

From: Neil Clark [neil@acslink.aone.net.au]  
Sent: Thursday, 6 June 2002 5:38 AM  
To: efpa.reps@aph.gov.au  
Subject: Local government reform

I respond to the invitation to make a submission in today's Australian Newspaper.

The operation of local government in Australia and its relationship with other levels of government are matters which require urgent attention by all three levels of government and action by all levels.

Problems in rural and regional Australia, in particular, which periodically bother all parties, are unlikely to be properly addressed unless solutions are found which embrace local councils in significant ways.

Put another way, solutions to problems of support for business, unemployment, loss of services and many other difficulties in rural and regional areas cannot be solved by individual departments, either at state or federal levels, trying to secure solutions without really engaging local councils.

That both state and federal governments for so many years have tried to secure changes without seriously involving local councils, and with so little success, should really prompt some consideration of whether or not they are simply on the wrong track.

It is, however, undeniable that many local councils are incompetent and ill equipped to take on added responsibilities. It is equally clear that the "ring fencing" of grants by departments creates an unsatisfactory environment in local areas where local planning often has to give way to practical considerations of policy driven grant opportunities.

So any solutions to these problems must be built on securing major changes to the operations and competence of local councils as well as providing them with more money and responsibilities.

Now it is very fortunate that these same problems have existed in the U.K. and even more fortunate that the Blair government in the Local Government Act 2000 and in a recent local government white paper "Strong local leadership, quality public services" has introduced some very sensible solutions. These solutions would need adapting to Australian circumstances and would also require legislative changes in the various state local government acts. But the complexity of the solutions, and maybe political difficulties in securing them, should not blind us to the clear directions indicated by the U.K. reforms.

First and foremost in these reforms is the empowerment of Local Government to do whatever is necessary for the betterment of their local communities against economic, social and environmental bottom lines.

Second, is the requirement of councils to prepare community strategies (community plans) by a process of consultation involving all local players of significance and government objectives. The consultation process is called "Local strategic networks (or partnerships)."

The Department of Transport, Local Government and Regions has issues guidelines on the preparation of community strategies and the U.K.'s Local Government Association has issued many papers setting out details of the government's proposals and assessing their impact on individual councils.

The government has explicitly recognised that the former method of trying to run things via departments operating at a distance is not as satisfactory as

requiring local councils to do the job. There is a clear intention by government to encourage departments to move in the direction indicated.

On the financial side a mechanism known as Public Service Agreements allows councils to secure major grants in response to significant planned service improvements.

Additionally, a new system of council borrowing provides greater flexibility for councils.

As part of the reforms the government is encouraging councils to look to their own political arrangements, moving to a cabinet style of operation with directly elected mayors.

Councillors not involved in cabinets will be involved in Overview and Scrutiny Committees (along with coopted external members) in assessing local performance.

The new white paper, referred to above, proposes to give a lot more attention to the training of both council staff and councillors. It also proposes to have the performance of councils to be reviewed by the Audit Commission which will use a four-point ranking system. The starting point for assessments will be a consideration of the methods and outcomes of the community planning processes.

It is clear that the U.K. solutions tackle the problem of lack of professionalism by councils in planning their operations and often poor efforts in making sensible policy recommendations to government.

In the Australian context changes along these lines would give governments at other levels far more confidence in providing added and non ring-fenced funds to councils.

I mention that in Victoria about a dozen councils, inspired by recent work in the U.K. on community planning, have introduced community plans following extensive public consultation. No doubt there are other councils across Australia which have gone in the same direction.

I also mention that the Victorian Government has recently introduced to parliament a review of the Local Government Act which tidies up the wording of the Act but does almost nothing significant even to support its innovative local councils.

I attach at the bottom of this email a submission made to the Local Government Minister which protests strongly at the backwardness of the Department.

Finally I mention that I am a retired academic who for a long time has taken a keen interest in regional development and the role of local councils in that effort. I am also a private member of the Victorian Local Governance Association.

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COPY OF EMAIL TO MINISTER FOR LOCAL GOVERNMENT

For Minister Bob Cameron

Dear Minister,

You may recall that several months ago I commented to you that I had never seen a Minister being more slowly but surely murdered by his advisers than you.

In the same vein, there is a story floating around local government circles that the Czarina of Russia got better advice from Rasputin than you are getting from some of your advisors.

Perhaps this introduction will serve to get me some attention. I certainly hope so.

I have carefully read all of the material sent to me in the Update and I do not agree that "it has been a very successful project." My own view is that it is a very disappointing outcome indeed and will do little to make any significant difference to the performance of councils.

Additionally, though I am far from impressed with the Opposition's performance, I do believe that it is correct in pointing to the timidity of government in several areas. Local government is one such area.

The changes indicated in the Update, for the most part, are likely to be useful and an improvement on the present state of affairs. But the real problem is that so much more remains to be done and at present there is no indication that either you, or your advisors, have any real grasp of how far Victoria is behind in the local government reform stakes.

I have recently spent a long time reviewing the major elements of the U.K.'s Local Government Act 2000 and also a recent White Paper which proposes even more changes, building on the major reforms in 2000.

In terms of timing we might guess that work on the 2000 Act began about 3 years earlier and included the production of a White Paper setting out the government's vision. Then followed a period of comments and after that some rethinking, all before the 2000 Act was passed. So that means we have a total period, until now, of some 5 years.

The Local Government Act 2000 not only made many significant differences to the operation of U.K. councils but it, obviously, has influenced at least a dozen Victorian Councils in their thinking, notably in the desirability of going beyond corporate planning to the production of community strategies. (In England the process is called community planning and the outcomes are community strategies) Another area in which some local councils have been influenced is in the executive arrangements in councils with several councils setting up cabinet type structures.

It is very important to recognise that this good work by some of our councils mirrored similar good work by U.K. councils prior to the Act so that, in some ways, the 2000 Act caught up with best practice. However it did a lot more than simply catching up because it set out a vision for council leadership in local areas and spelled out a mechanism for achieving that vision, namely the production of community strategies via a process of public consultation involving Local Strategic Networks (sometimes called Partnerships) which included all of the major local players including government and quasi government representatives.

Meanwhile, back on the home front we see many local councils showing commendable initiative in this area of community planning and many of us had an expectation that we would see something similar to that seen in the 2000 Act in Victoria. But no, all we get is a proposal for Council Plans involving some consultation with ratepayers. The terminology is wrong and the leadership from government has gone missing.

But the 2000 Act went a lot further than community planning. It also made it quite clear that councils were expected to show community leadership in their areas and that they had the power to do virtually anything which might promote the well-being of their areas in economic, social and environmental ways. The leadership role was to be backed by a whole of government recognition that there had to be major changes in the ways in which government departments tended to operate in local areas, often ignoring or side-lining councils.

I would like you to compare this approach with that of your office in simply proposing a better recognition of the role of local government

Other important changes in the 2000 Act included new executive arrangements for councils to streamline decision making. Three major and one minor option were offered. Two of the options included the public election of mayors. Now while the small size of many Victorian councils might be thought of as precluding publicly elected mayors, as well as the practical necessity to pay them properly, there are several major provincial cities, as well as some suburban areas, which would clearly benefit from this kind of arrangement. The U.K. Department has even gone to the trouble to provide a booklet for ratepayers telling them how to petition for a publicly elected mayor.

And in case you think that small size is decisive I draw to your attention the council in Karoonda in South Australia, one of the smallest in Australia, which saw the merit of having a publicly elected mayor and took steps to get one.

There are other elements in, or associated with, the 2000 Act which are also important. The use of Local Public Service Agreements was extended as a means of providing funds for plans to improve local services. The establishment of Overview and Scrutiny Committees in councils was also seen as a way of securing much more careful consideration of local government activities.

The new White Paper is entitled "Strong local leadership: quality public services." It sets out proposals for a new performance assessment framework, a package of deregulation of councils, changes to the finance regime and new support for capacity building.

It is of some interest that performance assessment, to be undertaken by the Department of Audit, will look carefully at community strategies and action plans derived from them to see if goals are being met. This will be the starting point for best value exercises.

It is also of interest that councils which are graded in the bottom of four categories run the risk, if they do not improve, of being put into administration.

Quite apart from the work described above in England and Wales community planning in Scotland has followed a similar path to that in England. However, a significant difference is in the area of economic development—the first of the tri-partite bottom lines.

In Scotland considerable work has been done on setting up Local Economic Forums which are intended to replace the many different efforts being made in the economic development area by different departments and other bodies. There is crying need for something similar in Australia particularly in regional areas where Federal bodies are also involved.

So what does all of this mean for Victorian local government? The first thing is this: government needs to pull the proverbial finger out and get weaving on a new range of local government reforms without any further mucking around. Only this time we need to see a white paper up front setting out some vision from the government. Further, from a political viewpoint, this further reform agenda should be announced right now to head off the current wide level of discontent, much of it captured in this email, before it becomes even louder.

Second there has to be a far greater willingness on the part of departmental officers and advisors to learn from the experience of others, particularly in the U.K. All of the information given in this email is available from the departmental web site and that of the U.K.'s Local Government Association.

I have prepared a Powerpoint presentation which elaborates on the points made here and which gives all relevant URLs.

Third, there is a need to support the Victorian councils which are already showing initiative in the community planning area and to use their experience to help inform government of desirable legislative changes.

Finally, in relation to the present Update it would be foolish to let the term "council plan" remain. That term should be replaced by "community plan" and work should begin immediately to adapt the U.K. Department's Guidelines on the preparation of community strategies to Victorian circumstances.

Kind regards,

Neil Clark