

# STANDING COMMITTEE ON THE ENVIRONMENT AND PLANNING

## Inquiry into rate capping policy

Melbourne — 18 October 2016

**The CHAIR** — Finally I have a question about these new regional partnerships. I do not know whether you are familiar with the announcement by the government in the last week or so about these new regional partnerships.

**Mr SPENCE** — Yes.

**The CHAIR** — This may be a cost on the system, but I am interested in how that will interact with councils and whether councils will be part of that, whether elected officials will have a say.

**Mr SPENCE** — My understanding is that the model is established where CEOs will sit on the partnerships. In the discussions I have had with government at a number of points I have emphasised our concerns about the fact that there is no engagement with the elected reps, and I have pointed out that —

**Ms SHING** — No direct engagement, you mean.

**Mr SPENCE** — No direct engagement, but it is a bit like the commonwealth appointing state department secretaries to a commonwealth committee and not running it past the state government for review. I keep making that point. I have been really successful; you have seen the press release!

**The CHAIR** — It has got a bit of an undemocratic feel to it to me.

**Mr SPENCE** — There has not been engagement with the MAV on the model in any detail, and we have constantly expressed the same view — that we want to know what it is there to do, and it is a bit hard to understand that from the press release, and we want to know if it is going to try and harness the power of local government and state government and the community sector and private sector, and how it will do that when the councillors, the council, the political entity is not engaged. I am not saying the model is necessarily bad; I just think —

**The CHAIR** — A lot of questions.

**Mr SPENCE** — If you look at it with a really negative view, it looks as if the state government is trying to cut the elected reps out. If you take a more —

**The CHAIR** — A group of tame cats.

**Mr SPENCE** — Well, a lot of the CEOs are not tame cats, but it is an odd model I think when you have not at least gone to the council and said, ‘Do you agree that this model would work effectively for the region?’, and, ‘This is how we are proposing to engage with you, council?’. It does not seem to work that way.

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**Ms SHING** — Thanks. Finally, to provide some more context, the regional partnerships model has been intended to increase collaboration between communities, industry, businesses and government to address the most important challenges and opportunities in each region. I am quoting here from the RDV page on regional partnerships, which is available online:

Members will engage with their communities on priorities for their region, building on existing strategies and plans —  
that is, existing work that has been done —

harnessing the good ideas, the energy and the passion of locals. Priorities will be presented directly to the Victorian government's Rural and Regional Ministerial Committee.

From my understanding, the work that is being done in relation to regional committees, and in particular the Gippsland component of that, has directly involved an active role from the CEO of relevant councils to the purpose of making sure that elected representatives are apprised of detail and can then pursue their own particular positions or priorities through avenues that already exist so that this is not in fact an exercise in cutting out elected representatives — which I think was the subject of an exchange you had with the Chair earlier in this hearing — but rather to complement the work that is already going on. How would you like to see that occur in a way that maximises not just the opportunities for elected representatives to be part of overall decision-making but also encourages people who may not ordinarily have that elected voice to participate?

**Mr SPENCE** — I think it is an incredibly complex proposition you are putting, because at the council level they have all their own machinery to determine what is required locally, and then we have overlaid a model across the top of it, which is a sort of regional partnerships model that — if you have got six councils in the region — may not integrate with councils A and B but may integrate with the balance.

**Ms SHING** — That is not a new challenge, though, is it, in terms of understanding what regional needs and priorities are?

**Mr SPENCE** — I do not think anyone has done it particularly successfully, but I think the issue I have got is that I think this is as much a sort of process issue that you would agree with the councils on the mechanism that would be used to engage with the council itself, as you would with the cabinet or the government.

**Ms SHING** — You mean in addition to involving the CEOs of the respective councils?

**Mr SPENCE** — The CEOs should have no power at a —

**The CHAIR** — Policy level.

**Mr SPENCE** — policy level.

**Ms SHING** — But rather as a conduit for the purposes of overlay.

**Mr SPENCE** — It can only be a conduit. That is right. It is not the way it appears.

**Ms SHING** — What do you mean it is not the way it appears?

**Mr SPENCE** — It appears, when I read it, the CEOs are in sort of the front seat. It is not saying they are there representing the view of the council.

**Ms SHING** — But they are part of what is being discussed in relation to the priorities for each region as they are advanced by local community members?

**Mr SPENCE** — Yes, but they have been selected by the state to go on this without an engagement with the council itself. That is the point I am making; okay.

**Ms SHING** — Yes. Okay.

**Mr SPENCE** — You have got all the horsepower of local government sitting over here, and how do you engage with it? Lay a structure over the top, which could look as if it is intended to take the council out of play. That is the tension point we see with elected reps.

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**The CHAIR** — I also want to just talk about the new regional partnerships and metro partnerships arrangements. I would be interested in your views of how this will operate, particularly the Victorian Local Governance Association, because of your history. I will put on the record my quiet concern about how this may play out, but it seems to me they have a fundamentally anti-democratic structure.

**Ms SHING** — So you know the Chair's position from a personal perspective.

**The CHAIR** — No, I am just — —

**Dr HOLLOWS** — I guess like all these arrangements we would encourage the sector and our members to obviously to participate with goodwill and good intent. Partnering is always in principle a positive activity there. I guess from a governance perspective, our issue would always be around two fundamental issues. One is: what is the role or influence that elected councillors have in that process? We know from other circumstances from time to time there may be more of an emphasis on — no disrespect — CEOs and staff, as opposed to elected councillors. So if you want to underscore that first principle I started my testimony with, just to make sure that there is an adherence and an acknowledge of the role of elected councillors as well in that process.

The other part of it of course is that — be it in terms of delivery of services across this state or be it in terms of infrastructure and beyond — local government is an important partner and player in this, and if they are going to be a partner, then they need to be an equal partner. I guess time will tell in terms of seeing how the process unfolds, and we will obviously get feedback — good, bad or indifferent — from member councils in terms of how well that is proceeding. So I think just let us keep an open mind about it but be mindful that councils do have a unique role to play there and that they do have elected councillors and they need to be part of that process as well.

**Ms McKENZIE** — Chair, I think it would be fair to say that our membership has so far informally expressed some concerns at the exclusion of our elected members from the process. The other point of clarification that our members are seeking will be around the ex officio nature of the appointments of the CEOs to the regional partnership and exactly what that means in terms of our voting rights and representation in terms of that governance structure.