

**LOCAL GOVERNMENT (SHELLHARBOUR AND WOLLONGONG ELECTIONS)
BILL 2011**

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Bill introduced on motion by Mr Donald Page.

Agreement in Principle

Mr DONALD PAGE (Ballina—Minister for Local Government, and Minister for the North Coast) [3.55 p.m.]: I move:

That this bill be now agreed to in principle.

In 2008 Wollongong City Council was dismissed following a recommendation by the Independent Commission Against Corruption [ICAC], which identified systemic issues and a culture of corruption that needed to be fixed. Only a few hours ago a former Labor councillor on Wollongong City Council, Frank Gigliotti, was sent to gaol for lying to the ICAC. The actions of councillors and members of staff such as him stained not only the reputation of Wollongong City Council but also the reputation of the Illawarra area. Shellharbour City Council also was dismissed in 2008 after a public inquiry found that Shellharbour council was dysfunctional. The previous Labor Government decided both councils were to remain under administration until September 2012. This Government wants to return democracy to the people in the Wollongong and Shellharbour local government areas. This Government made a commitment that both Wollongong and Shellharbour councils would have democratically elected councils in place in 2011. This Government fulfils its promises and the council elections will take place on 3 September 2011.

In reaching this decision, the New South Wales Liberal-Nationals Government has listened to the community. I have listened to the newly elected members for the electorates of Kiama, Gareth Ward, and Heathcote, Lee Evans, who campaigned strongly on this issue. In Heathcote Lee Evans had a swing to him of 21.7 per cent and in Kiama Gareth Ward had a swing of 19.4 per cent. The swing against the Labor member for Wollongong was 24.3 per cent. I believe that the community is looking forward to being able to elect their own councillors once again.

The Local Government (Shellharbour and Wollongong Elections) Bill will ensure that fresh elections for both councils are held on 3 September of this year. The bill will make sure that the ratepayers of both councils are not faced with the cost of another council election within 12 months. It provides for a one-off, five-year term for both councils, saving Wollongong City Council an estimated amount of \$943,000 and Shellharbour City Council an estimated amount of \$307,000. The next local government elections for these councils after 2011 will be in September 2016. This will bring these two councils back into line with the local government elections cycle for the rest of the State.

The bill also addresses concerns raised in the Shellharbour public inquiry report about the structure of Shellharbour City Council. The commissioner found that the current structure of Shellharbour City Council contributed to its dysfunction. The report highlighted the problems in retaining a ward structure for the council. The size of the Shellharbour local government area makes Shellharbour City Council more suited to having no wards. Shellharbour is relatively small in size, about 147 square kilometres, with a population of approximately 65,000. This bill abolishes wards for Shellharbour City Council in time for the fresh elections on 3 September 2011. This removes the need for a constitutional referendum to be held to abolish all wards, the result of which would not have come into effect until 2016.

Shellharbour is about 100 square kilometres smaller than its neighbouring council area, Kiama, which also has no wards. Former Labor Mayor Hamilton of Shellharbour City Council gave evidence to the public inquiry stating that the maintenance of the ward boundaries was problematic. The bill also reduces the number of councillors on Shellharbour City Council to seven. By doing so, it addresses another factor identified by the Shellharbour public inquiry as contributing to the dysfunction of the council. Former Mayor Hamilton also stated at the public inquiry that he held a personal view that a reduction in councillor numbers to six and a mayor would be a good option. He gave evidence that he believed it would lead to better governance and save money. He further stated:

... councillors would still be able to represent the residents at a high level.

In a submission to the public inquiry the council itself also acknowledged the advantages of reducing councillor numbers. The abolition of wards and the reduction of councillor numbers to seven will mean that the method of electing councillors will change from optional preferential to proportional representation with a quota of 12.5 per cent plus one for a councillor to be elected.

Currently, the system for counting votes in a contested election for a ward or undivided area is to be optional preferential if the number of councillors to be elected is one or two, or proportional if the number to be elected is three or more. The proportional voting system is generally used across all levels of government in multi-member electorates because it is designed to allocate seats or offices in proportion to the overall number of votes obtained by the candidates. The abolition of wards in the Shellharbour local government area will lead to a lower quota, which is expected to encourage more people to stand for office and, therefore, enhance the democratic process.

The bill also changes the method of election for the mayor at Shellharbour City Council. The mayor is now to be elected by the councillors every 12 months from one of their number. The bill therefore provides for all of these important changes to be in place in time for the fresh elections on 3 September 2011. This will enable the newly elected council to start afresh without having to incur the costs of conducting constitutional referenda to make these changes to its governance structure. If in the future the council wants to divide itself into wards, alter its councillor numbers or change the manner in which its mayor is elected, it will be able to do so.

In relation to Wollongong City Council, in 2008, following the Independent Commission Against Corruption Operation Atlas hearing, ratepayers' satisfaction with Wollongong council was at an all-time low. However, a recent administrator's report noted that public confidence in council had improved markedly due to actions taken by the administrators, including restoring the reputation of Wollongong City Council; maintaining a corruption-resistant organisation with zero tolerance of corruption; introducing contemporary local environmental planning controls and more efficient processes for assessment applications; effective corporate governance and leadership; and diligent management of council finances, including budgeting and control.

The bill requires the administrators of Wollongong City Council to reduce the number of wards for the council from six to three by 24 June 2011. This will mean that the council will have three wards with four councillors per ward and a mayor who is elected by all of the electors—a popularly elected mayor. This reflects the geographical size and population of Wollongong. The population is almost 200,000 people and it has an area of 684 square

kilometres comprising a long coastal area stretching from the Royal National Park to Lake Illawarra. It is the third largest city in New South Wales and the ninth largest city in Australia. Its central business district is a major commercial hub.

The bill allows for this reduction in the number of wards to happen within a short period of time. This is because all ward boundaries need to be finalised by 24 June 2011 in order for the New South Wales Electoral Commissioner to do the work required to conduct elections on 3 September 2011. This change in ward structure will mean that the method of electing councillors for each ward will change from optional preferential to proportional representation. This is the method used in most council areas in New South Wales and it will allow greater diversity and representation. As in the case of the changes to Shellharbour City Council, the bill preserves Wollongong City Council's ability to make future changes to the number of its wards should its community so desire. I conclude with a quote from the editorial in the *Illawarra Mercury* today:

We need fresh, energetic local Government leaders. We need new faces, new voices and new ideas.

The councils' time under administration has allowed us to put some distance between the present and the sorry and sordid past of the corruption in Wollongong and dysfunctionality in Shellharbour. Now, we need to keep walking.

The provisions of this bill will allow new faces, voices and ideas for the people of Wollongong and Shellharbour in their local government areas because it will allow fresh, energetic local leaders to have a chance to become an elected representative. The Liberal-Nationals Government will help the people of Wollongong and Shellharbour to keep walking away from the sorry and sordid past of corruption and dysfunctionality. We have returned democracy to Wollongong and Shellharbour. We have kept our promise. I commend the bill to the House.