

# SELECT COMMITTEE INTO LOCAL GOVERNMENT

## INQUIRY INTO LOCAL GOVERNMENT



TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
MONDAY, 16 MARCH 2020

SESSION THREE

### Members

Hon Simon O'Brien (Chairman)  
Hon Laurie Graham (Deputy Chairman)  
Hon Diane Evers  
Hon Martin Aldridge  
Hon Charles Smith

---

Hearing commenced at 3.53 pm

**Ms CARISSA BYWATER**

**Chief Executive Officer, Town of Mosman Park, sworn and examined:**

**The CHAIR:** On behalf of the committee I would like to welcome you to this hearing. Today's hearing will be broadcast. I am told to remind you that we need to be careful about private documents maybe being picked up by cameras, so I have done that. With that, can we begin the broadcast, please?

[Witness took the oath.]

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

**Ms BYWATER:** Yes.

**The CHAIR:** Thanks.

These proceedings are being recorded by Hansard and broadcast on the internet. A transcript of your evidence will be provided to you, in due course. To assist the committee and Hansard, I ask that if you quote from any document that you give us the full title of that document, for the record. I remind you that your transcript will be made public. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in private session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that publication or disclosure prematurely of the uncorrected transcript of evidence may constitute a contempt and may mean, in effect, that the material published or disclosed is not covered by parliamentary privilege.

Finally, this hearing is being broadcast on the internet and it will be available for viewing online after the hearing as well as live. You do not have any objection to that, do you?

**Ms BYWATER:** No.

**The CHAIR:** Thank you for that.

One of the issues that has been attracting our attention is about the legislative framework which exists. We are not reviewing the act, as a committee, but we are interested in matters around it, of course. We were wondering if you could give us the Town of Mosman Park's perspective on this matter. It is about the size and scale of various local governments and their capacity to carry on functions and compliance responsibilities regardless of how much capacity they might have. One possible option which could be pursued is to have a different act or different responsibilities in the act for different types of local governments. You are a metropolitan local government, but perhaps one of the smaller ones in population terms. What would be your view on that approach?

**Ms BYWATER:** Certainly, the Town of Mosman Park is a small organisation and we do have a frugal budget. One of the ongoing challenges for us as an organisation is grappling with the governance cost of various pieces of legislation. Recently, the Office of the Auditor General, under the new environment that we now find ourselves in, brought with it additional compliance costs. I certainly advocate for a consistent approach for compliance. However, some of the compliance requirements are quite burdensome for an organisation as small as the Town of Mosman Park. In my short time that I have been at the Town of Mosman Park—before I started—the Office of the Auditor General, by way of example, completed a record-keeping compliance audit of the Town of Mosman Park and we were found wanting in some of those areas, as I think you would find in a number of local governments, because the records keeping act is quite onerous. For us, it is about evaluating the cost benefit of that high compliance versus the services that you provide and the results that you are able to provide for your community. That is an ongoing challenge for an organisation the size of the Town of Mosman Park.

**The CHAIR:** Would it work to have separate rules for different sized local governments, do you think?

**Ms BYWATER:** I think it would be challenging. I am not sure what that would look like, but certainly with local government you tend to find that staff do move between local governments, so having a different compliance arrangement might make that a little less portable and seamless so that might present some challenges. I do not have a particular view.

**Hon DIANE EVERS:** Can I add to that? It sounded like you said you weigh up the costs and benefits of the compliance and that you were found wanting in some of your compliance. Are you suggesting that sometimes you choose because you cannot do everything you are supposed to, knowing that you are risking that?

[4.00 pm]

**Ms BYWATER:** Yes. That is certainly an approach we have had to take with our governance. Since starting at the Town of Mosman Park, we have undertaken a process of health checks for our various governance and risk management. With that, we have only a certain level of resourcing, so we have evaluated that the highest priorities, using that risk matrix, is where we start. There are other things that we need to approach, but we just cannot with the resources that we have.

**Hon DIANE EVERS:** Has that been discussed with the Auditor General, in terms of the limitations you are going to have to meet all those requirements?

**Ms BYWATER:** Yes, it has. We have certainly discussed this at council's audit and risk committee as well. We are transparent in the disclosure of that challenge; it does not change the challenge, unfortunately.

**Hon DIANE EVERS:** You did not get any advice. Did anything come of the that that said what you have to do—I cannot say it is acceptable—is noted and may be addressed in the future?

**Ms BYWATER:** Yes. Certainly that was the subject at our last audit and risk committee. I will be putting a business case to council for extra help in the governance space in particular, by way of an extra resource. But even that needs to be evaluated in the context of all the other organisational challenges that we have as well.

**Hon DIANE EVERS:** Is anybody coming back to you saying, "Well maybe your rates are just too low", and that you need to grow the organisation to be able to manage all those resources?

**Ms BYWATER:** Yes. That is certainly part of our reasoning for a community engagement process we are just about to embark on, in which we will be asking the community to give us the 10-year priorities—for 2020–2030, where would you like us to focus our resources and our efforts—and to share some of these problems with the community so we can have that bigger conversation.

**Hon CHARLES SMITH:** How are you going to engage the community? What methods are you going to use?

**Ms BYWATER:** We will use a number of methods. Firstly, we will start with some workshops—some large gatherings. We have also planned to have a community survey. The results and findings from those preliminary workshops will be used to tailor a community survey. We are planning to have pop-up sessions in our library, in our shopping centres. We will also have an approach whereby we will provide toolkits to various groups, like Probus, for them to have the conversations in their own setting without the reliance on town staff to be part of those conversations. We have just started today the process of engaging our local schools to see whether that is something they may be interested in being part of that process. Perhaps even the students could have that as part of their curriculum. The final phase of that, once we have analysed all of that survey feedback, is that we will then have a community panel. The results of that survey feedback will go to the community panel. The community panel will analyse the findings and make a recommendation to council on what those 10-year priorities might look like, and then council will make the final decision.

**Hon LAURIE GRAHAM:** Will that community panel understand what the dollar numbers might be of implementing when they make that recommendation or are you going to just rely on the budget numbers within your 10-year plan?

**Ms BYWATER:** That is something that we will work through in terms of the discrete financial consequences. That might be couched in the way of: if you want this extra service, that is equivalent to a five per cent increase in rates year on year, rather than a defined dollar amount.

**Hon LAURIE GRAHAM:** Invariably, when you tell a community panel what the increase might be, they will pick the numbers that do not increase rates.

**Ms BYWATER:** Yes.

**The CHAIR:** Your submission referred to the town's participation in some resource-sharing initiatives and local regional groups. Can you tell us a little more about that?

**Ms BYWATER:** By virtue of our size, we have the opportunity to partner with our neighbours. Our library—the Grove Library—is jointly funded by the Town of Cottesloe and the Shire of Peppermint Grove. We all contributed to the capital build of that library and we cover the ongoing, day-to-day operating costs. That is one example of resource sharing. More recently with our Australia Day event, we also participate in a joint resource-sharing arrangement with Cottesloe and with Peppermint Grove. We all contribute equally toward the cost of that event. We have the WMRC—Western Metropolitan Regional Council—for our waste. A number of our neighbouring councils participate in that service. We also have a WESROC group of councils, which is a bit different from the WMRC group of councils, in which we come together. Where we can find some synergies and opportunities to work together, we do.

**The CHAIR:** Thanks for that. The town's submission raises the question that just about everyone has raised about the compliance burden imposed by legislation other than the Local Government Act. Can you point to any examples that have been burdensome for the Town of Mosman Park whereby the state government has made decisions that the local government shall deliver A, B or C without consultation?

**Ms BYWATER:** I guess the Office of the Auditor General's audits are certainly costing us more than what they have in the past. There is no doubting that the benefit of that check will be helpful and certainly improve the openness and transparency of our numbers and our performance, but it is a cost. It is an extra cost. Again, evaluated in the context of the risk-benefit approach that again needs to be evaluated in the context of the community's expectations and priorities. That is one example: the Office of the Auditor General. We are also required to prepare our operating and our strategic risk register. That is a relatively recent requirement. That is also a governance obligation. We also have local emergency management requirements. Again, they are quite burdensome for an organisation of our size. There is a number of different areas. There is no doubt that they are certainly beneficial. Again, there is opportunity, I feel, the sum of those legislative requirements to perhaps be provided with some support.

**The CHAIR:** Another one, again without notice—I am bouncing off page 2 of your submission—about that perennial desire to see a reduction in red tape or overregulation. Here we are talking about overregulation or red tape by state requirements of course. Are there any particular examples that you would like to raise with our committee?

**Ms BYWATER:** Not in the context of the Town of Mosman Park, no.

**The CHAIR:** Again, if you want to on reflection provide an answer subsequently, of course, we would welcome that. That is why I said it was a bit rough asking that one without notice. It will be in the transcript so do not worry about jotting down.

Another theme I would ask you to give us some comment on—it is not just something that has been concerning us, but we have heard it regularly and you have also raised it in your submission—is the reduction in size and also capacity of the department responsible for administering local government. How has that impacted on the Town of Mosman Park?

[4.10 pm]

**Ms BYWATER:** For us, when we need governance advice, particularly interpretation of the Local Government Act and the regulations, it would be helpful to have some advice from the department. That, again, would assist us by way of not having to spend money on legal fees—legal advice—which we often do. That certainly has had an impact. Certainly, WALGA has picked up some of those advice functions, but, again, it comes at a cost.

**The CHAIR:** How does it come at a cost if WALGA is providing it? Do they not just give it to you as a member or do you have to pay for it?

**Ms BYWATER:** We do have to pay—for whatever services you subscribe to, there are fees attached to those services.

**The CHAIR:** What would you like to see happen with the department?

**Ms BYWATER:** It would be great to have that resource there, that if we have got a governance question or a specific question it would be good to have that extra support within the department that could provide us some advice.

**The CHAIR:** I gather that used to be there.

**Ms BYWATER:** Yes, it did.

**The CHAIR:** And you have had experience of that in the past?

**Ms BYWATER:** Yes, and it was very helpful, more so from a practical perspective or even just a specific, "This is how we've interpreted the act; is that correct?", just to bounce things off. They provide a tactical and practical approach as well in answering those queries.

**Hon DIANE EVERS:** Can you add to that in terms of how you saw—I do not know how far back your history goes with this, but has it been a slow decline in the department or was there a time that it changed significantly from being able to provide that advice and then not?

**Ms BYWATER:** I think there has been a slow decline.

**The CHAIR:** There is one other question that has attracted a lot of attention and that is the question of rate exemption for charitable purposes. I know this is developing some history in Mosman Park. Could you tell us for the record what that exemption is and how it is utilised and what it means for Mosman Park?

**Ms BYWATER:** For Mosman Park, we have a number of schools, and we also have a number of retirement villages, aged persons' homes, and, of course, we have a lot of green space—and it costs a lot to maintain that green space. With those non-rateable properties, of course, the burden for the town's costs fall on those ratepayers who do pay rates.

Churches, of course, are also exempt and we have a number of churches in the town also. It is certainly a challenge, particularly in an organisation, as I say, that has a frugal budget.

**Hon LAURIE GRAHAM:** Have you had recent requests for rebates from community groups now, such as housing passed from government to institutions? Have you had that sort of change?

**Ms BYWATER:** Not so much at the Town of Mosman Park, but certainly that was a challenge for us at the City of Bayswater; non-rateable properties were an ongoing source of challenge.

**Hon LAURIE GRAHAM:** Where they were rated before and now no longer rateable?

**Ms BYWATER:** Yes.

**Hon MARTIN ALDRIDGE:** Can I ask a question on rating while we are on this topic. We heard earlier today in public evidence from the Town of Cambridge that they were in support of rate capping, which has been a public discussion from time to time. I think, if I am not mistaken, the Town of Mosman Park has been on the news at various occasions around providing what perhaps might be described as additional services to ratepayers, or a higher level of service on the basis that they are prepared to pay through higher rates' notices. Does the town have a view about how to balance what the Town of Cambridge is arguing for, which is an external regulation of rate setting, versus an ultimate accountability to ratepayers in terms of what is acceptable?

**Ms BYWATER:** I am not sure of the Town of Mosman Park's official position on this, but certainly given that local government is a place-based organisation, I think it is appropriate for local councillors who are elected to represent their community to make that decision, very mindful that it has an impact on the local community. I come from an environment in New South Wales where rate pegging is certainly something that has always been, so I have certainly seen the challenges that come with rate pegging, and they are quite extensive. That is something that I know is ongoing in New South Wales. It does have its costs as far as the community is concerned, but it also has benefits in terms of if there are opportunities to explore revenue-raising opportunities. Again, in the context of Town of Mosman Park, there are limited opportunities for alternative revenue streams.

**Hon MARTIN ALDRIDGE:** Is one of the risks, the potential of—we have heard a lot of people talk about the one-size-fits-all approach is not what local government should be pursuing. Is this perhaps another trap that we might fall into; which is, a local that has an increasing rate base and rate revenue having a particular view versus others who may have diminishing rate bases and rate revenues.

**Ms BYWATER:** Yes.

**The CHAIR:** The Local Government Insurance Scheme—have you as a council sought to go to the market for comparison with the LGIS; or, firstly, are you a member of the LGIS?

**Ms BYWATER:** Yes, we are.

**The CHAIR:** What is your history there? Have you looked outside?

**Ms BYWATER:** The Town of Mosman Park has looked outside and chosen to stay with local government insurance.

**Hon DIANE EVERS:** Recently?

**Ms BYWATER:** Yes, and Will has also opted to extend that contract with the Local Government Insurance Scheme.

**Hon DIANE EVERS:** When you did that, did they treat you differently from LGIS in terms of whatever premium they were offering you? Were they able to fine-tune it a bit when they knew you were going out to the market?

**Ms BYWATER:** Yes, I think so. Again, that was before my time. Again, at the City of Bayswater, we did go out to market and we found that certainly was the case.

**Hon DIANE EVERS:** That if you go out to market, LGIS would find a way of giving you a better rate?

**Ms BYWATER:** Yes.

**The CHAIR:** That is interesting.

Another area that the government has been looking is at the Local Government Standards Panel and issues related to it. Some councils have nothing to do with the standards panel, it seems, but some have a heck of a lot to do with it—or some of its personalities have a lot to do with it. What has been Mosman Park's experience?

**Ms BYWATER:** Fortunately, in my short time, none; and that is the way I would like to keep it.

**The CHAIR:** Well, amen to that! Good luck with that. If you do not have any actual experience of it, I guess there is not much point asking for observations, but do you have any from what you have seen from others?

---

**Ms BYWATER:** No. I would probably prefer not to comment.

**Hon LAURIE GRAHAM:** I was going to pursue the standards panel.

**The CHAIR:** Go for it!

**Hon LAURIE GRAHAM:** I am intrigued—forgetting about the decisions—about what is your view of the process and the time frames, et cetera? Have you watched that at all?

**Ms BYWATER:** It is really challenging in this space. It is just really challenging. The time frames, certainly, I understand that the standards panel are working on trying to improve those turnaround times. But in my past where I have seen complaints go in, it does take a long time for them to come out, and then it does not necessarily curb behaviours either, which is, I guess, the whole point—is to try to improve the standard of behaviour in local government and it does not necessarily achieve that.

**Hon LAURIE GRAHAM:** Do you have a view on what would be a better mechanism? Would a single person who was mobile or a commissioner or whoever—whatever you want to call them—would be a better place to visit councils and sort them out on the ground?

**Ms BYWATER:** Perhaps—I think that one I will leave for the experts!

[4.20 pm]

**The CHAIR:** I think it was pages 3 and 4 of your submission that touched on questions about financial management and funding. What are the most pressing issues that the town is facing in that regard?

**Ms BYWATER:** Not having enough! Our areas of expenditure, our library costs us the equivalent of around 17 per cent of our annual rates revenues, so it is quite high.

**The CHAIR:** That is just the one library?

**Ms BYWATER:** That is one library, and that is the resource sharing.

**The CHAIR:** That is the one down in Johnston Street, is it not?

**Ms BYWATER:** In Peppermint Grove, where the offices are.

**The CHAIR:** Opposite the Grove, or whatever they call it now—the shopping centre.

**Ms BYWATER:** Yes. That is the library. Then, of course, we have our waste services, our parks and gardens and our environment, our town planning and our ranger services. Those services obviously cost money, so our main source of revenue is our rates. We do not have any alternative revenue streams so it is about identifying those areas where perhaps we can recover costs using user charges to recoup some of the costs of providing community buildings and facilities to user groups.

**Hon LAURIE GRAHAM:** Within your rates notice as such, is there any element in the rates section involving refuse or rubbish, or is it all collected as a separate line?

**Ms BYWATER:** Our rates notice is essentially our general rates, so that is based on the value of the property, and then you have your service charges, which is waste.

**Hon LAURIE GRAHAM:** So it is all in service charges?

**Ms BYWATER:** Yes.

**Hon LAURIE GRAHAM:** Some councils bury some of it in the rates. Yours does not?

**Ms BYWATER:** No.

**The CHAIR:** I think we have probably covered all that we wanted to cover today. Perhaps I should ask you if you have any other observations you would like to offer us at this time, before we wrap up.

**Ms BYWATER:** I have been in local government for 20-something years, and from my experience it is a very rewarding career. It is very rewarding to be part of a level of government where you can see firsthand the benefit and your work in translation. You have a lot of very passionate community members. You have councillors who are very passionate about serving their community. You have staff who are also very challenged and work hard to service the community. As a sector I think it certainly does a great job in delivering those services that make a difference, in whatever form—aged-care services, childcare services, medical facilities and, in our case, beautiful parks and natural spaces. Those relationships with the community are really important and we have those relationships. I think that sets us apart from other levels of government, where we actually do have on-the-ground interaction, and certainly that ability to interact is one of our strengths. It is part of our challenge as well, building trust in our communities so that they can engage with

us and, likewise, we can do the same. So, I welcome the inquiry's conclusion and if there is anything else I can provide, I am certainly happy to assist.

**The CHAIR:** Thank you very much for that, and in turn we would like to acknowledge the contribution you have made professionally and personally to local government. We are hoping that we can repay your assistance today with our report, in due course, which will hopefully add some more value to local government as well. That is our intention, anyway. For providing your assistance with that and for attending today we would like to just like to say thanks very much. A transcript of this hearing will be forwarded to you for correction. If you believe that any corrections should be made because of typos or transcription errors, just indicate them on the transcript. Any errors of fact or substance will need to be corrected in a more formal way. As I alluded to in the course of our discussion, if you want to provide any additional information, supplement any answers or elaborate on any other points, we will be delighted to receive any further information. You know where to find us. Thanks once again, and we will say good afternoon to you.

**Ms BYWATER:** Thank you.

**Hearing concluded at 4.25 pm**

---