We would not want an example of the transport executive and licensing information system, for argument's sake, to be running through our electoral system.

Mr Lumsden: Definitely not.

CHAIR: I very much support proportional preferential voting systems, but I am interested in your arguments on councils implementing a new voting system and at the same time having to come to grips with whether they will also introduce a postal ballot at that point, change wards and make other changes, so that councils would have quite substantial changes from one year rolling onto another without just making a holistic package of change. Looking at the short timeline that is before us, what approach would you take to attempt to meaningfully bed those kinds of issues down within a council?

Mr Lumsden: First, I think there would have to be a very consistent approach led by the department, supported by Local Government Managers Australia, to ensure that councils understand the system. I have already tried to do that once with the City of Melville. Bearing in mind that there were some well-educated people on the council, they found it difficult to understand. I had to go through the process at least three times, particularly the quota system with the different case scenarios. I would imagine that would be the same. Bearing in mind people in the community have the right to not only be consulted but also have the system explained to them - not just if they are standing for council but equally if they are going to cast a vote - we do not want confusion. There should be an appropriate training program, supported, I would hope, by the councils, to educate the community. There would certainly need to be a computer system. I am well aware of the computerisation of government agencies, which is placing quite a lot of pressure on government agencies' shared services etc. It would need testing and implementing. I think that the timeline of October this year is very, very tight, notwithstanding the best will in the world.

CHAIR: This is just an idea that has occurred to me. I know that many councils have already introduced postal voting. Would it be helpful for the Department of Local Government and Regional Development to be integrating postal voting systems and how they work into its training, so that councils can adopt that at the same time if they think they need to?

Mr Lumsden: To be fair to the department, I think the department has tried to facilitate that in the past. I think that if you are going to introduce a very new package to electors, it should be as comprehensive and realistic as possible.

CHAIR: So that it included opting for postal voting?

Mr Lumsden: There is no point in getting postal voting and then not knowing what the system is doing and how to do it. We should also bear in mind that a lot of people in the community may speak English but do not necessarily read English well. There needs to be backup for how those people tend to answer questions.

CHAIR: How a council responds to answering questions from the community about its voting system depends on whether it is a voting day system or postal voting system and the management decisions that a council makes about what it puts in place to support the community when voting.

Mr Lumsden: Very much so.

Hon BRUCE DONALDSON: One of the issues with the restructuring of local government, which I think most people are probably pleased to see, is that the doughnut councils, such as Geraldton and Greenough and the two Northams, are finally getting together. One hopes that the Narrogin will follow suit. At the moment, as we have been informed, there is no laid-down rule about whether they will be ward based or have no wards whatsoever, and February, March and April are

coming up pretty quickly and we are talking about an October election. There will be more restructuring of local government. I see with possibly two local rural authorities coming together that we will probably find that there will be two wards. If there are approximately 600 people in each ward, there will be two wards with equal representation. Some of this is going to happen. I just wonder whether people understand that we have a weighted system for the transfer of votes and surplus votes with the Legislative Council system and that it is not always just a straight transfer of one vote. Sometimes a vote comes down to 0.6. There has been a lot of conjecture and disputed returns. I do not think anybody has yet taken the issue to the High Court. There was some question a couple of elections ago, but the candidate did not have the money to go to the High Court. I think the cost would have been about \$200 000. I would have been great to have had it tested to see whether the decision was correct. I have a worry that this could develop into disputed returns.

Mr Lumsden: That is one of the issues we are concerned about. I would perhaps have a bit of a sideways bet here, Mr Donaldson, that if you went and grabbed somebody of the street and asked him how the electoral system of the upper house works, he would not know. He might say proportional preferential, if they did say anything. I think that is the point about the general public we have made in the submission. If you are involved in the process, as a candidate, councillor or person from the Electoral Commission, you know the system because you have got to know the system. The general public does not necessarily know the system, particularly when you are talking about the upper house when you can vote above the line, whether in the commonwealth or state system. That is simple. If you ask the public about the intricacies, as you have just explained, I doubt that the majority would have any understanding. Certainly, I would have to go back and check. I have a general appreciation. I certainly know how proportional preferential voting works.

Hon BRUCE DONALDSON: I think, with due respect to all of us as members of the Legislative Council, not many of us really understood, but once we got above the line it made it easy for us because we knew where we were heading. Not too many members of Parliament could explain the proportional representation.

Mr Lumsden: That is one aspect of our submission of behalf of our colleagues. We are very concerned at the public's understanding of this. If it does not have a full understanding and full knowledge of the process, we run the risk of having spoilt votes and people not voting because it gets too hard, even with the postal vote. We want to encourage people to vote, not distance them.

CHAIR: I just wanted to put this on the record. You have made a suggestion about subsidising elections. I am sure that this is already the case, but I just wanted to check that the costs of local government elections are included in annual budgets and annual reports; if so, there should be good documentation across the state showing each council's current cost for conducting elections.

Mr Lumsden: There should be. I have not seen the data, but it should be part of the government's financial allocation process. I would like to make the point - I think this has come out with the Western Australian Local Government Association inquiry and across Australia - that the significant issue that has been presented to me by our members is that compliance costs are now getting to the stage at which local governments, particularly the smaller ones, cannot carry out their community service obligations. All these costs are mounting and by the time they take out those costs, they have had little discretionary income.

[2.50 pm]

Hon BRUCE DONALDSON: I come from a council that has about \$3 million in reserve funds and about 600 electors. An awful lot of councils - following the old City of Stirling etc - are now debt free. A lot of councils used to have quite large debts. I do not go along with the proposal because it asserts that associations representing the industry of local government do not have a leg to stand on because they have helped contribute to the financial demise of councils. I would like you to comment on that.

Mr Lumsden: I reckon it is a load of rubbish. The committee does not have an hour available, but I will speak to you about the financial sustainability of local governments in another forum.

Hon BRUCE DONALDSON: Okay.

Hon PAUL LLEWELLYN: It is a pity that we will not get to hear all that.

Mr Lumsden: It is a bit wider than this topic.

Hon PAUL LLEWELLYN: With respect to the prudence of local governments in financial management, the number of complaints made about the performance of councillors and the number of inquiries, was there a discernible improvement in the quality of governance after first-past-the-post voting was introduced?

Mr Lumsden: To be honest, I do not think one can equate the first-past-the-post voting system with that type of compliance issue. Since the first-past-the-post system was introduced, a significant number of compliance regimes have been required of local government, and I think that comes back to the education of councillors and the support they receive. Some councillors cannot afford support on the very complex and significant issues before them. That is part of the issue of the financial sustainability of local governments. I do not think there is a direct correlation.

Hon PAUL LLEWELLYN: It is a totally different issue. I am merely thinking about the assertion that a change to the system will result in better quality governance at the local government level. For example, people attending council and turning up to meetings are measurable indicators. There is a different cohort of people now that the system has been changed.

Mr Lumsden: To be fair, I have to say that a change to the electoral system will not change that issue. It gets back to individual commitment; that is, what councillors are there for and whether they are aware of their obligations. There are good and bad councillors in any regime. However, I believe it is an issue for future governments to examine.

Hon PAUL LLEWELLYN: I would like to acknowledge and indicate my appreciation for the fact that you have put forward some alternative proposals and that you have looked for solutions. I think that is really commendable. Thank you.

Mr Lumsden: Thank you very much for your comment. Thank you for your time, Madam Chair.

Hearing concluded at 2.52 pm.
