

BETTER PRACTICE EXAMPLES OF GOVERNANCE IN LOCAL GOVERNMENT

INTRODUCTION

This paper draws from international and Australian examples of models of local government including size, roles of Councils, Councillors and Mayors, length of Council terms, nature of elections, and meeting procedures, to reflect on better practice examples of local governance.

METROPOLITAN-SIZED CITY COUNCILS AND REGIONAL COUNCILS AND DIRECTLY-ELECTED MAYORS

International Perspective

In the United States, there are three local government models each of which demonstrates quite a sophisticated understanding of the varying powers of Mayors versus the powers of Councils and unelected officials. The first of these models is where the unelected official is a strong CEO and the Councils are weak, with very high turnover of Mayors through an annual election of the Mayor by full Council. This type of Council is called the weak Mayor-strong Administrator model of Council. Then there is the strong Mayor-weak Council model. With this model, the Mayor heads a ticket and brings in a team of administrators such as the head of library services or the Chief of Police, each of whom has executive powers, separate to the Council. So although they head up administrative units in the Council, each has been elected. The Council is relatively weak in this arrangement with the Mayor having full hiring and firing powers and the right to direct employees. Chicago City Council is organised along these lines. The third model is one where there is a Council, Council Committees and an Administrator and more of a series of checks and balances between these elements.

Tony Blair, when Prime Minister of the UK Government became very interested in the idea of strong units of local government especially with directly-elected Mayors and introduced reforms of local government in that country which were aimed at encouraging directly-elected Mayors for the larger cities in the UK such as Birmingham, Liverpool and Manchester. However, since a referendum had to be passed none of these three actually introduced a directly elected Mayor.

This trend for national governments to recognise the importance of cities to the national economy, and for the governance to reflect their importance, had been occurring in the rest of Europe in the period prior to Prime Minister Blair's initiative. This reflected the growing consensus about what was happening to both the population, and to the economy, in Europe, and indeed globally. Specifically, people were moving to live and work in cities, and cities, had become the driving force of not only their own metropolitan economies, but their hinterland, and the national economy as well. Blair and other national leaders in Europe believed that such cities and economies needed to have a unifying political leadership. So Blair and other national leaders began the process of introducing legislation to encourage directly-elected Mayors in the larger cities, some of which cover the whole metropolitan area.. Legislation was introduced in 2000 by the Blair Government to allow for the option of directly-elected Mayors in England and Wales. The position of a directly-elected Mayor for Greater London was created in 2000 and Ken Livingstone was elected to the position which took on more of a strategic metropolitan focus rather than

one having a local operational or service delivery focus. He was also given greater, semi-executive powers.

Under the Department for Communities and Local Government's 2010 Structural Reform Plan 12 of the UK's largest cities will adopt directly elected Mayors, subject to confirmation by referenda and subsequent scrutiny by Councillors. The Westminster system has been influential in the general thinking around checks and balances associated with the respective powers of Mayors, Councils and Council Committees.

This trend has also been picked up in parts of Canada and more recently in New Zealand with Auckland and Wellington Councils. A greater Auckland Council has been created, and in the case of Wellington, a review is underway.

Australian Experience

In Australia, the creation of larger-sized Councils with directly-elected Mayors has occurred only rarely. In Queensland in the early 1920's, a far-sighted Premier of Queensland, introduced legislation to bring 20 cities and shires together to create the one larger Brisbane Council. That council covered the whole Brisbane metropolitan area at that stage. At the same time, the Premier also introduced a directly-elected Mayor. The idea of a longer term, such as three, four or five years, to create a political horizon to allow for implementation of the political mandate gained at the polling booth, came later. But the idea did become reality. So the Lord Mayor of Brisbane enjoys a significant political mandate, with a four year term in which to deliver on that mandate.

The Queensland Government, in amalgamations introduced into Queensland three years ago, created the concept of regional councils. These Regional councils are not an additional tier but the within the same tier as the rest of local government in Queensland. This concept was to create Councils of sufficient size to bring service centres and hinterland together, and to form regional gateways with sufficient economic scale to be thought of as a region. The Queensland Premier made sure these Councils were headed up by a directly-elected Mayor with a view that they could provide strong, unifying political leadership for the regional council. At the same time no change was made to the outer rural Councils in western Queensland on the basis that the distance travelled for both Councillors and service delivery had to be reasonable. All the Mayors in Queensland are directly-elected Mayors with semi-executive powers, and have been for some time.

Some Australian States have not wanted their Councils to be strong political units. In some cases this has been quite overt and in others weak Local Government has developed more by omission. Some State Governments seem to have structured their local councils to be as small and weak as possible. In some Australian States, the population of metropolitan areas is a very high percentage of the State as a whole. For example Adelaide's population is 1.1M compared with the whole of South Australia's population of 1.5M people. One metropolitan Adelaide Council in South Australia headed up by a directly-elected Mayor would have a political base virtually the same size as that of the State Government.

The Western Australian Government has announced a review of the Councils in the Perth metropolitan area. A review of Councils in Sydney is also widely anticipated.

Consistent with the models developed in the UK, the former Brumby Government in Victoria, promised to put in place a directly-elected Mayor in the City of Greater Geelong. The incoming Baillieu Government has decided to continue with this initiative.

In Tasmania's case the physical separation of North West, North and South, particularly the traditional rivalry between Launceston and Hobart, as major population centres, means that directly-elected Mayors and whole of metropolitan area-based Councils in these two centres, would not pose the same political dilemma for the Tasmanian State Government as the Adelaide/South Australian scenario would for that State Government.

All Mayors in Tasmania are directly elected, but under a weak Mayor model where there are no substantial powers except under the right to lead which is reinforced by only having two year term for the Mayor and Deputy Mayor. One of the issues in Tasmania is the requirement to serve as an Alderman before being able to stand for the Mayoralty. While this ensures some experience in local government, it can also act as an impediment to very highly qualified people standing and potentially lower the overall quality of Mayoral candidates.

LONGER COUNCIL TERMS

Since the Second World War, the Australian people have faced a Federal election on average every two years. Even though this has not led to a change of Federal Government each time, it has militates against long term planning and program delivery in the national political arena.

This occurs because each election requires an election campaign preparation typically of about six months duration. In addition, the post election machinery of Government changes can take between three and six months to implement and settle down. With a change of Federal Government this can take up to a year. In other words, between 35% and 50% of available time to a Government, can be described as fully productive time, that is, time available to govern. Consequently, Federal Governments in Australia have been accused of being focused on the short-term.

There has been a move in some States and Territories to fixed terms for State Governments. In some cases this has also been applied to the Local Councils in those States. This is the case in Victoria, South Australia, Queensland and NSW. These also have all in, all out Council elections.

As stated above, in Tasmania's case, Mayors and Deputy Mayors are elected for two year periods. This would definitely benefit from a change to a longer period of time such as three or four years. Councillors and Alderman are elected for four year periods but with half being voted in every two years. Whilst it might provide for continuity, it militates against building a long term vision and agenda. Some also argue that this is not as democratic as the electors having the right to change the whole Council if they wish to do so. A four year term allows not only for the policy formulation process to be a combination of political mandate and being evidenced-based, but also allows for a program to be delivered, and for the electors to judge the results. This approach is reflected in recent NSW legislation for 'community strategic plans' and 4-year 'delivery programs'.

COUNCILS AND CORPORATE GOVERNANCE

Much has been written about the need for Councils to adopt the principles of excellence in corporate governance. These principles include the clarity of roles, particularly the distinction between the Council operating collectively as a Board as distinct from the role of the individual Councillor as a representative of the people, and from the role of Management in carrying out the Council decisions and being the operational arm of the Council. This is reflected in the Tasmanian Local Government Act.

The Australian Institute of Company Directors (AICD) states that there are four roles for the Board, or in the case of Local Government, the Council. These four roles are the setting of the strategic direction of the municipality and the Council itself as an organisation; the setting of policies such as the policy on waste management in the municipality, or human resource management for the Council as an organisation; the monitoring of the implementation of policies and operational management; and the recruitment, performance review, remuneration and succession planning of the CEO/ General Manager and potentially, top-level senior management of the Council.

It is an important role for the Mayor and for the Council CEO to assist new Councillors to understand this role for the Council as a decision making body and to lift the horizons, and sometimes the individual skill base of Councillors so that this more strategic role can be performed.

In some cases, Councils have too many Aldermen and Councillors to be able to perform the strategic role as a Council effectively. In the private sector, the corporate governance literature suggests that between five to nine board members including the Chairperson is about right, with numbers varying in line with the complexity of the business and eight board members being the average number.

In the case of Councils, there may be too many Councillors around the table to effectively contribute to discussion and decision making. In the case of Southern Councils the numbers vary between nine and twelve Alderman and Councillors, and seem to be about right, with perhaps a few too many in some rural Councils.

Another option is for councils with a large population and hence more councillors to have a small 'civic cabinet'. This happens in Brisbane and most UK councils.

Usually the local government association provides training in good corporate governance and some Councils require their Council members to do the AICD Company Directors Course

COUNCIL MEETINGS

There should be opportunities for strategic discussion as well as decision items on the agenda.

Some jurisdictions have changed the Local Government legislation to provide for meetings to take advantage of the internet for video-conferencing and teleconferencing of Council meetings to speed up decision making and to deal with the tyranny of distance. Budget meetings are regarded as an exception where the value of face-to-face discussion is regarded as important.

The Annual General Meeting of the Council can be used as a valuable opportunity to reflect on the year's achievements and the agenda for the coming year, and to report to the community eg through a 'state of the local area' speech by the Mayor (similar to the US President's State of the Union address)..

MANDATORY VOTING

Mandatory voting in local government elections applies in Queensland, NSW and Victoria. Based on the Panel's experience, mandatory voting would advantage Tasmanian local government in two ways. First, it puts local government on the same electoral level as State and Federal Governments. Second, it promotes more representative Councils and provides the best possible safeguard against candidates being captured by very narrow sectional interests – a problem observed first hand by one of the Panel members in the US.

CONCLUSION

This paper argues that the Southern Tasmanian community, Councils and the Tasmanian Government could benefit from a number of changes in terms of governance of Local Government. Changes to the Local Government legislation would be required to implement some of these changes. Suggested changes include ensuring regional councils have a service centre, introducing metropolitan-wide Councils in Tasmania, four year Council terms, all in/ all out Council elections, mandatory voting, changing rules so that Mayors do not have to be an Alderman previously, enhancing the strategic role for Councils with in some cases a smaller number of Councillors, and the adoption of new technologies to streamline Council meetings.

Jude Munro
Chair, Independent Panel
9 September 2011