

Introduction

Ratepayers Australia

[Ratepayers Australia](#) incorporated is a national peak body and civil society organisation that connects and empowers community advocates in each state and territory, to future-proof good governance leadership and functioning in Australian local government sector. Our current network currently covers individual advocacy leaders and groups from Victoria, Queensland and Western Australia. Tasmania and NSW representatives have also expressed interest to collaborate with us to address governance issues linked to increasing fraud and corruption, and possibly foreign interference risks in their state councils. Our work in Victoria advocates for ratepayers, residents and local businesses involved in and affected by Victorian council matters.

Feedback Development Barriers

Ratepayers Australia only discovered the Open Public Government Partnership (OGP) initiative in the last week of its consultation, and two of our executive members attended the 29 June public consultation in Melbourne. We ramped up learning curve of the program in less than 2 weeks, while challenged by:

- Our learning curve in navigating the OGP website to obtain the information we need
- Our unclear understanding of:
 - The underpinning governance principles and framework the Australian Government is trying to establish in order to effectively deter fraud and corruption in our federal government system.
 - OGP's organisational project management structure that would clearly differentiate its key objectives, their performance indicators and the specific strategies that not only deliver these objectives and fulfil the KPIs, but also shape independent and interrelated projects that define the entire scope of the OGP initiative.
- Receiving no response to have our online registration request approved and use the online submission facility that is promoted in the website. As a result, we are submitting our feedback via email correspondence.

Analysis of OGP National Action Plan 2016-2018

As new participants to the OGP initiative, we had to review and understand its first plan, published in the website. Our analysis infers that the underpinning first plan's objective is to ensure good governance in the Australian public sector, an important pre-requisite to deter fraud and corruption in our federal government system. Consequences of fraud and corruption can result in sovereign risks to using government agencies to facilitate transnational money laundering and even foreign interference in all three levels of government. The key enablers to achieve this primary goal is driven by the first plan's commitments to strengthen good governance in the Australian sector, by:

1. Promoting transparency
2. Empowering citizens
3. Fighting corruption
4. Harnessing new technologies.

Organisations that lack good governance are often characterised by unethical leadership and promote corrupt behaviours, such as “favouritism, nepotism, conflicts of interest, misuse of information, deliberate non-compliance with required procedures, and a failure or refusal to take action with respect to such conduct by fellow employees or management” ([IBAC, 2018](#)). Such conduct shape organisational cultures that are likely to put an organisation on a path towards the normalisation and acceptance of fraud and corruption.

As such the following initiatives have been established to reinforce these enablers to be developed and make good governance more explicit in government:

Program Themes	Specific project-based actions
Open Data & Digital Transformation of government services:	<ol style="list-style-type: none"> 1. Release of Public Data Policy Statement in Dec 2015 2. Establish the Digital Transformation Agency
Improve accountability & integrity within and outside of government	<ol style="list-style-type: none"> 3. Commissioned and supported all recommendations of an independent review of the parliamentary entitlement systems in Aug 2015 4. Introduced legislation to improve the governance and accountability of registered organisations (unions and employer organisations) in response to the Royal Commission into Trade Union Governance & Corruption (Dec 2015).
Improve government ICT procurement more transparent and foster innovation by supporting start-ups and innovative small businesses to sell services to government	<ol style="list-style-type: none"> 5. Established a new Digital Marketplace for: <ol style="list-style-type: none"> a. Procuring ICT products and services b. Developing solutions to policy and service delivery challenges through the Business Research & Innovation Initiative 6. Commenced development of a public ICT dashboard to improve transparency around Government ICT performance & progress on major new investments
<p>Develop new activities in international anti-corruption and tax avoidance/transparency efforts.</p> <p>These new activities build on other actions already implemented to improve access to government information and promote transparency & integrity at the federal level, these being:</p> <ul style="list-style-type: none"> • Improvement of whistle blower protections via the 2014 amendments to the Public Interest Disclosure Act 2013; • Reforming the FoI laws, to require Australian Government agencies to publish a broad range of information on their websites; • Establish the Office of the Australian Information Commissioner in 2010 to promote access to government information • Amended the Archives Act 1983 in 2010, to reduce the period before which government information and Cabinet documents are released, and established the Digital Transition Policy & Digital Continuity 2020 	<ol style="list-style-type: none"> 7. International participation in the: <ol style="list-style-type: none"> a. G20 Anti-corruption working group in 2014 b. UK international; anti-corruption summit in 2016 8. Developed ATO capacity to report the Australian total income, taxable income and tax paid of large public and private companies operating in Australia 9. Established the Voluntary Tax Transparency Code in 2016/17, to support a set of principles & minimum standards to guide medium and large businesses or public disclosure of tax information, to encourage greater transparency within the corporate sector

<p>Policy that requires government information to be created and managed digitally</p> <ul style="list-style-type: none"> Adopted the Creative Commons in 2010, to increase access to government information and consistency in licensing arrangements. 	
<p>State, territory & local governments' undertakings to improve transparency, integrity & access to information at sub-national levels</p>	<p>There is no project that reviews these state/territory level undertakings and align their outcomes to support the OGP.</p>

Second OGP National Action Plan 2018-2020

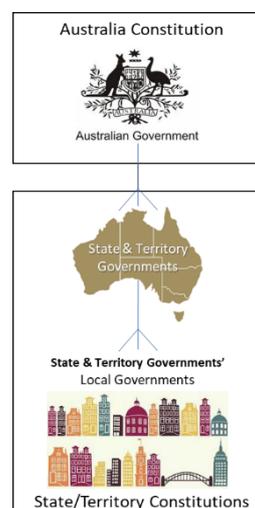
We could not locate the specific online details of the second OGP plan and had to rely on a hard copy that we received from the 29 June consultation in Melbourne to understand the planning scope. The documentation indicated the following themes frame the scope of priorities in the second plan.

1. Strengthen the national anti-corruption framework
2. Enhance the transparency of political donations and funding
3. Improve the sharing, use and reuse of public sector data
4. Improve public service practices using place-centred approaches
5. Enhance State & Territory participation in the Open Government Partnership (OGP)
6. Enhance public engagement skills in the public sector
7. Engage Australians in the Independent Review of the Australian Public Service
8. Expand open contracting & due diligence in procurement.

Improving good governance leading to effectively deterring fraud and corruption in the public sector cannot take a silo approach. It requires system thinking and an ecosystem approach that can integrate reforms at federal, state/territory and their local government levels (which make up our public sector in the country).

As such, reforming good governance frameworks, policies and laws of the three levels of government need to be coordinated and harmonised to provide an integrated and sustaining government solution that works in any of the three levels of government.

Notably, our feedback will focus on translating the second plan's problems and reform priorities, relevant to the local government sector.



Strengthen the national anti-corruption framework

PUBLIC PROBLEM IN LOCAL GOVERNMENTS

Many of the local government acts of state/territory governments are undergoing reforms to establish common understanding and interpretation of the laws to increase good governance conduct and practices in councils. The public wicked problem is that local councils continue to discretionarily interpret these acts and without committed and strong state/territory governance policing systems, these varying interpretations allow councils to foster loose governance conduct and practices without being accountable for the consequences of non-compliance.

This level of government is the least governed, hence the least transparent, accountable and efficacious when compared with the other two levels of government. It is common knowledge that misconduct, local fraud and corruption prevails in procurement and town planning matters, however when there is no formal and hence also no evidence-based documentation, there are no consequences.

Furthermore, state / territory governments are only starting to exert more control on their local councils, through reforms that are currently taking place. However, the cultural and organisation changes in councils are slow and blocked by strong resistance.

Good governance capability maturity is at level one, creating high risk exposure to ongoing misconduct, fraud and undetected corruption in this sector of government. The ramifications of translational money laundering using council as facilitation agents are unknown, increasing exposure because of:

- The lack of anti-money laundering (AML) compliance among real estate, accounting and legal agencies and
- The increasing influence of developers' involvement, both direct and indirect, in councils and town planning decision making.

The lack of effective coordination between a state/territory's integrity agencies and the lack of funding in integrity agencies also widen the risk exposure to misconduct, fraud and corruption activities in councils, incubating opportunities for money laundering and even foreign interference.

OGP IMPLEMENTATION SCOPE EXPANSION

The national anti-corruption framework and improvement options developed by OGP need to be include the implementation and governance surveillance systems of these OGP reforms in local (and hence also state/territory) governments, not just at Federal level.

Enhance the transparency of political donations and funding

PUBLIC PROBLEM IN LOCAL GOVERNMENTS

State/territory and local government elections are also exposed to undisclosed political donations and funding. In local governments, there is additional risk exposure of election candidates receiving undisclosed financial from developers and in-kind support from political parties, to increase the success likelihood of candidates becoming councillors. As such there are many councillors who have affiliations with developers, serve excessively continuing long councillorship terms and make biased decisions, often through groupthink collectives and in closed meetings and especially in town planning and the sale of council land for high density developments (and including manipulation of public land market prices through setting development heights in planning schemes). The appointment of CEOs by politicised or groupthink councillors can also influence governance performance at a corporate level.

OGP IMPLEMENTATION SCOPE EXPANSION

The OGP needs to coordinate and harmonise legislated arrangements integrated across all 3 levels of government, to ensure, not just enhance the transparency of political donations and funding and have tougher and consistent penalties for compliance misappropriation.

Improve the sharing, use and reuse of public sector data

PUBLIC PROBLEM IN LOCAL GOVERNMENTS

Data management in local governments is not only highly expensive but is also duplicated across councils, lacks interoperability to support state/territory KPI reporting and the technology used is behind other levels of government, and industry. Councils are unresolved to share ICT services, and many continues to believe in owning their own decentralised ICT silos.

The new Data Sharing and Release Act needs to be integrated into State/Territory and local government legislations. This means the Australia Government need to consider taking a country wide enterprise architecture perspective of data management, treating the state/territory and their local governments as architecture lines of businesses.

OGP IMPLEMENTATION SCOPE EXPANSION

State/Territory governments are already developing their digital and data management capabilities, including that for their local government portfolios. The OGP program needs to harmonise and integrate into these state/territory governments' initiatives, eg Victorian Government's Know Your Council and Local Government Performance Reporting programs. As first priority, the data management should focus on measuring and reporting the governance performance of local governments (and their respective state/territory governments), to understand the state of governance performance, which are key clues to identifying the prevalence and intensity of misconduct, fraud and corruption exposures at state/territory to local government level.

Improve public service practices using place-centred approaches

PUBLIC PROBLEM IN LOCAL GOVERNMENTS

Place-based approaches are key to localising federal and state/territory policies, reforms and services. As such, local councils place an important grass-root role in localising federal and state/territory good governance frameworks and anti-corruption reforms.

Taking a community centred approach in checking and reporting misconduct, fraud and corruption in all three levels of government is most relevant and signals a real commitment for implementing and sustaining the OGP program.

OGP IMPLEMENTATION SCOPE EXPANSION

Ratepayers Australia offers its professional and academic capabilities and networks to help localise the OGP program in local government to involve local communities collaborating with their states/territories' local government agencies and willing councils to check and report the governance performance of councils. We proposed using Victoria as a first pilot, followed by a choice of Queensland, Tasmania, Western Australia as a second pilot and can assist in the development of a national rollout plan for localising place based and community involved surveillance of councils' governance performance, which is linked to indicate the exposure to fraud and corruption.

Enhance State & Territory participation in the Open Government Partnership (OGP)

PUBLIC PROBLEM IN LOCAL GOVERNMENTS

Ratepayers Australia's interest in the OGP program is because we see the common wicked problem of increasing misconduct, fraud and corruption exposure continues to prevail in local governments

and that state/territory local government ministries and agencies can effectively benefit from a national OGP program.

There are many duplicated actions already happening at state/territory governments' level, to improve good governance conduct and practices in local councils, a key pre-requisite for stamping out fraud and corruption in local government portfolios.

OGP IMPLEMENTATION SCOPE EXPANSION

Ratepayers Australia is offering to assist in developing the strategies and implementation programs for localising the OGP initiative in local councils across the country. We proposed the first pilot to be in Victoria, to build on ongoing reforms made by the Victorian Government's Local Government Minister and Local Government Victoria. Taking an agile approach, we will leverage this first pilot experience to deliver the second pilot and plan for a national rollout localisation of the OGP in local governments. Our collaboration provides the OGP team access to an existing team of professional and academic community leaders who are not just advocating for local ratepayers and residents, but also enable ratepayers driven civil society organisation to be created for championing and localising the OGP initiative.

Enhance public engagement skills in the public sector

PUBLIC PROBLEM IN LOCAL GOVERNMENTS

Citizen participation is essential to establishing and sustaining public confidence and trust in our government systems. It is a new concept, nationally and internationally, developed with the recent developments of good governance ideology and practice frameworks in the public sector. New developments of the measures of public can demonstrate whether life in Australia is getting better and track sovereign democracy, governance and citizenship development progress from a citizen's perspective ([Australian Bureau of Statistics, 2010](#)). As is now, public participation is more than citizens getting involved in voting, civil societies and political parties to make a difference – the practice is also maturing public policy making and service design to be citizen centred and allow collaborative decision making with both government agencies and citizens ([Holmes, 2011](#)). The OGP benefits arising from this priority implementation also reduces the complexity of public policy problems and help restore public trust in governments.

Australian citizens' trust in governments has declined to 35%, which places Australian in the bottom third of countries whose citizens do not trust their governments ([Government News, 2018](#)). Australians believe government is the most broken institution.

In the local government sector, the citizens' trust factor, undocumented, is low. Citizens believe corruption exists in local government and experience it, especially in the forms of misconduct and fraudulent decision making.

Reporting misconduct, fraud and corruption activities in local government is often complicated by complex explanations and when compounded by the lack of funding in integrity agencies, the reports are generally dismissed, especially when raised by citizens. Investigating the reported leads also requires the "trust of the informants and the ability to have powerful insights with impeccable timing", which not easily and fully known ([Purcell, 2016](#))

“Even when reported, tracing the outcome from state authorities to the local government becomes an exercise of futility, because the corruption act is dealt with in policy frameworks that make it effectively disappear” ([Masters, 2015](#)). Misconduct, fraud and corruption incidents and leads are observed and when and rarely reported, they are usually dismissed by the councils themselves and state integrity agencies and the information remain ineffectively captured or uncaptured, blocking future surveillance and evidence-based linkages to more serious and complex criminal activities, such as AML.

We believe citizen engagement in local government decision making is key to stamping out misconduct, fraud and corruption in municipal service provisioning. Hence it is important that the OGP’s plans for improving public engagement should be expanded to be included in the local government sector.

OGP IMPLEMENTATION SCOPE EXPANSION

Many local councils claim they adopt the International Association of Public Participation (IAP2) spectrum ([AIP2, 2014](#)) in their local community engagement policies. We recommend that the OGP program integrate the use of this international standard in their citizen engagement options.

IAP2’S PUBLIC PARTICIPATION SPECTRUM



The IAP2 Federation has developed the Spectrum to help groups define the public’s role in any public participation process. The IAP2 Spectrum is quickly becoming an international standard.

		INCREASING IMPACT ON THE DECISION				
		INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL		To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
	PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

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A second recommendation is to leverage common social media services provided by our ICT partner, [OurSay](#), to provide a consistent platform for public engagement activities of local councils and they are constantly seeking collaborative opportunities to align their digital service developments to support government reforms and community engagement of government in all three levels. The OurSay platform is also becoming a fast-emerging digital platform for enabling interactive and informative community engagement for councils. We recommend the OGP to review the digital

services of OurSay and include them as delivery tools for enabling citizen participation and measuring and reporting their performance indicators.

We are developing a strategy to leverage this digital platform and its services to provide the digital capabilities for ratepayer groups to engage with their councils on matters relating to governance concerns and also empowering ratepayer advocates and groups to measure, check and report the governance performance of their councils, based on KPI to be developed in collaboration with state/territory agencies and willing councils. We envisage that we can interoperate these ideas and tools to align with OGP goals and priorities and build a meta-data architecture framework of governance KPIs that can integrate across all three levels of government and be customised for multiple purposes.

Engage Australians in the Independent Review of the Australia Public Service

PUBLIC PROBLEM IN LOCAL GOVERNMENTS

The same agenda needs to be applied in the local government sector.

OGP IMPLEMENTATION SCOPE EXPANSION

Ratepayers Australia offers to be a partner to enable place-based collaboration by our professional and academic networks to review the APS in local government and use a common digital public engagement platform like OurSay, to reach out to ratepayer advocates and groups nationally to localise the implementation of independent review.

Expand open contracting & due diligence in procurement

PUBLIC PROBLEM IN LOCAL GOVERNMENTS

Procurement fraud and corruption is significant and predominately uncaptured in the local government sector. Local councils have more discrete autonomy by individuals to break down procurement into smaller parcels not subjected to state/territory requirements of procurement thresholds and tougher transparency controls. Furthermore, procurement data management is not available online, for open and public disclosure.

The OGP's Open Contracting Data Standard should equally apply to procurement in local governments, facilitating council procurement to be conducted and managed online.

OGP IMPLEMENTATION SCOPE EXPANSION

Our academic network affiliation, RMIT has conducted e-procurement research in the public sector, covering all three levels of government. This research can continue to assist OGP to localise the implementation of the Open Contracting Data Standards in digitalising and managing procurement risks in local government.

One of our executive committee members have served in Procurement Australia and hence can facilitate collaboration with this national organisation to improve procurement transparency and due process.

Closing Note

Ratepayers Australia would like to participate in the OGP program to help localise its priorities and options in the local government sector. We would like to offer our talents, networks and collaborate

with the OGP team to develop the community engagement touchpoints and digital capabilities to make OGP work in local government.

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