

Mr Malcolm McCusker AC Chair Ministerial Expert Committee on Electoral Reform 11th Floor, Dumas House 2 Havelock Street WEST PERTH WA 6005

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Dear Chair

ELECTORAL REFORM

Thank you for the opportunity to provide commentary on matters raised in the *Electoral Reform Discussion Paper*. The Town of Port Hedland (Town) is located in the Mining and Pastoral Region under the Legislative Council electoral system.

The Town has reviewed various research papers on electoral reform of the Legislative Council and Australian Senate including publications by former Parliamentary Fellow and Associate Professor Dr Harry Phillips AM and by the Parliament of Australia fellowship program. It is evident that the system of Proportional Representation in Western Australia is complex, including the notion of electoral equity in the distribution of seats and transfer of votes formula. Further, that the electoral system for the Upper House has been subject to significant complex analysis of electoral results, Parliamentary debate and sequential proposed or actual legislative amendments over successive governments.

The Town does not consider it appropriate to propose amendments to the Legislative Council electoral system as this is the responsibility of the Parliament as the legislature in consultation with electors (in line with principles of voter franchise and democratic participation). In this regard, the Town requests that sufficient engagement occurs with electors, including in regional and remote centres, to inform the consideration process.

That said, as a regionally located tier of government, the Town supports effective regional representation in the formulation and review of statute and public policy. Representation that captures the diverse and complex

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challenges of regional and remote areas; respects local solutions to local problems; First Nations people; and acknowledges regional centres' significant contribution to the Western Australian and national economy and other arenas such as the preservation of key environmental values. The role of regional and remote areas to major State projects (i.e. port facilities) should also be considered.

Voter equity

While the Town acknowledges that Legislative Council 'country' regions have a higher ratio of electors per Member of the Legislative Council (MLC) compared to the metropolitan region, the Town would caution against:

- a narrow view of voter equity based simply on the population of electors; and
- applying Upper House electoral systems in other Australian jurisdictions based on their assessed functionality without giving due regard to different geographical and other challenges peculiar to Western Australia.

Further, that due regard be given to the effect of proposed amendments (if any) on deviation from the intent of the system of proportional representation and the Legislative Council as the House of Review.

Legislative Council as the House of Review

While applicable to the public sector as opposed to Parliament, the *Memorandum for the Heads of Executive Departments and Agencies* in the USA (2009-2017) cited a commitment to open government and working together to ensure public trust and to establish a system of transparency, public participation and collaboration. Openness being a means of strengthening democracy and promoting efficiency and effectiveness in Government. Transparency being necessary to promote accountability and provide citizens with information about what government is doing. Public engagement to enhance Government's effectiveness and improve the quality of its decisions. The memorandum specifically references Government benefit derived from access to dispersed knowledge.¹

The Parliamentary system is the preeminent source of truth on legislation and public policy, critically important in the context of competing platforms for public debate. As the legislature and place for public policy debate,

¹ Executive Office of the President of the United States, *Memorandum of Heads of Departments and Agencies*. Available at: https://obamawhitehouse.archives.gov/sites/default/files/omb/assets/memoranda_fy2009/m09-12.pdf

Parliament is the key vehicle for effective public participation and representation. The electoral system decides the construct of that representation.

The combined intent of proportional representation on a regional basis is to potentially facilitate a different representational composition in the Legislative Council to the Legislative Assembly (where executive government dominates). This often results in the Government not having a majority in the Upper House and is considered important to the Legislative Council's review role, particularly in relation to legislation which is required to pass both houses of Parliament (generally originates in the Lower House), although extending to public administration and expenditure. This flows through to Legislative Council Committees which are more likely to have opposition majorities and increased levels of scrutiny.

This scrutiny role is largely contingent on the capacity of its members (and where applicable, the public) to effectively exploit the procedures of the House and its committees, ensuring transparency through examination and public disclosure across various Parliamentary processes. While the importance of adopting a multi-factorial approach to determining what constitutes voter equity is discussed below, it is critical that the impact of any amendments on the efficacy of the Legislative Council review function are considered to ensure appropriate scrutiny, transparency and bipartisan decision-making.

Fewer regional representatives in the Legislative Council risks effective representation and scrutiny, further centralisation of decision-making, diminishment of the regional voice, and reduced parity in public expenditure and alignment of statute and public policy to need (as opposed to where votes are concentrated). This would occur through diminishing regional participation in:

- Parliamentary processes within the House i.e. grievances, Committee of the Whole, petitions, question time, etc
- Legislative Council Committees (and joint committees operated by the Legislative Council) which play a significant role in legislative review (both bills and delegated legislation) and scrutiny of public petitions (which are not considered under the Committee system in the Legislative Assembly and where tabling in the House is largely contingent on local constituent relationships with local

² Parliament of Western Australia, *About Parliament – Sheet 06, Legislative Council.* Available at: https://www.parliament.wa.gov.au/WebCMS/webcms.nsf/resources/file-06-legislative-council/\$file/Sheet%206%20-%20Legislative%20Council.pdf

representatives). Delegated legislation pertaining to local government is a significant component of the work of the 'Delegated Legislation' Committee of the Legislative Council, with 108 of the 138 local government councils, non-metropolitan. The Committee system is the integral vehicle for public inquiry and bipartisan participation in parliamentary process (less adversarial than the House). It substantially improves member capacity to understand complexities and technicalities pertaining to legislation and public policy issues.

 Opportunity for Ministerial representation (although predominantly the domain of the lower House, at least one Minister is required in the Upper House, current composition includes three) and influence on cabinet decisions including public policy (which guides the administration of government departments) and expenditure.

In the Parliamentary system regional members remain at the forefront of community collaboration and participation both in terms of the value of person-to-person contact and authoritative exchange of information with constituents, limits on regional digital connectivity and uptake, and relative absence of two-way interactive forums within the WA Parliament.

Centralisation of MLCs also risks further devolution of social and economic responsibilities under the remit of Government to local government because Government loses touch with the complexities and cost of regional infrastructure and service delivery.

Role of a Member of Parliament

The role of a member of Parliament is multidimensional and demanding, being responsible for lawmaking, debating constituency and other public issues, representing voters, assessing government finance and administration (with some limits on money bills in the Legislative Council) and to a lesser degree, educating the public on parliamentary process. Approximately 20–22 weeks per year (3 days a week) and sometimes more depending on the construct of the sitting calendar and Government business, are spent in Parliament (in the House and on committees) and the remainder of the time on party or electoral business. Given the requirement to be in Perth, regional MLCs often do not have the latitude to directly partake in electorate responsibilities on Parliamentary sitting weeks, with electorate duties also compounded by long distances in harsh terrain. This has a considerable impact in terms of fatigue and work life balance for regional MLCs. Regional Ministers have additional responsibilities that draw them to the Perth metropolitan area for extended periods including Cabinet and other meetings,

and oversight responsibilities of Government portfolios and Government Trading Enterprises.

Reducing regional member capacity will further exacerbate MLCs ability to effectively perform their Parliamentary and electorate responsibilities, potentially introduce OSH issues, and increase disadvantage compared to their city counterparts.

Regional Alienation

Public administration is increasingly concerned with placing the citizen at the centre of policy-makers' considerations, not only as the target but also as the agent for change.³ An effective legislature is one that provides opportunities to translate members and constituencies' agendas into law, relevant factors considered.

Increased globalisation, extremely high costs of doing business, contraction of private sector services, reduced regional representation of public sector agencies and enhanced reliance on online access to Government services, and geographical constraints, impede access to effective Parliamentary representation, and alienate regional and remote regions. These factors contribute to more centralised decision-making and 'uniformity' of legislative and public policy approaches that fail to adequately capture regional differences. Examples include:

- a. The State established the Concessional Loading Road Maintenance Contribution Policy (legislated) for freight tasks over 300,000 tonnes per annum to maintain parts of the State's network affected by significant freight tasks. Local Government can enter into voluntary contribution agreements which cannot be imposed as a condition of access unless there is evidence that infrastructure is unsuitable for the freight task and the freight task is likely to damage the infrastructure to the extent that is not serviceable under regular maintenance. This introduces a different burden of responsibility and proof even though the same heavy vehicles could traverse State and local government roads required to be of the same restricted access vehicle standard.
- b. Grant schemes (infrastructure and services) do not account for regional cost differentials, yet towns like the Port Hedland experience significant cost escalations relative to Perth particularly across labour,

https://www.aph.gov.au/about_parliament/parliamentary_departments/parliamentary_library/pubs/rp/rp11 12/12rp01

³ Parliament of Australia, *Citizens' engagement in policymaking and the design of public services,* Research Paper No.1, 2011-2012. Available at:

construction costs and accommodation (housing prices have risen by over 33% in 12 months in Hedland and rents are in the order of \$700-\$1000 per week and during boom periods, the mining sector competes with other sectors for labour driving up salary costs and employee incentives). This substantially affects the non-mining sector, particularly non-profits and small to medium sized businesses.

- c. Section 19 of the Western Australian Land Authority Act 1992 requires DevelopmentWA to Act on Commercial principles with significant complexity applying to Government approval of subsidies to make sites commercially viable. The net effect in towns like Port Hedland where coastal inundation requires substantial fill to realise developable land, is that economic development is hampered by a highly constrained housing market, which during economic upswings significantly reduces housing affordability for employees not privy to subsidised housing, and substantially constrains economic growth and diversification.
- d. Productivity Commission (Federal) citing in its report on *Remote Area Tax Concessions and Payments*⁴ that removal of FBT Housing exemptions (while retaining full FBT exemptions for FIFO) would not influence a company's decision to select FIFO over DIDO. Further, an evident lack of understanding of the impact of removal of FBT housing incentives on the housing market in mining towns (withdrawal of company-owned housing) and the capacity of small business to attract staff due to high costs of living. The recommendations of this report were rejected due to an outcry from predominantly northern Councils with the support of mining companies.

Participatory democratic decision-making is consultative, collaborative and considers the views of those directly affected by a decision. Disenfranchisement from the political and parliamentary process in regional centres has been well documented through political trust surveys and even by the Hansard Society in the UK due to relative distances from the seat of decision-making, lack of representation of geographical areas in Parliament (being London and South England centric) and disparities in income, wealth and economic growth.⁵ On the corollary, contact between citizen and representative has been confirmed as engendering trust in individual

⁴ Australian Government Productivity Commission, *Remote Area Tax Concessions and Payments*, 2020. Available at: https://www.pc.gov.au/inquiries/completed/remote-tax#report.

⁵ Hansard Society, *How influential you feel depends on where you live: the role of nation and region in attitudes to politics.* Available at: https://www.hansardsociety.org.uk/blog/how-influential-you-feel-depends-on-where-you-live-the-role-of-nation-and

representatives and the system of governance.⁶ There has been a shift in Parliamentary reform from Parliament simply giving information to and expectation of more direct participation.⁷

Any system that is solely reliant on elector distribution is likely to substantially reduce regional influence and facilitate further alienation from the political and parliamentary system.

Diversity of interests and contribution

The grouping of electoral regions currently recognises that they are not homogenous.

Western Australian country regions are extremely diverse and regardless of population make a substantial economic, ecological and cultural contribution to the State. On the other hand, disadvantage is also most represented in regional and remote centres and occurs across a range of domains including social wellbeing, health, community safety, economy and education. The efficacy of regional contributions and the welfare of regional residents are heavily contingent on the capacity of legislation, public policy, infrastructure investment and services to collectively address local and regional competitive and comparative advantages, unique socioeconomic challenges, and opportunities. This requires representative knowledge and community deliberation which translates through to Parliamentary and Government decision-making.

The ABS SEIFA Index of relative socio-economic advantage and disadvantage quintiles for local government areas evidenced that the most advantaged local government areas tended to be clustered around capital cities and coastal areas with non-metropolitan areas dominating disadvantage. Regional and rural disadvantage is seen to be exacerbated by lack of access to psychosocial and medical health services and equitable levels of education.⁸

⁶ Dr Jennifer Curtin, Parliamentary Fellow, Department of Parliamentary Services, Parliamentary Library information and research services, *The Voice and the Vote of the Bush: The representation of rural and regional Australia in the Federal Parliament*, 2000.

⁷ Inter-Parliamentary Union, *Global Parliamentary Report: The changing nature of Parliamentary representation*, 2012, p.32.

⁸ Australian Bureau of Statistics, *Socio-economic Advantage and Disadvantage*, Census 2016. Available at: https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2071.0~2016~Main%20Features~Socio-Economic%20Advantage%20and%20Disadvantage~123

In 2016, approximately 62 percent of the nearly 76,000 Aboriginal people in Western Australia, lived outside the metropolitan area. People who identify as Aboriginal and/or Torres Strait Islander were more likely to live in disadvantaged areas (48% versus 18% for non-Aboriginal persons). Aboriginal people suffer grossly disproportionate rates of disadvantage across all measures of socioeconomic status. The disease burden for Aboriginal people in Western Australia is more than double that of non-Aboriginal people, with 64 percent chronic and 37 percent preventable. Aboriginal people evidence high levels of participation in the justice system and Aboriginal children in the child protection system. Educational attainment although improving is still markedly lower than non-Aboriginal people.

In 2019 in Western Australia, regional GRP achieved \$111,811 billion and metropolitan GRP \$173,750 billion, with regional GRP equating to nearly 40 percent of combined GRP.¹³ Western Australia has an export-oriented economy, with almost half of Australia's annual goods exports deriving from minerals, petroleum, agri-food and specialised manufactured goods.¹⁴ In 2019-20, goods producing industries accounted for 56% (\$175.7 billion) of Western Australia's GSP of \$316.3 billion. Forty-three percent mining (\$135.3 billion), 5% construction (\$17.3 billion), 4% manufacturing (\$12.9 billion) and 2% agriculture, forestry and fishing (\$5.4 billion), the remainder service industries. In 2020, mining accounted for 72% of Western Australia's new capital investment, up 16 percent while non-mining investment fell by 5.2%.¹⁵

 $https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by\%20Subject/2071.0^2016^Main\%20Features^Aboriginal\%20and\%20Torres\%20Strait\%20Islander\%20Population\%20-\%20Western\%20Australia^10005$

 $https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2071.0^2016^Main%20Features^Socio-Economic%20Advantage%20and%20Disadvantage^123$

 $https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2071.0^2016^Main%20Features^Aboriginal%20and%20Torres%20Strait%20Islander%20Population%20-%20Western%20Australia^10005$

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⁹ Ibid. Available at:

¹⁰ Ibid. Available at:

¹¹ Government of Western Australia, Department of Health, *Outcomes Framework for Aboriginal Health 2020-2030*, p5. Available at: https://ww2.health.wa.gov.au/-/media/Files/Corporate/general-documents/Aboriginal-health/PDF/Outcomes-Framework-for-Aboriginal-Health-2020-2030.pdf

Australian Bureau of Statistics, Aboriginal and Torres Strait Islander Population – Western Australia.
Available at:

¹³ Government of Western Australia, *Nominal Gross Regional Product 2019.* Available at: https://catalogue.data.wa.gov.au/dataset/gross-regional-product/resource/bdb89bd1-a6d0-4a05-9940-cd0f5af65085

¹⁴ Government of Western Australia, Department of Jobs, Tourism, Science and Innovation, *Western Australia Economic Profile May 2021*. Available at: https://www.wa.gov.au/government/publications/western-australias-economy-and-international-trade

¹⁵ Ibid.

InfrastructureWA's discussion paper, *A Stronger Tomorrow, State Infrastructure Strategy: A look at the Regions*¹⁶ speaks to complex regional (and metropolitan) infrastructure challenges and opportunities across economy and social development. This includes improving Aboriginal disadvantage; delivering resilient infrastructure to a dispersed population, able to effectively withstand weather extremes; maximising industry opportunities; and building on ecological tourism.

While the Town appreciates infrastructure investment in regional WA including the recent Spoilbank Marina Project in Port Hedland and Government's contribution to the Port Hedland Sports and Community Hub, in 2020-21 DevelopmentWA forecasts 8% of expenditure on regional development.¹⁷

The Australian Institute of Health and Welfare report *Rural and Remote Health* 2019 identified that Australians living in regional and remote areas have lower lifespans, higher levels of disease and injury and poorer access to health services. In 2016, remote areas were more likely to report barriers to accessing General Practitioners and specialists than major cities; in 2015, the disease burden in remote and very remote areas was 1.4 times higher than metropolitan centres; for 2015-2017, life expectancy for both genders decreased as remoteness increased; and 2017-2018 preventable hospitalisation rates in very remote areas were 2.5 times major cities. These poor health outcomes are heavily reflected in the *Pilbara Health Profile*, November 2018 which compares health outcomes in the Pilbara to the State rate, with disease burden, preventable injury rates and high levels of hospitalisation particularly evident. The second sec

A 2017 report by Bankwest Curtin Economics Centre, Educate Australia Fair? Education Inequality in Australia: Focus on the States Series, No.5,²⁰ found that remote areas in the State typically have the highest level of educational disadvantage, with children having less access to pre-school, lower

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¹⁶ Government of Western Australia, Infrastructure **WA**, A look at the regions. Available at: https://www.infrastructure.wa.gov.au/look-regions

¹⁷ Government of Western Australia, Statement of Corporate Intent, p11.

¹⁸ Australian Institute of Health and Welfare, *Rural and Remote Health*. Available at: https://www.aihw.gov.au/getmedia/838d92d0-6d34-4821-b5da-39e4a47a3d80/Rural-remote-health.pdf.aspx?inline=true

¹⁹ Government of Western Australia, Country Health Service. Available at: http://www.wacountry.health.wa.gov.au/fileadmin/sections/publications/Publications_by_topic_type/Report s and_Profiles/Pilbara_Health_Profile_2018.pdf

²⁰ Bankwest Curtin Economics Centre, *Educate Australia Fair? Education Inequality in Australia: Focus on the States Series*, *No.* 5, June 2017. Available at: https://bcec.edu.au/assets/099068_BCEC-Educate-Australia-Fair-Education-Inequality-in-Australia WEB.pdf

attendance levels and poorer performance in literacy and numeracy, with the top 10 sites of educational disadvantage located in the Northwest and in towns with predominantly high Indigenous populations. Notable also were low percentage rates for internet access in these towns, ranging from 54.3% to 74.1% in very remote regional towns and 12.7% to 39.1% in remote towns exemplifying not only disadvantage but lower capacity for online civic connection.

There is a plethora of evidence that supports the complexity, diversity of issues/challenges and contribution of regional towns to the State and nation, not limited to the Mining and Pastoral region.

The Town views that there are inherent risks in 'divorcing' regional and remote centres from effective representation in political and parliamentary decision—making processes and further centralising decision—making. Co-creation or citizen centric policy making is not only a fundamental right but acknowledges that the success of legislation and policy is its alignment to local circumstances and ownership by those who are impacted.

Voter preferences

It is understood that voter preferences are generally set by voting above the line on the ballot paper pursuant to parties determining preferences, with one of the concerns being a lack of vote transparency on award of preferences. Further, that there has been a shift by other Australian jurisdictions to abolishing group voting tickets.

There is significant complexity in the analysis of the effect of the formula used for transferring voter preferences and it is not clear on how often it has resulted in anomalies (i.e. facilitating entry into Parliament by candidates with minority support).

It is understood that the argument for proportional representation is based on the pluralistic character of society, which facilitates adequate representation for a variety of views, and which allows minority interests with sufficient support to be heard. As noted, the Town does not wish to provide commentary on whether changes should or should not occur to the system of proportional representation suffice to say that transparency should exist for electors in the allocation of preferences. The Town asks that the committee in providing advice to Government on this issue give due consideration to:

 the impact of any proposed changes to voter preferences on the capacity of the House to effectively operate as a House of Review;

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- appropriate representation of minority interests where there is sufficient support; and
- the combined effect on the regional voice of any proposals to reduce representation in regions coupled with any changes to the system of transfer of voter preferences.

In concluding, opinion polls suggest a sense of alienation and angst in regions across governance and representation. As noted, trust is engendered through a citizen's sense of belonging and attachment to the system of governance; the system, values and institutional presence of democracy; and connection to elected and non-elected officials.²¹ Trust facilitates effective legislative and policy development.

Systems that support citizen deliberation are an integral component of our democratic system. Deliberation should not just be reserved for highly publicised issues but provide opportunities to explain commonalities and differences amongst regions and to facilitate justifications for decision-making and transparency of communication. Deliberation is a time-consuming process and commands the development of mutual respect. The personal dimension around representation is extremely important and offsets sensationalised media and non-authoritative sources as avenues of information.

The Town understands that the electoral system needs to be fair but questions whether this translates to an equal number of voters or alternatively, compensation for regional and rural areas with fewer voters given the tyranny of distance and diversity of issues. Any significant diminishment of representation in regional areas risks marginalisation which could well impact regional contribution to the State and resident wellbeing and access to vital infrastructure and services.

The Town respectfully requests the Committee considers that regionalisation and remoteness brings with it significant differentials in the delivery of legislation, public policy and government services. Changes to the system should not introduce structural apathy and centralised decision-making that fails to cater to the unique requirements of non-homogenous regions in Western Australia. Regional and remote centres must retain trust in the integrity and quality of Parliamentary and political decision-making.

²¹ Dr Jennifer Curtin, Australian Parliamentary Fellow, Parliament of Australia, Department of Parliamentary Services Parliamentary Library Information and Research Services, *The Voice and the Vote of the Bush: The Representation of Rural and Regional Australia in the Federal Parliament*, 2000.

Should you require further information to support the submission, then please contact me on (08) 9158 9313 or email ceo@porthedland.wa.gov.au.

Yours sincerely

Carl Askew Chief Executive Officer

7 June 2021