

LGA Review submission Phase 2

by Humphrey Boogaardt

Beneficial Enterprises section

OBJECTION: I object to the concept of Beneficial Enterprises (BE) based on the following reasons:

- **Unclear fluffy wording used without clear explanation how it works.**
- **Not a balanced discussion with only positives, it would be totally unbelievable that BE has only positives.**
- **The above two points makes you wonder who are the main beneficiaries**
- **In New Zealand, NSW and Queensland have been cases of failed BEs where ratepayers had to pick up the tab.**

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The local government sector has been requesting that it be given additional powers to form independent corporations. These entities could be used to manage a local government's existing business activity or pursue new commercial opportunities.

- Just because it is large does not mean it has to a business in its own right.

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These organisations provide local governments with a more efficient mechanism to better serve their communities.

- Why are they more efficient, cannot the LG copy those procedures? Or, is this paper saying the LGs are by nature inefficient?

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While some of these activities (for example waste management) are currently provided by Regional Councils, this model does not provide the flexibility or agility required to compete in a commercial marketplace.

- Why do they have to compete in commercial market if waste management is a local government business?

One example of where a beneficial enterprise could be more effective than a Regional Council is waste management services. Currently, a Regional Council seeking to implement a three bin system would need to receive the support of each member local government.

- So the idea is for councils to have less to say in the decision making.
- How likely that quick decisions get made in a BE.
- To get everyone on board now one needs to have a better case. Also councils would still be the paymasters of BEs, that is the ratepayers.
- An example to show where a LG goes into development mode, the City of Swan is currently rushing to develop the Midland Oval precinct to the tune of over \$100M. The too optimistic business case they have put forward has four scenarios for returns with only one scenario actually showing a return a profit albeit a small profit in 20 years time.

In other cases, local governments could operate beneficial enterprises where market failure has resulted in the closure of vital community businesses required for small communities to thrive, such as pharmacies and grocery stores.

- Who are the shareholders?
- May be installing again Public Works Departments that can look after these types of issues.

An existing business can be converted into a CCO;

- What about debt, who is responsible?

Questions:

- Where are the real cost-benefit analyses?
- What about transparency and accountability?

Integrated Planning and Reporting section

In principal support the IPR, but before implementation the questions asked below should be satisfactorily be answered.

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The Strategic Community Plan is the council's principal ten year strategy and planning document that reflects the community's aspirations for the long and medium term.

The Strategic Community Plan is structured with the local government's choice of strategic framework. Usually this will include outcome areas of social, economic and environmental wellbeing, and good governance.

Only usually?

The Corporate Business Plan is the council's four year planning document. It gives effect to the first four years of the Strategic Community Plan and is pivotal in ensuring that the medium-term commitments are both strategically aligned and affordable. What happens after that?

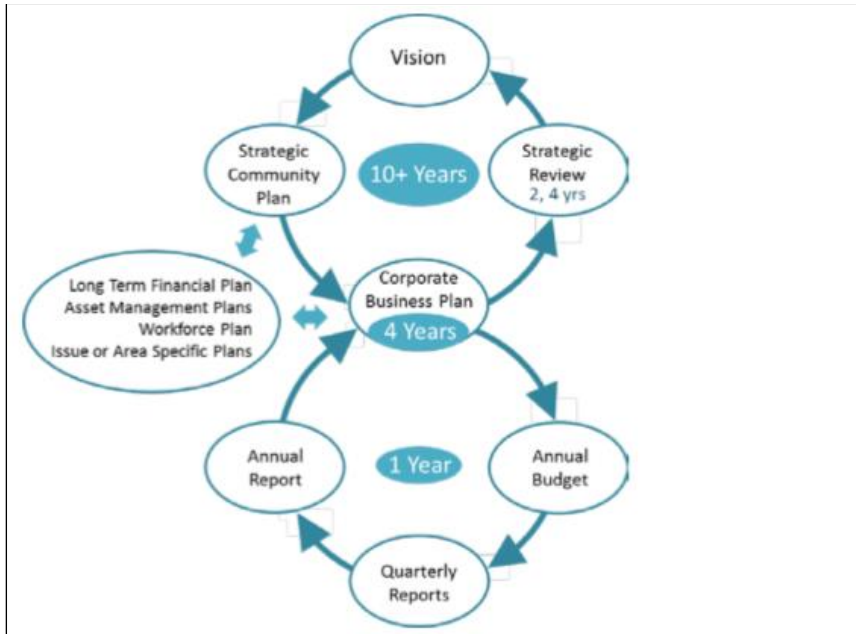


Fig 1: it does not explain in the text how it all works

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The concept of a central reporting framework has been visited several times in Western Australia and implemented to varying extents in other jurisdictions. Victoria has adopted the most ambitious program where local governments report progress on over 80 indicators annually on a central website. The Victorian approach includes standardised efficiency and effectiveness measures for diverse services such as animal management, roads, statutory planning, and governance.

When was it implemented? Has it been successful? Reading this document there is no indication about results, it could be a total flop.

The State Government has a number of statutory plans which local governments are required to develop such as Local Health Plans, Disability and Access Plans and Town Planning Schemes. Currently there is no requirement for these plans to be integrated with the IPR documents and each plan has different timeframes for completion and review.

Why not? Having two parallel systems is a burden

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The IPR process could also be used as a tool for communicating and realising priorities through the State Government. It is well recognised that local governments have a strong relationship with their constituents and are an effective vehicle for engaging with the community. A stronger partnership between the State Government and local government through the development of

IPR documents could result in greater consistency between State and local priorities and enhancing the delivery of both State and local policy and programs.

- How are we to know if an IPR process is implemented properly and adhered to?
- What are the implementation and maintenance costs.
- Like the idea of a “standardised” approach that is transparent.

Voting

LG elections should be **compulsory**, because voting is a **privilege**, a **right** and a **duty**.

We have seen recently internationally, e.g. Brexit referendum, that compulsory voting is important.

Submitted by:

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