

**Speech notes for Mayor Robert Bria**

**EVENT: Norwood Rotary Club and St Peters Rotary Club Joint  
Dinner**

**TIME: 6.00pm (for a 6.30pm start)**

**DATE: Wednesday 19 October 2016**

**LOCATION: Kensington Hotel, 23 Regent Street  
Kensington**

Good evening ladies and gentlemen.

I am delighted and honoured to be here with you to for this joint dinner of the Norwood Rotary Club and the St Peters Rotary Club.

I want to begin by commending both clubs for having the foresight and commitment to make this evening possible.

No doubt, an exercise of this scale has taken some time and organisational skills from Rotarians from both clubs and I think the turn-out is indicative of the appreciation of those efforts.

I also want to thank all Rotarians from both clubs for the work you do, not only within the City of Norwood Payneham and St Peters but elsewhere.

In a time when so many people are – or at least claim to be – ‘time poor’, the work of service clubs such as Rotary, takes on a new level of importance and resonance in our community.

In my view it demonstrates two things.

First, the passion and commitment of those involved and their genuine desire to make a difference in the community and put in that discretionary effort – and there is no question that Rotary does that.

Secondly, it is a mark of the high esteem and respect that is afforded Rotary by the people who are directly assisted through the efforts of Rotary and by the community at large.

I mean this sincerely when I say it is with much regret that my busy schedule as a mayor, husband, father, board member at my children’s school and full-time work commitments has not allowed me the time to be involved in Norwood Rotary, where I am an honorary member, to the extent that I would like.

Nevertheless, I am honoured to have received the invitation to be the guest speaker for this evening.

As you can understand, while I make many speeches in my role as mayor it is rare that I get the opportunity to choose the topic of my speech.

This is the second time I have had the opportunity to be the guest speaker at a Rotary Club event, so I thank you for the invitation.

The first occasion was back in 2010 when I spoke at a Norwood Rotary Club luncheon.

That day the topic of my speech was “Do Council budgets matter?”

Tonight I have decided to stay within my comfort zone of Local Government and share my perspectives on the future of Local Government.

More specifically, I want to talk to you about what I see are the critical ‘three R’s’ of Local Government today.

No, I am not referring to **‘roads, rates and rubbish.’**

Instead, I am referring to **‘reform, responsiveness and relevance.’**

What I hope to do tonight is to articulate how I think these ‘three R’s’ are linked.

Within that, I want to talk about how Local Government’s ability to embrace reform combined with its ability to respond effectively and efficiently to rapid economic, social and environmental change, will influence the relevance of councils in the daily lives of 1.6 million South Australians.

Local Government in South Australia is under the microscope as never before.

Over the last few years we have seen:

- ‘Council of the Future’ Report
- A Parliamentary inquiry into rate-capping
- Changes to the planning system, in particular the role of councils in the assessment process
- A Discussion Paper on Heritage
- Changes to council rate concessions for Pensioners
- New roles for council in the State Natural Disaster Committee
- Frequent calls for amalgamations

The list goes on.

Add to this, regular criticism from the media about councils making so-called ‘nanny-state’ decisions, pandering to minority groups, stifling economic development, knee jerk responses to appease special interest groups and the odd elected member behaving badly, one could easily be

forgiven for thinking that Local Government is an unregistered dog running amok.

Indeed you only have to read some of the blogs on *Adelaide Now* to get a sense of the fear and loathing towards Local Government.

But for all of the issues facing the sector, Local Government continues to be the sphere of government most trusted and respected by the community.

How then can we explain the seemingly relentless assault on councils from all directions, while at the same time continue to recognise Local Government as the level of government 'closest to the people?'

Who is right? Who is wrong? Or is the truth, as they say, somewhere in between?

The easy and instinctive option for councils is to dismiss not only the criticism of the issue but the very person, organisation or agency making the criticism or expressing a negative view of Local Government.

In cases where the criticism has no basis and the critic lacks credibility, this is a relatively easy task.

The harder task, however, is when the opposite is true, when the criticism and critic have depth, where they have substance.

It is the path that is often less travelled by mayors, councilors and CEOs; the path of introspection, self-assessment and ultimately improvement.

It is a task and discipline that requires an honest appraisal of Local Government as a whole, of our individual councils and indeed, of ourselves, and to admit where things have gone wrong, how we will fix things and where necessary, issue a *mea culpa*.

In short, it is a willingness to explore new ways of doing things and be genuinely open to change and see reform as an opportunity to achieve best practice, not as a barrier to continue past practice.

## **REFORM**

Nearly two years ago, at the first meeting of the newly elected council, I made the following remarks:

*“For too long, Local Government has been the reformed rather than the reformer.*

*For too long the sector has waited for changes from above (state government) rather than take the initiative to make change where it is needed.”*

That was November 2014.

When I think about these comments, I could have easily been speaking in 1997, 2006 or indeed, last week.

It is my personal view that until recently, Local Government’s record when it comes to reform has been a ‘work in progress.’

Councils and elected members were often reactive and sensitive to criticism - fair or unfair - and sometimes responded in emotional terms to suggestions for improvement or change.

I will be the first to put my hand up and say that I have been guilty of speaking first and thinking later.

However, in recent times there has been an increasing appetite for reform within the Local Government sector.

Yes, emotion and increasingly wit and humour, is still used by mayors and councillors in their responses to criticism, but the desire to be a more accountable and transparent level of government is genuine and has serious ‘buy-in.’

Here are a just a few examples of the work that is currently going on:

- Financial Sustainability Program has already resulted in sustained improvement in the financial performance of councils over the past decade.
- The Local Government Association is working with the SA Centre for Economic Studies on a shared services audit that will demonstrate to communities and government decision makers how much we’re saving communities by working together
- A benchmarking framework for the sector is being developed
- The Local Government Association is working with the State Government on boundary adjustment reform to provide a clear and

independent process for councils who do want to investigate changes to their borders.

- The LGA is also guiding a number of pilot projects that support the recommendations of the Local Government Expert Panel for greater regional collaboration and partnerships across local government.<sup>1</sup>

So as you can see, Local Government has got both hands on the steering wheel and is on the road to change, but still has some way to go.

Yet, the sector continues to be given free, unsolicited advice from people who think they know Local Government better than those directly involved in Local Government.

You would have seen last week that the Property Council of SA released with great fanfare a discussion paper calling for amalgamations to reduce the number of council in South Australia from 68 to 32, with metropolitan councils reduced from 19 to nine.

Let me state from the outset that I do not begrudge the Property Council having a view on the future of local government and sparking a public debate. This is healthy for our democracy.

For the record, I agree with its view that “local councils will have to seriously re-think their role, functions and structures.”<sup>2</sup>

The reality, however, is that has been happening for a while and will continue to happen, as I will touch on later, so this is nothing new.

What I object to is the argument that because South Australia appears to be out of sync with Local Government in other states this is just cause for amalgamations.

In presenting its case the Property Council trotted out a list of benefits for the community such as reducing the numbers of mayors and councillors, cutting bloated bureaucracies and providing more efficient services.

It did, however, acknowledge, that there will be some upfront costs associated with any amalgamation process, which include forced redundancies, IT costs and general transitional costs over two years

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<sup>1</sup> Matt Pinnegar, email to Council Mayors and CEOs, 18 October 2016

<sup>2</sup> Property Council of South Australia, ‘An economic assessment of Recasting Council Boundaries in South Australia, October 2016, p. 3.

Yet, the Property Council argues that all of this initial disruption and expenditure is worth it because households will pay lower rates: \$80 a year (basically a tank full of petrol) – or about \$1.50 a week.

It is naive to present council amalgamations as a rainbow with a pot of gold for South Australian ratepayers to share at the end of it.

The hard and bitter truth is that there will always be so-called ‘winners’ and ‘losers’ in council amalgamations.

Take it from a mayor of a city that was formed from an amalgamation of three Councils.

The reason I say this is because every time these so-called savings are mentioned, no-one ever talks about the elephant in the room that goes by the name of ‘rate equalisation’

Certainly, the Property Council’s discussion paper doesn’t mention rate equalisation.

Rate equalisation is the process where councils that amalgamate strike a new rate in the dollar to determine their rates and as a result create a new ‘average’ residential rate and ‘average’ commercial rate.

It is an attempt to equal the rate imbalance between the amalgamating councils.

Just imagine that two neighbouring councils are going to amalgamate.

Both have the same population, similar housing stock, demographic profile, etc. – everything points to a natural and seamless fit.

The big difference is that the average residential rate for Council “A” is \$300 more than the average residential rate in Council “B” due to different rates in the dollar.

If a new average rate was struck for the amalgamated council, one could fairly assume that ratepayers in Council “A” will pay \$150 less (on average) while those in Council “B” could pay \$150 more (on average).

So, some will pay more and half will pay less.

Yet, the Property Council would have you believe that everybody gets a prize.

It is facts such as this that should be drawn to the attention of those who feel that when it comes to councils, bigger is better and economies of scale will flow naturally for the benefit of all.

Related to this issue is the question of rate-capping.

Just over 12 months ago, State Parliament's Economic and Finance Committee began its inquiry into the introduction of rate-capping policies.

According to the State Liberals, council rates in South Australia are out of control with many councils consistently raising rates well above inflation.

I do not intend to defend or criticise every council in South Australia in regards to their budget processes, but will instead point to the bigger picture.

The fact is that the percentage of overall taxation in Australia collected by Local Government is shrinking.

Right now, it is under four percent, compared by 16 percent collected by State/Territory governments and 80 percent by the Commonwealth.

This means that for every one dollar that you, I, and our fellow Australians pay in taxes and levies, less than five cents goes to local government.

Yes, there can always be savings and organisations can and should run more efficiently, but by and large Local Government is a "lean machine."

It must be said however that Local Government is not a business. It is a level of government which charges rates and invests those rates into the maintenance of infrastructure and the provision of services and programs. It is not here to make a profit.

I also want to say that I respect that individuals in this room and elsewhere may have had a different experience regarding council rates depending on the council area in which they live.

But increasingly councils are being asked to do more with less - a common expectation in our modern society - which brings into play the issue of community expectation which I will come to in a few minutes.

As South Australia's share of the national population shrinks, so too does the amount of grants it receives from the Commonwealth.



Grants and subsidies from the State Government have also decreased or remained stagnant.

Within this context, it is only natural that the percentage of rate revenue as a proportion of all revenue collected by councils will increase, placing greater pressure on councils to cut the cloth and provide value for money.

At the same time, councils should not overplay the role of victim here.

Unless some hard financial decisions are made, service reviews are undertaken and major projects are realistic in both cost and delivery, the calls for amalgamations and rate-capping will continue and grow louder if there is no attempt to move away from a 'business as usual' model.

I for one, believe the rate-capping experience is not an opportunity to bash a political party, but an opportunity for the sector to show some real leadership and position itself as a level of government that is nimble, willing to respond to community concern and happily be measured against similar councils in terms of their year-by-year performance.

"But isn't this already happening?" you ask.

The answer is "yes", but the pace of change has been slow.

I am pleased that Local Government Association of South Australia (LGASA) is currently developing a benchmarking framework for councils in South Australia to enable annual comparisons to be made between councils in respect to the cost, efficiency and quality of like services and programs delivered to their respective communities."

My council supports this reform and has actively promoted it.

At my initiation, my council also asked the LGASA to support the establishment of a standardised methodology for calculating and reporting of rates information (e.g. rate revenue, rate increases (as a percentage) and rate-in-the-dollar) so that there is consistency and transparency in respect to how rates are calculated and information is distributed.

It remains to be seen whether the LGA picks up this suggestion.

These are positive reforms that will provide for greater transparency and accountability in respect to budget processes that will undoubtedly benefit the community.

It will allow citizens to judge for themselves, based on a set of consistent numbers across councils, if they are indeed getting value for their rate dollar.

But the reality is that pressures on budgets builds from increasing community expectations.

## **RESPONSIVENESS**

With this increase in demand comes the expectation of a timely and appropriate response.

Again, councils can sometimes feel they are caught in a pincer movement.

On one hand, they are seen as the 'golden door', the place people go when they have a problem no matter how large or small.

This is certainly true in areas where social capital, community capacity and private investment is low, and the reliance of publicly funded services and council-owned facilities for sport, recreation and community activities is high.

On the other hand, councils are often seen by business as the third tier red tape, or that they are in fact, so close to the people they represent that they are actually interfering in resident's lives.

These are people who want all levels of government to simply get out of their lives. Full stop!

The challenge for councils therefore is to understand their community; its issues, aspirations and respond accordingly or suffer the consequences at the ballot box.

There are many historical examples I can point to where governments have failed this responsibility, but the example that sticks in my mind more than any is that of Winston Churchill.

Churchill's famous "Blood, sweat and tears" speech during the Battle of Britain inspired his nation to hold firm against Hitler and ultimately be part of the Allied effort that defeated the Nazis.

In May 1945, the month that World War II in Europe ended, Churchill's personal popularity was an astonishing 83 per cent.

Yet two months later, his Conservative Party lost the general election in a landslide to Clement Attlee's Labour Party, and in the process went from 387 seats to 197 seats in the House of Commons.

After five years of giving the British people the two-fingered "V" for victory sign everywhere he went, the British people returned the salute - but this time with the same fingers facing the other way.

So, how and why did this happen?

Put simply, Attlee and Labour presented a social reform agenda that appealed to the British people.

Churchill did not.

Attlee responded to the electorate's vision of a post-war Britain.

Churchill did not.

Attlee understood what politicians call the "What's next" factor.

In other words, what satisfies the community today may not be enough for tomorrow.

People are always looking ahead.

They want to know "what's next."

According to the OECD, the responsiveness of government goes to the fundamental issue of trust.

*It says that, "trust in government can depend on citizen's experiences when receiving public services. The interaction between citizens and the state is a crucial factor in trust in government. Under tight fiscal constraint and growing expectations, government are increasingly engaging with citizens to ensure quality, responsiveness and ultimately trust in public services."<sup>3</sup>*

Understandably, the erosion of public confidence in government means that trust is not given at the time of the pledge or promise but rather at the point of delivery.

There is no doubt that community expectations are high and will only get higher.

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<sup>3</sup> OECD, [oecd.org](http://oecd.org)

People are better educated, better connected to the world and more technologically savvy than ever before.

And with more and more government services and information coming online, citizens want a faster, better and less costly response from their elected representatives and government agencies than ever before.

Residents can now pay their rates or register their dog online, take a photo of a broken footpath and send it to their council as a works request, book a hall, as well as find out what is going on in their local community by using their phone.

All of these advancements in the responsiveness of Local Government are a result of the demand and expectation of better value for their rates and taxes.

The same can be said of other levels of government in Australia but it I want to put it into a Local government context if I can.

It was no so long ago that Local Government was still defined by “rates, roads and rubbish.”

The reality is that councils offer much, much more than that.

The *Local Government Act* (1999) sets out the functions for councils, which include:

- Planning at the local and regional level for the future requirements of the area
- Services (health, welfare, cultural and community services) and facilities
- Resources to protect areas from natural disasters
- Preserving and restoring the environment in a sustainable manner
- Promoting the area as an attractive place for commerce, economic development and tourism

This is a pretty broad mandate and as you can see, councils must respond to the interests of many competing stakeholders.

Even the LGA asks people to explore its new “responsive” website.

Every council area is different which means the response to each community is different.

Some will have a greater focus on economic development than others.

Seaside councils will invest more resources in looking after the coastline, while councils further inland may spend more money on street trees.

And, areas with a higher percentage of ageing citizens will need to respond in different ways to those with growth areas full of young families.

For councils, understanding their communities, or “staying in touch” is vital.

Consultation, once unheard of, is now an essential part of Local Government.

Years ago, the only opportunity to tell your mayor or councillor they were doing a good or bad job was at the ballot box.

Today, the opportunities are more extensive and occur more frequently, be they strategic plans, new policies, major projects or changes to planning roles and zoning.

Over the last decade or so, more and more councils, have measured the temperature of their community through surveys using a credible sample of residents and ratepayers.

Norwood Payneham and St Peters is about to conduct its fourth survey.

Questions are asked to rate council on areas as diverse governance, finances, services, programs, infrastructure, facilities, community events and of course the effectiveness of elected member representation.

These surveys have been very useful to not only help understand the concerns and aspiration of the community, but take note of changes in attitudes and the “what’s next” factor.

They also shed light on how the council is balancing the strategic objectives of the city with day-to-day operational services and programs such as street sweeping and how often the local parks are mowed.

And they measure the sense of inclusion that residents feel within the community they live; do they attend and participate in local community events or are they feeling left out?

But in the race to be Local Government’s most ‘cutting edge’ council with the coolest website, the most modern offices and a culture of promoting innovation, councils also need to be cognisant that for some members of their community, the pace of change is too fast that they are at risk of

becoming disconnected or even worse, socially, culturally and economically isolated, within their own community.

Believe or not, not everyone has a computer, access to the internet or is computer literate.

Older people from culturally and linguistically diverse backgrounds, many of whom had little or no schooling must rely on their children, grandchildren or others to help them navigate new systems and deal with impersonal bureaucracies.

So, councils must continue to offer services by traditional face-to face-methods as well as through electronic means.

In this regard, I believe councils are better placed to respond to these challenges than other levels of government.

The introduction of the My Aged Care system last year by the Commonwealth Government is an example of a system designed with the best of intentions, but without due consideration for ethnic communities with minimal or no English skills or computer literacy skills, which had a negative impact on the care outcomes for older Australians.

But citizens should also know there is a limit to what councils and individual elected members can do and where the roles and responsibilities start and end.

Some years ago I was travelling on a bus to work along Payneham Road to the City.

Shortly after the bus passed the Payneham Road/Portrush Road intersection the engine began sputtering and the bus slowed to a crawl.

When picking up passengers at bus stops, the engine would die and the driver would wait a minute or two before trying to turn it over again.

This happened two or three times.

Despite his best efforts the driver could not get the bus started again.

Being a rather warm day, the lack of ventilation in a bus with no opening windows, and no working air-conditioning system soon became a source of discomfort for a number of people, including one young lady in her early twenties sitting at the back of the bus.

Clearly unimpressed, she began voicing her complaints from the back of the bus to the driver.

After a number of blunt exchanges, she asked if he could open the door so she could get off the bus, which he did with the warning that we might all have to catch the next bus.

As the young lady walked past me, she stopped, turned and said:

“Come on, mate. You’re the mayor, do something.”

I assure you she was not joking!

I tell this story not to get a cheap laugh, but instead illustrate the lack of understanding about the role of local government.

Councils in South Australia are not responsible for public transport, but that morning this young lady perhaps convinced some people that it is and that I had the power to fix the problem.

And clearly, I was not being very responsive to her needs.

## **RELEVANCE**

Putting aside the young lady’s confusion about which level of government is responsible for what, there is an element of this story that I strangely found encouraging.

That is that the relevance of Local Government in her life, albeit that in this instance I was the wrong person to blame.

Of course, the reality is that the spectrum of views about Local’s Government’s relevance in our community is very broad.

As I mentioned earlier, for some the provision of services and facilities is fundamental to their physical and mental well-being

For others, unless their bin is not picked up when it should be, they are relatively happy.

For others still, one bad experience can leave a lasting negative impression.

At the extreme end, there are those who believe there should be less councils or no Local Government at all.

And then there are those in between.

Whichever camp you belong too, it is fair to say that Local Government is here to stay.

True, the State Government has the power to sack councils and force amalgamations, but it would be difficult to imagine the State Government getting rid of the *Local Government Act* and taking up all of the roles and responsibilities that have traditionally been the bailiwick of councils.

Over the last 30 years or so, Local Government's relevance has also been elevated by the Commonwealth Government.

Paul Keating elevated the profile of Local Government by giving the President of the Australian Local Government Association (ALGA) a seat at the table of the then Premiers' Conference, now known as COAG.

John Howard introduced 'Roads to Recovery' funding during his administration enabling local councils to enhance their local road networks, a funding stream that is still going.

The Global Financial Crisis (GFC) saw the Rudd Government give hundreds of millions of dollars to councils across the country to spend on 'shovel-ready' projects to stimulate the local economy and either create or sustain jobs.

But for all the good that comes from high level policies and money flowing to Local Government from the State and Commonwealth Governments, what really matters is what happens on the ground at the grass-roots level.

The challenge therefore is for the Local Government sector is to continually work to remain a relevant, responsible and responsive sphere of government to the community it serves.

Earlier, I spoke about the broad mandate of councils in terms of their functions.

I also spoke out the need for councils to be open to reform and ability to respond to expectation with the caveat that there are limits to what we can do.

Stuck between shrinking budgets and increased expectations, councils must walk a fine line.

Run too fast and you run the risk of leaving people behind.



Walk too slow and you run the risk of missing opportunities.

At the same time, councils must stick to the strategic course they have set in consultation with and on behalf of their communities, and resist the temptation to digress in pursuit of their own agendas.

More importantly, elected members need to look beyond the next election cycle in their decision-making to ensure that long-term objectives are not high-jacked by political expediency.

This is easier said than done.

I have seen far too many important projects get slowed down by unnecessary and deliberate delays, deferrals and dithering as elected members try to run down the clock to the caretaker period before Local Government elections when no major decision can be made, in the hope that a new council may change course.

This behaviour not only tests the patience of an expectant community but erodes trust and brings the issue the relevance into play with the question:

If councils cannot step up and tackle big issues affecting communities, if they cannot manage their budgets, if they are not open to reform, if they do present themselves as willing partner with other levels government, NGOs and service providers, if they do not spend money on infrastructure because they have an aversion to debt, then why does Local Government exist?

But if they can step up and do all of these things, and do them well, then Local Government can proudly hold onto the mantle of being the sphere of government 'closest to the people' well into the future.

Thank you.