

**ERRN**  
Electoral Regulation  
Research Network



**MONASH** University



**RMIT**  
UNIVERSITY

# **Final Report of ERRN LG Research Group: Melbourne Democracy - Marvellous?**

**2015**



## TABLE OF CONTENTS

Abbreviations and Acronyms .....	iii
Preface .....	iv
Acknowledgements.....	iv
Research Team .....	iv
Disclaimer Statement.....	iv
Ethics Approval.....	v
Executive Summary.....	vi
Objectives and Methodology .....	vi
Summary of Main Findings, Conclusions and Recommendations .....	vii
Report Structure .....	ix
1. Introduction to the Report .....	1
1.1 Research Questions.....	2
1.2 Research Outputs .....	3
2. Literature Survey .....	4
2.1 Connectivity.....	6
2.2 Inter-dependence .....	6
2.3 Feedback .....	6
2.4 Emergence.....	7
2.5 Varieties of Democracy and Democratisation .....	7
2.6 Franchise in local government .....	9
2.7 Understanding the Operation of Local Government Democracy .....	10
2.8 Citizens Juries, Citizens Panels or Peoples Panels in Australia.....	13
2.9 Participatory Budgeting in other Jurisdictions.....	15
2.10 Participatory and Representative Democracy.....	18
3. Team's Methodology .....	20
3.1 Data Gathering.....	20
3.2 Data Analysis .....	22
4. Limitations of the Research .....	23
5. Understanding the Setting .....	24
5.1 The City of Melbourne's Electoral System.....	24
5.2 The City of Melbourne's Historical Background.....	25
5.3 Interstate and International Comparisons.....	28
5.4 2012 Melbourne City Council Election .....	33

6.	Research Findings: Franchise .....	38
6.1	Franchise: Surveys for Individual Stakeholders .....	38
6.2	Franchise: Focus Groups .....	47
6.3	Franchise: Interviews .....	47
6.4	Franchise: Conclusion .....	50
7.	Research Findings: Participation .....	53
7.1	Participation: Surveys .....	53
7.2	Participation: Survey Comments .....	64
7.3	Participation: Focus Groups .....	65
7.4	Participation: Interviews .....	66
7.5	Participation: Findings .....	66
7.6	Participatory Democracy in Melbourne .....	66
7.7	Principles of Effective Participation .....	80
7.8	Good Examples of Participation .....	85
7.9	Good Engagement in the City of Melbourne .....	87
7.10	Limitations of Participation .....	89
7.11	Participation and Local Government Interest Groups .....	92
8.	Research Findings: Engagement with Stakeholders .....	94
8.1	Relationships in MCC: Findings .....	94
8.2	Influence of Interest Groups in Local Government .....	109
8.3	Participation and Stakeholder Conclusions .....	110
8.4	MCC Relationships With Other Stakeholders .....	112
9.	Conclusions, Findings and Recommendations .....	113
10.	Directions for Further Research .....	115
	Appendices .....	116
	Appendix 1: Individual Online Survey 2 Instrument .....	116
	Appendix 2: Organisation Online Survey Instrument .....	120
	Appendix 3: Focus Group Questions .....	124
	Appendix 4: Guide for Face-to-Face Interviews .....	125
	Appendix 5: Varieties of Democracy Project by Numbers .....	126
	Appendix 6: The 12 principles for good governance at local level .....	127
	Appendix 7: Boundaries of City of Melbourne .....	130
	Appendix 8: MCC Annual Plan and Budget 2014-2015 - extract .....	131
	References .....	134
	Legislation .....	144

## **ABBREVIATIONS AND ACRONYMS**

ERRN	Electoral Regulation Research Network
LG	Local Government
MAV	Municipal Association of Victoria
MCC	City of Melbourne (also known as Melbourne City Council)
VEC	Victorian Electoral Commission
VLGA	Victorian Local governance Association

## **PREFACE**

### **ACKNOWLEDGEMENTS**

This research was commissioned by the Electoral Regulation Research Network (ERRN)<sup>1</sup>, a network including Electoral Commissions (Victoria and other Australian jurisdictions) and academics from leading Australian universities.

ERRN is led by Professor Joo-Cheong Tham from Melbourne Law School with administrative support from Ms Jean Goh and Ms Amy Uhlhorn.

The Electoral Regulation Research Network was established in 2012 with the aim of fostering exchange and discussion amongst academics, electoral commissions and other interested groups on research relating to electoral regulation.

The objectives of the Network are to:

- provide regular forums for policy and scholarly discussion of research relating to electoral regulation;
- enhance and enrich Australian research on electoral regulation; and
- facilitate research collaboration amongst academics, electoral commissions and other interested groups on the topic of electoral regulation.

ERRN is funded by the Victorian Electoral Commission, NSW Electoral Commission and University of Melbourne.

### **RESEARCH TEAM**

The Research Team comprises:

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- Yee-Fui Ng, RMIT University

and Research Associate:

- Valarie Sands, University of Melbourne and Monash University.

### **DISCLAIMER STATEMENT**

The views expressed in this submission are in the capacity of the project team as independent researchers and do not reflect the views of the Victorian Electoral Commission.

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<sup>1</sup> <http://www.law.unimelb.edu.au/errn/>

## **ETHICS APPROVAL**

Human Ethics Certificate of Approval (Cf13/3022 - 2013001637) Was granted by the Monash University Human Research Ethics Committee on 16 October 2013 for 3 years.

## EXECUTIVE SUMMARY

The research project aimed to investigate the interactions and processes between interest groups and formal democratic institutions and among interest groups in the City of Melbourne, also known as Melbourne City Council (MCC). The research was focused on a case study of local government in the MCC, with a comparison of interstate and overseas jurisdictions.

## OBJECTIVES AND METHODOLOGY

The research team interviewed, surveyed and conducted focus groups with a cross-section of more than 600 MCC stakeholders.

The research questions posed in the initial project brief were:

1. To what extent does representation in the MCC reflect 'democratic principles'?
  - a. to what extent is local government in the MCC equitable and effective?
  - b. on what basis should the interests of those other than residents be represented?
  - c. what interactions are there between the MCC and its stakeholders?
2. What are the implications of property franchise for local government in the MCC? For instance, what are the implications of corporations, groups who own rateable land, and occupiers being able to vote in local government elections?
3. What reforms would enhance representative democracy for the MCC? For instance, are reforms required for the electoral system, processes for community engagement?
4. How should the *City of Melbourne Act 2001* (Vic) be reformed?

In the course of the research the project evolved and other questions arose which were those subsequently addressed in this Report. They are:

1. Who should have the right to vote in MCC elections?
2. What are the opportunities for participation in the MCC?
  - a. How satisfied is the public with those opportunities?
3. What are the MCC's relationships with other stakeholders?



## SUMMARY OF MAIN FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The Report highlights findings from interviews, surveys and focus groups and includes the views of over 600 political, bureaucratic and resident and non-resident stakeholders. These views were extracted from stakeholders using questions about the franchise in the MCC; the level of participation with regard to MCC policy, services and facilities, and the level of satisfaction with the involvement offered for participation; and information about stakeholder relationships with the MCC.

The analysis helped to identify the important features of governance impacting on the functioning of the MCC as a complex, evolving system. Further, reforms are suggested to provide the MCC with the potential to enhance its performance.

The findings and recommendations from this research are:

### *Findings*

- Finding 1)** Arguments to support a property franchise or a franchise for corporate entities were not found to be based on accepted democratic principles. There was weak support among survey respondents for corporate entities to have a right to a single vote and much less support for them having a right to two votes. However, among interviewees, nearly all accepted the property franchise and at least one vote for each business as a given.
- Finding 2)** The democratic principle of “responsive rule” is not fulfilled only by periodic election of the Lord Mayor, Deputy Lord Mayor and Councillors.
- Finding 3)** Participatory practices, including deliberative democracy, have the potential to be applied much more extensively than the forms of consultation and participation adopted to date, to better achieve effective democracy.
- Finding 4)** Few specific functions, activities and expenditures related to MCC’s status as the political capital of Victoria could be identified (other than as the location of the Parliament and Victorian Government offices).
- Finding 5)** Whilst MCC is recognised as the economic capital of Victoria, MCC’s specific functions, activities and expenditures are overwhelmingly orientated to serving the needs of people – e.g. residents, workers (from the most junior to the most powerful), customers, clients, students, visitors and other users of MCC facilities and services.
- Finding 6)** Major public sector functions affecting businesses in MCC have been appropriated by the Victorian Government e.g. land use decisions affecting large buildings and other major developments.

## ***Recommendations***

- Recommendation 1)** Limit the franchise for candidature and for voting in the MCC for Lord Mayor, Deputy Lord Mayor and Councillors of the MCC to residents on the electoral roll and non-citizen residents.
- Recommendation 2)** If Recommendation 1 is not accepted, extend the franchise to users of facilities and services provided by or under the authority of the MCC, including non-resident property owners and permanent employees (i.e. similar period to residence for electoral enrolment) in the City of Melbourne.
- Recommendation 3)** Require the Council (Lord Mayor, Deputy Lord Mayor and Councillors) of the MCC to empower and facilitate the participation of stakeholders (including businesses), so that participation has a genuine impact on strategies and policy decisions.
- Recommendation 4)** Adapt and progressively apply deliberative democracy techniques, including participatory budgeting, in relation to all significant elements of MCC's annual plan and budget, drawing on the successful examples and learning from less successful examples in other jurisdictions.
- Recommendation 5)** Introduce legislative provisions which require MCC and each other local government to apply specified minimum standards of participatory processes, including annual participatory budgeting, as a regulatory condition of adopting its annual plan and budget. Ensure these standards include baseline method design (e.g.: significance of delegated policy and resource questions; commitment to outcome; sample size and selection; meetings number, duration, frequency; facilitators; sources of expert and interest group input; and administrative support) which could be introduced progressively.

## ***Opportunities for further research***

Opportunities for further research include:

- Examine the nature and effectiveness of participatory budgeting and any other forms of deliberative democracy in both the City of Canada Bay (NSW) and MCC;
- Investigate the effectiveness of the processes that local government use to engage with citizens;
- Investigate the nature and quality of democracy in other local governments;
- Study the implementation of reforms to the franchises of City of Sydney;
- Compare the legislative provisions and democratic practices in MCC with other Capital Cities in (i) Australia and (ii) comparable countries;
- Investigate the extent of understanding of local government franchises;
- Investigate the extension of the franchise to people with permanent employment in MCC;
- Investigate appropriate boundaries for capital city municipalities; and
- Investigate the relationships between State and Local Government, including formal and informal distribution of powers.

## **REPORT STRUCTURE**

This report is structured in the following manner. The first section introduces the research, the research questions and the research outputs. The second section provides an overview of the literature in the area of participative democracy in local government. The third section outlines the research methodology used to gather and analyse the data. The fourth section discusses limitations of the research. The fifth section provides an overview of the MCC including its franchise, historical background, plus a comparison of the MCC with a number of other capital cities. The sixth, seventh and eighth sections present the research findings for the three main variables: the franchise, participation; and engagement with stakeholders. The ninth and tenth sections provide the conclusions, recommendations and suggestions for further research. At the end are Appendices and References.

# 1. INTRODUCTION TO THE REPORT

The subject of this research project is the governance and operation of democratic processes in the City of Melbourne, also known as Melbourne City Council (MCC) and how this is affected by the franchise and other forms of participation in local government (LG). The principal focus of this research was on franchise, participation and engagement with stakeholders in the MCC.

More specifically, the research investigated interactions and processes between MCC stakeholders and the formal democratic institutions, seeking feedback from MCC stakeholders including residents and non-residents. The methodology was an empirical case study, with a comparative perspective between interstate and overseas capital city jurisdictions.

There is widespread and reliable literature covering many aspects of both Australian and international local government. However this ERRN research project is the first known empirical study to specifically examine the MCC and the nature of its operation which includes its franchise, participation and involvement of stakeholders. For example, previous research about the MCC has outlined the history and evolution of its franchise and electoral arrangements between 1938 and 2011 (Dunstan & Young 2011), or reviewed electoral representation (Victorian Electoral Commission [VEC] 2012). Another study - which commenced after the May 2013 launch of the ERRN MCC research project - was the Local Government Electoral System review (Georgiou Review) (Georgiou, Davis & Murphy 2013) which was commissioned in August 2013 by the Victorian Government. The terms of reference of the state-wide Georgiou Review were to review electoral processes, participation, integrity, and electoral representation. There is some overlap with a number of the variables examined in the Georgiou Review and the research questions posed in the capital-city-wide ERRN LG research project. Table 1 below compares the scopes of the ERRN LG and the Georgiou project.

**Table 1: Comparison of scope of ERRN LG and Georgiou Review**

Characteristic Examined	ERRN LG research project	Georgiou Review project
Franchise	X	X
Participation - electoral	X	X
Participation - other	X	
Involvement of Stakeholders	X	
Electoral processes		X
Integrity		X
Electoral representation		X

Sources: Georgiou, Davis and Murphy (2014) and ERRN LG project brief (2013)

## 1.1 RESEARCH QUESTIONS

The following research questions are those identified in the original project brief:

1. To what extent does representation in the MCC reflect ‘democratic principles’?
  - a. to what extent is local government in the MCC equitable and effective?
  - b. on what basis should the interests of those other than residents be represented?
  - c. what interactions are there between the MCC and its stakeholders?
2. What are the implications of property franchise for local government in the MCC? For instance, what are the implications of corporations, groups who own rateable land, and occupiers being able to vote in local government elections?
3. What reforms would enhance representative democracy for the MCC? For instance, are reforms required for the electoral system, processes for community engagement?
4. How should the *City of Melbourne Act 2001* (Vic) be reformed?

These research questions subsequently evolved, particularly at an ERRN workshop in August 2013 - before commencement of data gathering. Following the workshop, the project scope and research questions were refined. The modified research questions used in the final research are:

1. Who should have the right to vote in MCC elections?
2. What are the opportunities for participation in the MCC?
  - a. How satisfied is the public with those opportunities?
3. What are the MCC’s relationships with other stakeholders?

## **1.2 RESEARCH OUTPUTS**

The outputs from the ERRN LG research project include presentations to academics, Commonwealth and State electoral commissions, politicians, councillors, council officers, journalists, citizens interested in local government, municipal peak bodies, special interest groups and other stakeholders. A number of workshops, submissions and publications were prepared. These outputs are summarised below.

### ***1.2.1 ERRN WORKSHOP ON THE RESEARCH COLLABORATION - AUGUST 2013***

This workshop reviewed the NSW-based ERRN project and this Victorian-based project. At this workshop preliminary ideas for the project were outlined and discussed and the project team received feedback which enabled refinement of research questions and project scope.

### ***1.2.2 SUBMISSION TO LOCAL GOVERNMENT ELECTORAL SYSTEMS REVIEW - OCTOBER 2013***

In August 2013, after the ERRN project had commenced, the Local Government Electoral System Review to be chaired by Hon Petro Georgiou AM (Georgiou Review) was announced by the State Government. The ERRN LG research team, using preliminary findings, prepared a submission covering issues about the franchise within the MCC, particularly the property franchise and deeming provisions for corporations.

### ***1.2.3 PRESENTATION AND DISCUSSION PAPER FOR SEMINAR AT UNIVERSITY OF QUEENSLAND- OCTOBER-NOVEMBER 2013***

The presentation introduced the research proposal and received feedback and comment about the scope of the project and the role of deliberative democracy.

### ***1.2.4 PUBLIC SEMINAR - PRELIMINARY FINDINGS OF LOCAL GOVERNMENT ELECTORAL REVIEW BY HON. PETRO GEORGIOU AO - FEBRUARY 2014***

The chair of the Victorian Government's Local Government Electoral Review provided ERRN and invited participants with an overview of the Georgiou Review.

### ***1.2.5 PRESENTATION OF PRELIMINARY FINDINGS TO VICTORIAN LOCAL GOVERNANCE ASSOCIATION (VLGA) - JUNE 2014***

The presentation to VLGA included progress on ERRN LG research and discussion on democracy and "responsive rule" and the "necessary correspondence between acts of governance and the equally-weighted felt interests of citizens with respect to those acts". The presentation and discussion also encompassed the need for a more participative (deliberative) democracy to complement the formal roles of Councillors as representatives responsible for making strategy, accountability, building trust and legitimacy.

### ***1.2.6 WORKING PAPER FOR ERRN WEBSITE - JULY 2014***

This working paper broadly discussed the ERRN LG project and the role of deliberative democracy.

### ***1.2.7 PRESENTATION OF FINDINGS IN ERRN WORKSHOP - OCTOBER 2014***

The workshop aimed to generate feedback on the draft report, contributing to the final report and to assist in identifying future research directions.

Other speakers and discussants included the Hon Alannah MacTiernan MP (former WA Minister for Planning and Infrastructure), Professor Gabriele Buchholz (University of Applied Sciences Osnabrück, Germany commenting on the German local government system) and Professor Michael Mintrom (ANZSOG / Monash University).

### ***1.2.8 FINAL REPORT - MAY 2015***

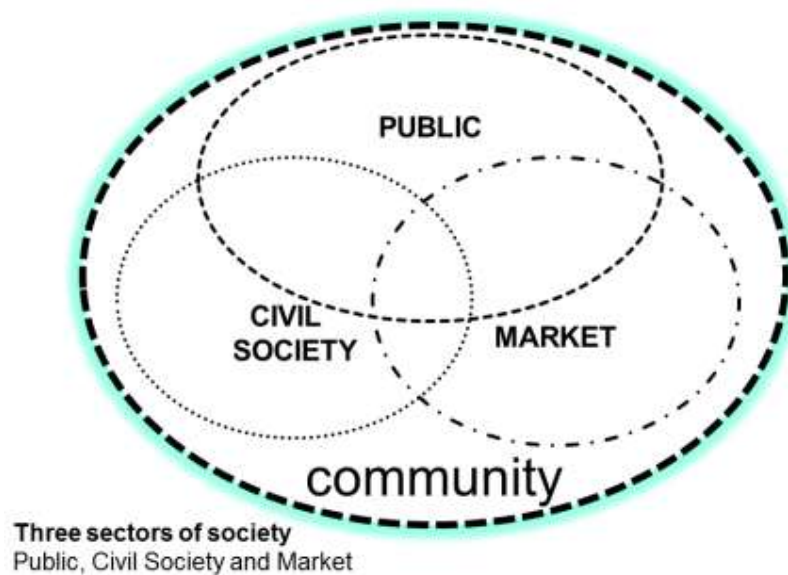
The Final Report - this document - describes the research and outlines the findings of the overall project.

### ***1.2.9 JOURNAL ARTICLE - 2015***

The journal article covers franchise in the City of Melbourne. It is envisaged that further journal articles will be drafted from this project covering the issues of participation and policy networks in the City of Melbourne.

## **2. LITERATURE SURVEY**

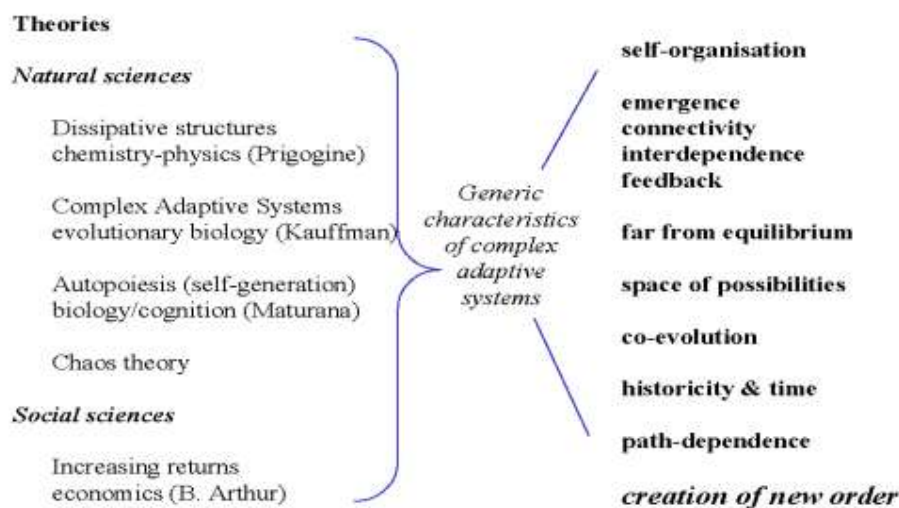
In this study local government democracy is conceptualised as a complex evolving system (CES) in which the three functional social sectors are interactive elements of a socio-political system. CES theory is a valuable way to examine local government because it goes beyond the boundaries of legislation and conventional political science perspectives to provide an innovative insight into the operation of local governance in the MCC for example. Figure 1 (below) provides a schematic model of a CES.



**Figure 1: Complex Evolving System (CES)**

Source: Coghill (undated)

A number of characteristics of CESs have been described by Mitleton-Kelly and are shown in Figure 2 below. These characteristics help us understand how the inter-relationships between social actors - both individual and organisational - affect the functioning and outcomes of governance. In particular the model helps explain that governance is affected by both legal structure and behaviour. This applies to the governance of a LG area as much as to larger scale levels of government.



**Figure 2: Characteristics of complex evolving systems (CES)**

Source: Adapted from Mitleton-Kelly (2003)

For the purposes of examining democratic local government, among the ten characteristics identified by Mitleton-Kelly (2003), four are key to this research. They are



identified in Figure 2 (above) as connectivity, inter-dependence, feedback and emergence. Each of these features is examined in more depth below.

## **2.1 CONNECTIVITY**

The connections between actors may be as basic as shared language or extended to shared belief systems. “Connectivity may also be formal or informal, designed or undesigned, implicit with tacit connections or explicit” (Mitleton-Kelly 2003, p. 6). Connectivity through understanding ‘the other’ potentially leads to appreciating beneficial outcomes of value to others (Ostrom 2009). In local governance, connectivity must provide leadership, forums and other means to build understanding between people, communities and businesses within the local government area, and with those who deal with it (Samaratunge & Coghill 2013).

## **2.2 INTER-DEPENDENCE**

The actors in a socio-political system are each to a greater or lesser extent dependent on each other. For some the relationship is remote and weak; for others it is asymmetric, as between a disempowered woman in socially isolated circumstances and the Council (Executive Government) responsible for public services on which she relies. The asymmetry is reversed when she exercises her vote! As Mitleton-Kelly (2003) explains

the greater the interdependence between related systems or entities the wider the ‘ripples’ of perturbation or disturbance of a move or action by any one entity on all the other related entities. Such high degree of dependence may not always have beneficial effects throughout the ecosystem. When one entity tries to improve its fitness or position, this may result in a worsening condition for others. Each ‘improvement’ in one entity therefore may impose associated ‘costs’ on other entities, either within the same system or on other related systems (p. 5).

Positive interdependence should provide for the rights of all sections of the community to be entrenched, secure and treated with respect and dignity. This is partly normative (Samaratunge et al 2013).

## **2.3 FEEDBACK**

According to Mitleton-Kelly, “positive (reinforcing) feedback drives change, and negative (balancing, moderating, or dampening) feedback maintains stability in a system” (Mitleton-Kelly 2003, p. 16). This can be observed in political discourse. Negative feedback is likely to discourage a political initiative whereas positive feedback is likely to encourage the political action which it endorses.

Research tells us that people are more satisfied with their lives and with decisions affecting them where they have had opportunities to influence those decisions – not necessarily personally but if they or their peers have had the chance to do so (Arvai 2003; Frey & Stutzer 2000). The corollary is that responsibility to foster participation

and rights of participation should be entrenched and participation accepted as the default normative practice (Samaratunge et al 2013).

## 2.4 EMERGENCE

Emergence refers to the potential for new ideas or properties to develop spontaneously from within the system or through interaction with actors (individual or institutional) outside the system. As noted above, emergence is affected by the level of control governing the system and its interactions. Teisman and Edelenbos (2011) have shown that the nature and extent of interactions between actors, including informal interactions, is a key factor affecting the emergence of solutions to policy problems. Where there is a high level of interaction between agencies (through their personnel), solutions are more likely to emerge. Where interactions are more restricted or limited to formal exchanges, better solutions are less likely to emerge (Teisman et al 2011).

Accordingly, the emergence of creative ideas and innovative solutions to unanticipated issues that will arise in years, decades and centuries to come should be facilitated. Teisman et al's findings confirm that these features are as much normative as structural. In the same way, interaction within the polity and indeed with neighbouring national and international polities should be enabled (Samaratunge et al 2013).

Having regard to these characteristics, we see that governance in the MCC goes beyond the legal framework such as the distribution of electoral power and also incorporates participatory behaviour affecting the exercise of other political rights. This leads us to investigate the distribution of power as affected by the multiple franchises regulating the democratic system and other factors affecting influences over policy decisions and implementation in the MCC.

## 2.5 VARIETIES OF DEMOCRACY AND DEMOCRATISATION

The Varieties of Democracy project (see outline table in Appendix 5) was undertaken by a team of researchers working together to preparing a world map of indicators of democracy (Coppedge 2014). The project identified different conceptions of democracy as listed below:

- *Liberal Democracy*, which adds guarantees of basic civil and political rights and institutes checks and balances to guard against the tyranny of the majority;
- *Majoritarian Democracy* - partially at odds with Liberal Democracy - which concentrates power in the hands of the majority;
- *Participatory Democracy*, which encourages the involvement of citizens in many stages of the political process;
- *Deliberative Democracy*, which requires governments to give reasoned and respectful justifications for their decisions; and
- *Egalitarian Democracy*, which is inspired by the belief that political equality is unattainable without some degree of economic and social equality.

The principles of democracy as articulated by the Varieties of Democracy project are illustrated in Figure 3 below.



**Figure 3: Principles of Democracy**

Source: Coppedge, Gerring and Lindberg (2012, p. 23)

Hand-in-hand with these principles of democracy, research on local government often raises the issue of availability of participation and stakeholder engagement in decisions about policies, services and facilities to enhance governance. Appendix 6 lists 12 principles for good governance at the local level identified by the Council of Europe (2014). Another concern relates to restrictions on, or opening up of local government franchise (Dunstan et al 2011; Sawyer 2007). These questions and concerns are of interest to this project as they arise in the case of the MCC.

Over the last decade, scholars have commented on the franchise and electoral representation of local governments in Australia and elsewhere. This commentary includes the jurisdictions of the MCC (Dunstan et al 2011; VEC 2012), Victoria (Georgiou, Davis & Murphy, 2014), Australia (Australian Centre of Excellence for Local Government [ACELG] 2011; Parsons 2012; Sawyer 2007; Sawyer & Brent 2011); New South Wales (Arditi 2008), South Australia (Bruss 2005), England (Copus, Sweeting & Wingfield 2013), Europe (Kuhlmann 2011), and the United States (Agranoff 2006; Filla 2009).

## 2.6 FRANCHISE IN LOCAL GOVERNMENT

According to Economou (2011), compared to Federal and State government, Victorian LG has been at the forefront of the evolution of representative governance. However there is no room for complacency as there remain a number of criticisms that can be made of the democratisation of the process. These criticisms include the franchise and opportunities for stakeholders to participate in the process, including in the MCC.

With specific reference to the MCC, the study by Dunstan et al (2011) provides a comprehensive historical overview over the period 1938 to 2011. Their study included the reforms to the constitution, electoral machinery and changes to the franchise in the MCC. The study was critical of the property franchise.

Further, the VEC (2012) studied whether the MCC should be divided into wards and also reviewed electoral representation including the number of councillors and the electoral structure. As acknowledged above, the Victorian state-wide Georgiou Review included the MCC in its analysis. The Review's 2013 discussion paper examined variables such as voter eligibility, electoral representation and candidates (Georgiou et al 2013). The ensuing final report released in September 2014 recommended substantial changes to the franchise for Victorian council elections. The panel based its recommendations on the principle that the franchise should include the local community as defined in the *Local Government Act 1989* (Vic) - that is "people who live in the municipal district, people and bodies who are ratepayers and people and bodies who conduct activities in the district"<sup>2</sup>. The report argued that the current provisions are complex and arbitrary, and unavoidably produce inaccurate voters' rolls. The report recommended that the franchise be broadened and simplified. All residents, property owners, leaseholders and ratepayers would be entitled and obliged to enrol and vote. State electors would be automatically enrolled, but all other categories would apply to the VEC to enrol. The special provisions for the MCC would disappear; in particular, corporations would appoint one representative, not two as at present, because they are one legal entity<sup>3</sup>. The Government invited public feedback to the report up until 3 November 2014. However, the Minister for Local Government stated on 7 October that "the government recognises the MCC is governed by a separate Act of Parliament and the current electoral structure and franchise would be retained."<sup>4</sup>

Moreover, there are a number of theoretical international and Australian studies relevant to LG democracy. These include a study (Agranoff 2006) about relations between government managers and non-governmental organisations, and Mitleton-

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<sup>2</sup> Section 1A(4) of the Act, quoted in *Local Government Electoral Review, Stage 1 Report*, Department of Transport, Planning and Local Infrastructure, Victoria, 2014, p. 27.

<sup>3</sup> Stage 1 Report, p. 28.

<sup>4</sup> Media release, 7 October 2014, downloaded from [http://www.premier.vic.gov.au/images/141007\\_Bull\\_-\\_Local\\_government\\_reforms\\_-\\_Tell\\_us\\_what\\_you\\_think.pdf](http://www.premier.vic.gov.au/images/141007_Bull_-_Local_government_reforms_-_Tell_us_what_you_think.pdf)

Kelly's (2003) complex evolving systems theory (CES), Saward's (2010) scrutiny of representative democracy, and reviews of participatory democracy in *Hope for Democracy – 25 Years of Participatory Budgeting Worldwide* (Júlio, 2014) and Touchton and Wampler's (2013) investigation of participatory democracy. These are discussed in the following section.

## **2.7 UNDERSTANDING THE OPERATION OF LOCAL GOVERNMENT DEMOCRACY**

Extensive literature has been produced about theoretical thinking and research on democratic principles and values. For the purposes of this project, we adopted the approach of a leading authority on representative democracy, Michael Saward (Saward 1996, 1998 & 2010).

This research project follows Saward's 'representative claim' (2010) theory which visualises democracy as a system with multiple interest groups interacting dynamically with institutional actors. We apply Saward's definition of democracy as "responsive rule", more comprehensively described as the "necessary correspondence between acts of governance and the equally-weighted felt interests of citizens with respect to those acts" (Saward 1996, pp. 468-9).

Another useful conceptual model for this research was Filla's (2010) which examined American cities and "how the institutional rules that govern election structures impact the political behavior of citizens and elected officials beyond the act of voting in local government settings" (p. 1).

This leads to consideration of participatory processes which extend democratic involvement of the population beyond empowering elected trustees acting on behalf of the people. These processes range from providing the people with information but not power, to deliberative processes in which they are empowered to make decisions subject to democratic principles.

In this analysis, we include deliberative democracy in our discussion of participatory processes.

Applications of deliberative and participatory democracy provide avenues for the public to more directly contribute to policy-making and decision-making. They seek a more active relationship in which citizens play a "significant and more direct role in shaping the nature and priorities of their communities" (Aulich 2009, p. 51). These forms of participation "range from information-sharing, to formal consultation on proposals, through to various types of partnership, delegated power and ultimately citizen control" (Arnstein 1969; Walters et al. 2000; Ross et al. 2002). There is a spectrum of public participation developed by the International Institute for Public Participation that charts an increasing level of public impact, from merely 'informing' the public, to

‘consulting’, ‘involving’ and ‘collaborating’, which involves increasing level of account given to public opinions. At the far end of the spectrum is ‘empowering’, which completely devolves decision-making to the public.

Although not widely reported in the popular media, such participatory processes are widespread and applied in many jurisdictions, and for many purposes (Carson & Hartz-Karp 2005), including in development of land use strategy for the Perth metropolitan area (Hartz-Karp 2005) and by the MCC (Melbourne City Council 2014; Reece 2014).

Since the 1980s in the United Kingdom, the European Union and to some extent the United States, there have been public participation reforms called the ‘Third Wave’ focussed on the ideas of devolution, stakeholders, inclusion, partnerships and community (Reddel & Woolcock 2003, p. 81). For instance, “citizen panels [are] now established by more than three quarters of UK local authorities” (Aulich 2009, p. 55). Other examples of participatory democratic devices include local referenda, service user panels, questionnaires and focus groups (Leigh 2011). Participatory governance seeks active partnerships and collaboration between civil society, the private sector and governments (Reddel et al 2003).

Elsewhere, participatory budgeting in Brazil, of which the city of Porto Alegre, is particularly well known, but there are many other successful examples (Fung & Wright 2001; Júlio 2014; Lima 2010; Mansuri & Rao 2013; Souza 2001; United Nations Development Program (UNDP) 2014). Touchton and Wampler report empirical evidence of superior social outcomes in cities in Brazil practising participatory budgeting when compared with others that have not done so (Touchton & Wampler 2014).

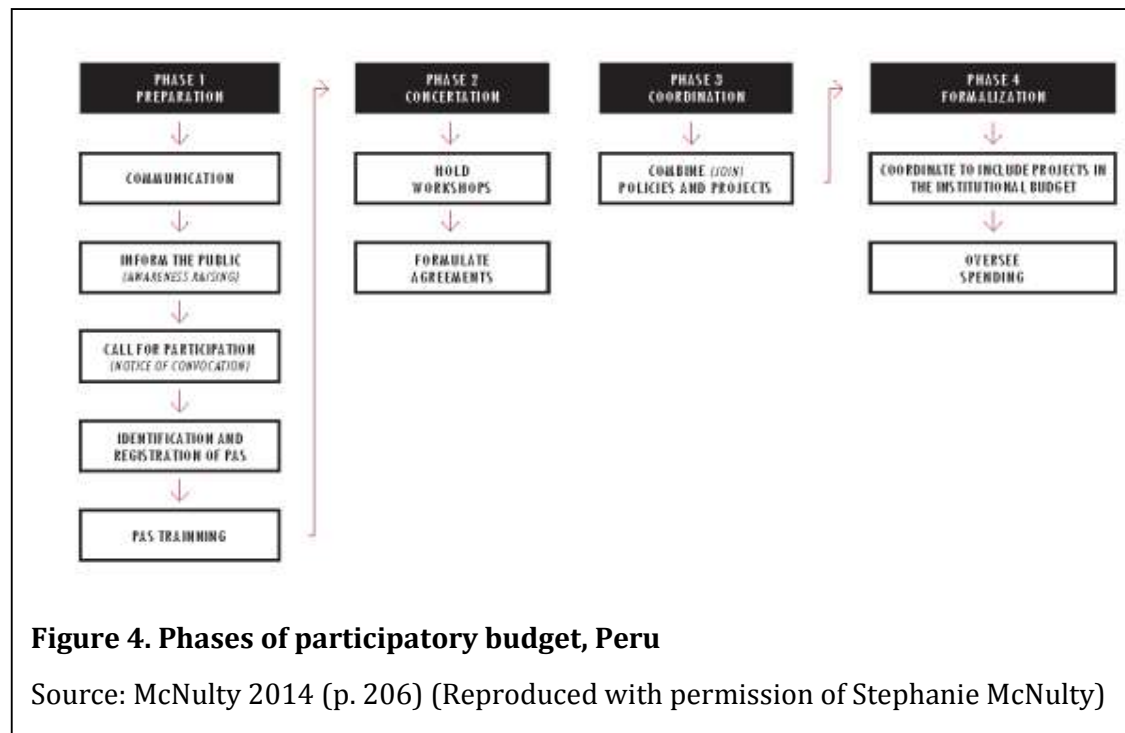
Contributors to Júlio (2014) have identified important characteristics that facilitate successful participatory democratic practices. These include “the existence of a law that determines the programme’s implementation is important to confer stability and formalism” (Júlio 2014, p. 171).

The typical process for the Peruvian case is described as:

1. Preparation, or identifying, registering, and training participating agents.
2. “Concertation”: During this phase the participating agents meet to discuss the region’s development plan and prioritise the “themes” of projects that should be funded in the new budget. This discussion should be based on the development plan. A technical team then evaluates each proposed project and, based on the agreed upon priorities, recommends the projects that should be funded.
3. Coordination among the different levels of government, which consists of meetings between the regional president and the local mayors to make sure that spending is coordinated, sustainable, and has regional impact.
4. Formalisation of investment projects. This takes place during a regional meeting where all participating agents are given a vote in the final project list. This final

list is sent to two regional governmental bodies, the Regional Coordination Council and the Regional Council for approval.

This is illustrated in Figure 4 (McNulty 2014, p. 206).



A key innovation included in the Peru model is the provision for “sanctions related to political will, concrete sanctions for politicians who refuse to honor both the letter and the spirit of the law need to be in place” (McNulty 2014, p. 211). The sanctions take the form of “a mandated process that regions must undertake to get their annual funds.” McNulty reports that officials commonly state “that having these laws on the books helps engage new actors in local decision-making processes.” (McNulty 2014, p. 209). In relation to the sustainability of these decision-making processes over successive electoral cycles, Allegretti observes that “political and also social probation is one of the key elements for the sustainability of a participatory process in time” (Allegretti, 2014, p.57).

In our case, the MCC budget is not subject to approval by State or Commonwealth Government and whilst it does receive funds from those governments, such sanctions would seem to be a crude way of ensuring that local government maintained participatory processes. Rather, local government could be required to apply such processes as a regulatory condition of adopting its annual plan and budget.



The risk of local government councils diminishing the extent and effectiveness of participatory processes could be reduced by legislative provisions adapted from the New Zealand *Local Government Act 2002* s. 48P, which provides:

*48P Consultation required on proposed content of local board agreement*

(1) A unitary authority undertaking consultation on the proposed content of a long-term plan or an annual plan under this Act must undertake consultation on the proposed content of each local board agreement to be included in that long-term plan or annual plan in accordance with sections 93A to 93G, or section 95(2), as the case may require.

(2) Subsection (1) does not prevent the unitary authority undertaking other consultation that may be desirable in relation to the proposed content of a local board agreement.

These participatory processes may involve almost any part and proportion of an authority's policy and resource allocation decision-making, up to virtually the whole. For example, in Germany "the majority of participatory budgets in Germany are consultative, allow proposals on the entire budget – including proposals both for investments and for cost-saving measures, and make intensive use of the Internet" (Ruesch & Wagner 2014, p. 287). However, Professor Gabi Buchholz noted in the ERRN Workshop for this project that in practice participatory budgeting has not gone well in many cases in Germany.

Modern information technology can be applied, as Ruesch and Wagner indicate, and as discussed in detail by Sampaio and Peixoto (2014).

The potential for such deliberative processes to enhance democracy in the MCC is discussed in the findings part of this report.

## **2.8 CITIZENS JURIES, CITIZENS PANELS OR PEOPLES PANELS IN AUSTRALIA**

The usage of People's Panels or Citizens' Juries in the City of Melbourne is part of a broader trend adopted by other local governments and state governments in Australia.

Local and state governments have recently been testing out new ways to involve the community in the democratic process. These methods have included citizens' juries - sometimes called peoples panels - which involve engaging with representative groups of citizens who are brought together to ponder over and make recommendations about a particular policy problem (Christiansen 2014; Government of South Australia 2013). In Australia some of the citizens juries which have explored a range of policy problems are:



- The South Australian Government created a citizens' jury responding to concerns about street safety. The citizens jury met between July and October 2013 to prepare the *Creating a safe and vibrant Adelaide nightlife* Report which was tabled in Parliament on 28 November 2013 (ABC News 2013; Government of South Australia 2013; Johnston 2013).
- The South Australian Government convened a second citizens' jury in 2014 in reaction to the issue of cyclist-driver conflict in Adelaide. The Jury met in September and October 2014, before finalising the Report and handing it to Government in November 2014 (McGuire 2014).
- The City of Sydney addressed concerns about alcohol-related violence in the City by engaging a citizens' jury. The jury met for 5 days over a 3-month period early in 2014 before finalising its *Report of the Citizens' Policy Jury: Vibrant and Safe Sydney Nightlife* in April 2014 (City of Sydney 2014a & 2014b; The Australian 2013).
- Canada Bay (inner west Sydney metropolitan area) had its first Citizens' Panel in 2012 where the range and levels of community services were considered with the aim of ensuring future financial sustainability and performance of Council in providing services. This resulted in a Report with a number of recommendations to be considered for inclusion in the City's community strategic plan, *FuturesPlan20*. These recommendations were about the priority of services, the level of services that should be delivered and the preferred funding sources of the services. The Report was handed to Council in November 2012 (City of Canada Bay 2012). This will be discussed in further detail in the next section.
- Canada Bay empanelled its second citizens' panel in 2014 to consider how to ensure fair use from facilities Council leases out for community use. The citizens' panel - the *Policy Panel* - has met in 2014 and the finalised Report was provided to Council in October 2014 (City of Canada Bay 2014). This will be discussed more in the next section.
- Wollongong City Council used a citizens' panel in 2013 as part of its community engagement process on the issue of financial sustainability. The Panel addressed three concerns: what are the priority services for Council to deliver and to what level should Council deliver these services; what are the opportunities to achieve operational improvements; and how should Council fund the delivery of these services to the desired level. The Report addressing these issues was provided to Council in November 2013 (Wollongong City Council 2013a & 2013b).

This form of community engagement is not confined to local or state governments. In 2012 Griffith University in Australia helped to convene a citizens' jury on *Emergency Care Services* and asked the question "should the Emergency Department treat everyone who presents for treatment?" This exercise was conducted by Griffith University in collaboration with Queensland Health (2012).

## 2.9 PARTICIPATORY BUDGETING IN OTHER JURISDICTIONS

Beyond examining the usage of citizen panels in Australia, it is also instructive to consider the usage of the particular mechanism of participatory budgeting in other jurisdictions.

Participatory budgeting is a global phenomenon. This report will briefly consider participatory budgeting in a few jurisdictions: Brazil as the first jurisdiction to engage in large-scale participatory budgeting, the United Kingdom as a comparable Westminster jurisdiction, and Canada Bay in New South Wales as the most directly comparable process to the City of Melbourne People's Panel.

### 2.9.1 BRAZIL

Brazil is a pioneer of participatory budgeting. Participatory budgeting was first conducted in Porto Alegre, Brazil, in the late 1980s; where it is estimated around 10 per cent of the local population took part in the city's annual budget setting process; resulting in a shift in the city's spending priorities in favour of disadvantaged communities (CLG 2011, p. 25).

Brian Wampler (2007) identifies the history of participatory budgeting (PB) and its beginnings in the late 1980s in the municipality of Porto Alegre in Brazil:

In 1988 the Workers' Party ... won the mayoral election. Its campaign was based on democratic participation and ... the reversal of a decades-long trend in which public resources were spent in middle- and upper-class neighborhoods... the new administration experimented with different mechanisms to tackle financial constraints, provide citizens with a direct role in the government's activities, and invert the social spending priorities of previous administrations.... [in] the first two years of participatory budgeting, fewer than 1,000 citizens participated... After the Workers' Party was re-elected in 1992 ... participation increase[ed] to more than 20,000 people a year... as citizens realized that participatory budgeting was an important decision-making venue (Wampler 2007, pp. 23-24).

Wampler (2007) goes on to define four conditions that help assure success in participatory budgeting: these are "strong mayoral support, a civil society willing and able to contribute to ongoing policy debates, a generally supportive political environment that insulates participatory budgeting from legislators' attacks, and financial resources to fund the projects selected by citizens" (p. 24).

Wampler (2007) describes two dominant areas of analysis of the success of participatory budgeting programs. The first is 'the factors that lead to the initiation of participatory budgeting programs and the effects participatory budgeting has generated. The debate on initiation of participatory budgeting programs has focused on the innovation (1989-96) and diffusion (1997-2004) phases' (p. 32). Souza (2001) claimed that participatory budgeting in the Brazilian environment "has helped reduce

clientelist<sup>5</sup> practices and, perhaps more importantly for a society as unequal as Brazil, helped to build democratic institutions” (p. 159).

With specific regard to health initiatives, Touchton and Wampler (2014, p. 1442) found that participatory budgeting programs are “strongly associated with increases in health care spending, increases in civil society organizations, and decreases in infant mortality rates.”

This participatory budget model has been adapted over the past three decades including by the newDEMOCRACY Foundation, which is organising the process in the MCC. The MCC People’s Panel process has a number of similarities to the participatory budgeting model implemented in Brazilian cities to assist them to determine priorities for part of the city’s revenues (Souza 2001; Touchton & Wampler 2014). However, one caution to note when using the Brazilian participatory budgeting cases as a model is that they were often adopted by cities who had the motivation or tendency to focus on “empowering the poor” (Souza 2001; Wampler 2007). On the other hand, “improving representative democracy” tends to be the motivation for Australian cases.

### **2.9.2 UNITED KINGDOM**

Participatory budgeting has been in operation in the UK for some time now. In 2002, the then Office of the Deputy Prime Minister started to examine the potential of Participatory Budgeting in England. In 2004, its Special Grants Programme helped set up the Participatory Budgeting Unit, which was subsequently commissioned to explore how Participatory Budgeting might work in a number of pilot areas. (CLG 2011, p. 25). The then CEO of the City of Melbourne, Kathy Alexander, stated that there is widespread use of participatory budgeting in the United Kingdom in the area of health care:

I’ve done this before in health care. The United Kingdom had a very strong, and still has a very strong, tradition and education base in what they call ‘participative funding’ (and we call participative budgeting), specifically in health care. And they’ve been using community input for some time to help determine the criteria by which funding might be allocated in the UK.

These British participatory budgeting programmes were evaluated in the 2011 UK Department of Communities and Local Government’s Report (CLG). This evaluation examined over 170 participatory budgeting projects including 20 health initiatives, and found a number of positive outcomes and impacts for citizens, communities and decision-making processes were associated with participatory budgeting (CLG 2011, pp. 92-112). The report acknowledged that the use of participatory budgeting has highlighted better community engagement in the local government democratic process.

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<sup>5</sup> Patronage or patron-client relations. See Souza (2001, p. 160)

The evaluation (CLG 2011) highlighted that benefits of participatory budgeting projects included:

- improving individuals' and organisations' self-confidence in tackling neighbourhood issues and in negotiating with public sector organisations
- bringing together people from different backgrounds who might not normally meet, enabling them to pool knowledge, views and experience, in order to tackle local issues
- acting as a spur to people to build local voluntary and community organisations, e.g. to address local issues and access Participatory Budgeting funds
- encouraging participants to get more involved in their communities, as shown by rising memberships in local organisations following Participatory Budgeting events
- improving inter-generational understanding, as young and old come together to discuss their own needs and common issues
- raising councillors' profiles in the local community, making it more likely that people will contact them in future
- opening up councillors' lines of communication to new groups in their wards
- raising councillors' awareness of issues in their wards, improving their ability to acts as 'community champions'
- increasing people's confidence in local service providers, due to interaction with managers and service providers at events, and
- increasing turnout at elections, in some cases, where increased engagement in the political process was an objective of the Participatory Budgeting project (p. 112).

### **2.9.3 CANADA BAY**

The MCC People's Panel discussed below is modelled on a similar process called the Citizens' Panel undertaken by the City of Canada Bay in New South Wales in 2012 and 2014. Canada Bay used the participatory budgeting model as the blueprint for a citizens' panel to review the range and levels of community services in the Council (City of Canada Bay Council 2014a).

After the success of the first citizens' panel, the City of Canada Bay Council convened a subsequent one - the Policy Panel - to make "recommendations to form the basis of a policy on lease conditions [on Council-owned facilities], and to provide direction on subsidies which should be introduced or increased, and those to be reduced or eliminated" (City of Canada Bay Council 2014b).

This participatory budgeting or deliberative democracy approach by the Canada Bay Council enabled it to obtain:

citizen advice on key decisions regarding the full range of Council services, service levels and funding... experiment with a participatory budget (PB) ... This initiative ... engaged a mini-public (Fung, 2003) using a deliberative approach (Cohen, 2003), with the final recommendations developed through dialogue and deliberation (Escobar, 2011) rather than aggregating preferences through a vote (Fishkin, 2010)” (in Thompson 2012, p. 1).

Further, the selection method enables particular populations to be represented “such as the disabled on disability policies, architects in urban planning or sports club members in recreation services” (newDEMOCRACY 2013, p. 3), or in the case of MCC, those interested in making recommendations for a 10-year financial plan for the City.

Another feature of the Panels is that “the term of service is limited to a maximum of six months, and selection of new members is staggered so that skills and experiences can be passed on to newcomers. No re-selection of a participant can occur for at least 7 years” (newDEMOCRACY 2013, p. 3).

Panel models have been found to be innovative, less adversarial and more inclusive in public decision-making than traditional models of community engagement with research evidence showing that “giving a representative panel time and information upon which to deliberate, stronger public engagement is achieved - as well as higher quality decisions” (newDemocracy 2014, p. 3).

## **2.10 PARTICIPATORY AND REPRESENTATIVE DEMOCRACY**

If actors believe they have opportunities to influence a decision they are more likely to participate in the process. One problem which this project considered was the question of availability of opportunities for all, including local residents, to have their voice heard in local government, and specifically within the MCC. The general concern about adequate and effective participation in local government has been researched, with findings indicating that participatory institutions enhance governance, citizens’ empowerment and the quality of democracy, or more generally their social wellbeing (Touchton et al 2013).

A study examined citizen participation in local government in Australia. This study (Aulich 2009) concluded that despite reforms over the past two decades intended to engage local citizens in local government activity, citizen participation is not yet at a satisfactory level to ensure sound participatory governance.

Nick Reece (2014) made a number of general comments about the decline of participation in the democratic process which can be examined alongside the Peoples’ Panel which the MCC announced in mid-2014, a participatory method often described as a Citizens’ Jury. The Peoples’ Panel includes a community engagement and participatory budgeting process (newDEMOCRACY 2014). This process is similar to the Brazilian participatory budgeting process, which has a long history (Wampler 2007).

The issues raised by Reece (2014) focus our attention on to how to remedy the fall in participation within local governments. Another strand of discussion about public participation processes concerns the suitable solutions which might be found for local governments to ensure successful connections are made between decision-makers and their constituencies.

However, three general points affecting the effectiveness of participatory democratic processes have been reported. They must: be truly deliberative, with a firm commitment to adopt and implement the outcome; apply to significant exercises of power over resource allocation and/or policy; and be a truly stratified random sample of the relevant community.

In respect of the first point, the authorising institution (local government in this case) must make a clear and unequivocal commitment to accept the outcome. One technique that has been used successfully to avoid risk that the authorising institution would “cherry-pick” recommendations has been for it to undertake that the outcome would be accepted on an “all or nothing” basis (Hartz-Karp & Walker, 2014; MacTiernan, 2004).

Secondly, the decisions to be made must be meaningful and not be a token gesture. For example, in a recent report on the abandoning of online participatory budgeting in the City of Osnabrück (Germany), it was pointed out that only 0.5 per cent of the total municipal budget was affected (Osnabruecker 2014). It should also be noted that the council terminated the practice after only two full years and that very few year-one participants repeated their involvement (27/1002).

Conversely Canada Bay made a much more serious commitment to:

- a) Prioritise the services the Council would deliver;
- b) Set the level at which Council should deliver those services; and
- c) Recommend funding sources for each (Hartz-Karp & Walker 2014, p. 381).

Thirdly, the participants in deliberative democracy panels must be a stratified, random selection of the community (Hartz-Karp & Walker 2014). In other words, the selection should mirror the demographic profile of the community. Special interest groups must have the opportunity to make presentations to the panel but not be members of it (MacTiernan 2014).

### 3. TEAM'S METHODOLOGY

The research project applied a mixed-method approach to a case study of the MCC to examine the structure and operation of democracy in a Capital City local government and other capital cities.

Note: data collection was undertaken prior to the change of Victorian State Government in November 2014. It is understood that Victorian Government policies and relationships with local government have changed, but this has not been investigated.

#### 3.1 DATA GATHERING

Data gathering involved the research team procuring primary data from respondents. The three methods used to gain information from respondent stakeholders were surveys, focus groups and interviews.

More specifically, the first method was an anonymous online survey which provided the opportunity to gain a wide range of stakeholders' views. The second method was the use of focus groups that targeted residents in public housing who may otherwise have been overlooked. The third method was one-on-one, one-hour face-to-face interviews with political and bureaucratic actors to obtain information that was fuller and more nuanced. Each of these three methods is elaborated upon below.

Secondary data gathered included academic documents and workshops, government reports, legislation and regulation, policies and guidelines, websites including the MCC website and media.

##### 3.1.1 ONLINE SURVEYS - INDIVIDUAL

During December 2013 to April 2014 individuals were enlisted for the online survey.<sup>6</sup> This survey enlisted respondents who have a substantial and ongoing interest in the policies, facilities and services of the MCC including residents, businesses, and NGOs. It also included transient users of the facilities and services of the MCC including commuters, shoppers and tourists.

Recruitment methods included invitations to individuals issued via an advertisement placed in the *mX* daily free newspaper, letter-boxing in the MCC and suburbs, email snowballing, and on-street pamphlet handouts in the MCC. This recruitment strategy yielded 577 individuals who completed the anonymous online survey. Restrictions to ensure only one response per person included enabling only one submission per IP

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<sup>6</sup> There are two versions of the individual survey as the research team updated questions to more precisely reflect the research questions. At the same time, and independently from the research team's recruitment efforts, Version 1 of the survey was promoted by an external site. It was decided to keep the site of the Version 1 survey open as a possible comparison of responses with Version 2 respondents. Version 2 attracted 408 respondents and is the data analysed for this Report.

address. An incentive was offered to individuals to win one of three supermarket vouchers, with 354 people opting “in” to the draw. Participants were provided with the opportunity to be completely anonymous; however, those providing details for the prize draw, or those willing to participate in future Focus Groups, did submit contact details.

The online survey included questions about the MCC and its structural features such as the franchise and opportunities for participation in decision-making. It also asked respondents to identify social actors significantly involved in the MCC governance, and roles and the relationships between MCC actors. The survey also measured satisfaction with the performance of these actors.

The results from the surveys were cross-tabulated using SPSS software and are presented in table and chart form in this Report.

The individual online survey instrument is provided in Appendix 1.

### ***3.1.2 ONLINE SURVEYS - ORGANISATIONS***

A survey was distributed to a cross-section of 22 organisational stakeholders in the MCC including Chamber of Commerce, resident associations and special interest groups. Five valid surveys were received from organisational stakeholders.

The organisation online survey instrument is provided in Appendix 2.

### ***3.1.3 FOCUS GROUPS***

Two focus groups were conducted in collaboration with Multicultural-Media Exchange (MME). MME helped organise the focus groups at the Carlton and Flemington high rise estates using existing relationships with the Ethnic Communities Council of Victoria and the Community Coordinators. The first focus group included a mixed gender population of eight adults living in the Carlton high-rise public housing estate. The second focus group comprised a group of ten young men of African heritage who lived in the Flemington public housing estate.

Participants were asked to comment on a series of questions similar to those asked of the survey participants. A payment to offset costs was provided to each focus group participant.

The focus group discussions were taped and themes identified and reported upon.

A group of RMIT University journalism students attended the focus groups and interviewed a number of individuals after each focus group.

The focus group questions are provided in Appendix 3.



### ***3.1.4 INTERVIEWS - ONE-ON-ONE, FACE-TO-FACE***

Eight political and bureaucratic actors involved in the operation of MCC local government (LG) democracy were interviewed face-to-face. These individuals comprised one serving Lord Mayor (Doyle), one State Government Minister and former Lord Mayor (Wynne), three serving Councillors (Councillor A, Mayne and Watts), a representative each from VLGA (Archer) and MAV (Spence), and the then CEO of the MCC (Alexander). The data from these interviews was digitally recorded and transcribed.

The interviews collected qualitative data on the perceptions of selected informants concerning:

- relationships stakeholders have with other institutional actors;
- how these relationships affect the policies, facilities and services that are provided by the MCC;
- opportunities for participation within the MCC;
- whether the franchise arrangements affect opportunities for participation;
- whether the franchise arrangements affect the policies, facilities and services that are provided by the MCC; and
- potential reforms, including the franchises and opportunities for participation, to enhance the functioning of democracy in the MCC.

The interview guide is provided in Appendix 4.

## **3.2 DATA ANALYSIS**

The analysis adopted a comparative and interdisciplinary approach including the application of a theoretical complex evolving system (CES) framework to local government.

## **4. LIMITATIONS OF THE RESEARCH**

A small number of key informants, including the Minister for Local Government (Bull – from 17 March 2014) and the Director, Local Government Victoria declined to be interviewed.

Minister for Local Government Powell (until 17 March 2014) was about to be interviewed when she resigned. She then declined to be interviewed.

There was a low response rate from MCC-related civil society organisations.

The demographic profile of the survey respondents did not necessarily correspond with the profile of users of MCC facilities and services.

The project did not review the boundaries of the MCC and did not examine whether the electorate should be sub-divided i.e., a ward system.

## 5. UNDERSTANDING THE SETTING

### 5.1 THE CITY OF MELBOURNE'S ELECTORAL SYSTEM

The MCC's electoral system is unusual, compared both to other Victorian municipal councils and to other capital city councils across Australia, as well as to the electoral system at State level. This section examines how Melbourne's electoral system arrived at its current state and how it operates in practice, and compares Melbourne to other Australian capitals. A map of the MCC boundaries is in Appendix 7.

#### 5.1.1 THE CURRENT ELECTORAL STRUCTURE

The franchise is a basic component of the electoral system. In the MCC, as in all other Victorian municipalities, residents who are State electors are automatically on the Council voters roll. Another element common to all Victorian municipalities is that non-resident owners of rateable property are automatically included in the Council voters roll. However, the position of corporations in the MCC is quite different from other councils. While in the rest of Victoria corporations that own or occupy rateable property may apply to appoint one representative to vote, in the MCC corporations have two representatives. If a corporation fails to appoint two representatives, the Council does so, using Australian Securities and Investments Commission data to deem company secretaries and directors onto the roll. Another significant difference from the rest of the State relates to non-resident occupiers (such as commercial tenants), who are automatically enrolled in the MCC but who in other councils have to apply to enrol, and who need the owners' consent to apply. The position of resident non-citizens is also different in Melbourne: while in other councils only ratepayers can apply to enrol, in Melbourne any resident occupiers can apply to enrol, provided they have lived in the municipality for a month.

The effect of these peculiarities is magnified by the rules on who has to vote and by the method of election. In the rest of Victoria, voting is optional for non-residents on the roll, and their participation rate is lower than that of residents. In the MCC, however, everyone on the roll has to vote. Since 1996, MCC elections have been conducted by post, which facilitates voting by non-residents. The result is that in MCC elections non-residents vote in almost the same proportions as residents.

In most of Victoria, the electors vote for their councillors, who then elect the mayor. In MCC elections, voters vote directly for the leadership team of the Lord Mayor and Deputy Lord Mayor.<sup>7</sup> Voters complete another ballot paper to elect nine councillors, who are elected at large, without any wards.

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<sup>7</sup> Direct election used to be a unique feature, but now voters in the City of Greater Geelong vote directly for the Mayor.

## 5.2 THE CITY OF MELBOURNE'S HISTORICAL BACKGROUND

The MCC is the oldest elected body in Victoria, dating back to 1842 – nine years before Victoria came into existence by separation from New South Wales. The franchise for that first election was surprisingly democratic, that is, every male British subject who was 21 or over, who had not received charitable relief, and who had lived in Melbourne for a year had the right to enrol to vote.<sup>8</sup> For most of its history, Melbourne, like other Victorian councils, had a ratepayer franchise, with plural voting based on the value of the ratepayer's property. The *Melbourne Corporation (Election of Council) Act 1982* (Vic) introduced universal suffrage, with all residents on the State roll able to vote in Council elections.<sup>9</sup> Non-resident property owners and corporations retained the right to enrol, and legislation in 1983 provided that non-resident property owners would be automatically on the roll<sup>10</sup>. The Kennett Government's *Local Government (Further Amendment) Act 1995* (Vic) brought in two votes and deeming provisions for corporations, and made voting compulsory for everyone on the roll. This franchise had its origins in a suggestion by the then-Town Clerk (CEO in modern parlance) Young:

that partnerships and companies could be likened to residential households for the purpose of the franchise. As the average household had only slightly fewer than two voters, the same number could be justified for a business partnership or a company (Dunstan & Young, 2011).

In one of the few contributions by the Coalition Government members to the debate on the bill, the Liberal MLC Hon J V C Guest stated that he had no desire to seek a return to a resident-controlled council, that representation of community, resident and business interests need to be taken into account, that there should be no taxation without representation, and that "one of the contributions that business can make, particularly in municipalities like the MCC, is to provide a concentration on the needs of a central business district".<sup>11</sup> Under the Bracks Government, the *City of Melbourne Act 2001* (Vic) introduced the current electoral structure, with direct election for the Lord Mayor and Deputy and election at large for the councillors, but did not touch the franchise.<sup>12</sup> An electoral representation review by the VEC in 2011-12 only dealt with the number of councillors and the electoral structure; the VEC recommended no change to the unsubdivided electoral structure, but recommended increasing the number of councillors by two.

Electoral law is designed to increase the number of business representatives in MCC elections. Social and demographic changes also affect the relative weight of different

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<sup>8</sup> Downloaded 9 September 2014 from <http://www.melbourne.vic.gov.au/ABOUTMELBOURNE/HISTORY/Pages/CouncilHistory.aspx>

<sup>9</sup> The *Local Government (Municipal Council Elections) Act 1983* extended universal suffrage to all Victorian councils.

<sup>10</sup> Section 3 of the *Local Government (Municipal Council Elections) Act 1983*.

<sup>11</sup> Legislative Council, 25 May 1995, p. 838.

<sup>12</sup> A paper by David Dunstan and John Young: "The 'Most Undemocratic Municipality in Australia': Changes to the Franchise and Electoral Arrangements of the Melbourne City Council 1938-2011" is a valuable source.

types of electors. The continuing growth of residential apartments in and around the CBD has increased the number of residents in the MCC, and led to an explosion in the number of non-resident property owners. The proportion of company representatives on the roll has correspondingly diminished, from 32% of all voters in 1996 to 18% in 2012. The composition of the electorate at the 2012 election was as follows:

**Table 2: Composition of MCC electorate at 2012 election**

Category	Number	Percentage
State electors	43,692	40.29
Other residents	91	0.08
Non-resident owners	40,911	37.73
Company representatives	19,799	18.26
Business occupiers	3,940	3.63
<b>TOTAL</b>	<b>108,433</b>	<b>100%</b>

Source: Local Government Electoral Review Discussion Paper (September 2013, p. 93)

This is a very different picture from most Victorian councils, where little more than 10% of electors are non-resident property owners and there are few business representatives.

However, it is instructive to examine the actual facilities, service and allocation of resources by MCC. The most recent annual budget did not disclose any specific functions, activities and expenditures that were clearly related to MCC's status as the political capital of Victoria (other than as the location of the Parliament and many Victorian Government offices).

Likewise, although MCC is recognised as the economic capital of Victoria, MCC's specific functions, activities and expenditures are revealed to be overwhelmingly orientated to serving the needs of people e.g. residents, workers (from the most low paid to the most powerful and highly remunerated), customers, clients, students, visitors and other users of MCC facilities and services. One of the few significant identifiable expenditures directly related to supporting business was a contribution to the Melbourne Convention Centre (City of Melbourne 2014). Support for cultural activities could, perhaps, be seen as attracting business to the MCC, but this is not unique to MCC as Victoria's capital city.

The context for each of these is the facilities and services provided by MCC; these are listed below and further revealed in the MCC Annual Plan and Budget.

Council performs the following major functions and services:

- animal management
- arts and cultural programs
- business and trade development
- capital works and maintenance of parks and gardens, roads, pedestrian ways, and public spaces of the city
- community health services
- customer, resident and visitor information services
- environment and water management
- financial planning, budgets, valuations, rates and credit control
- food safety and regulation of food premises
- international relations
- IT infrastructure
- land transfers and subdivisions
- libraries
- marketing of the city and coordination of events
- maintenance of council-owned facilities, property and other assets
- management of parks, gardens and sporting facilities and services
- public safety
- recycling and waste management
- regulation of parking and traffic
- regulation of parking, filming, trading and other activities in the streets
- services for children, youth, aged people and people with disabilities
- social planning and housing
- tourism
- urban planning and building regulation

City of Melbourne (2014).

This list is not exhaustive, for example Queen Victoria Market is not specified. Note also that major urban land use planning regulation has been removed from MCC powers and appropriated by the Victorian Government. As indicated above, the list overwhelmingly comprises services meeting the needs of people. These priorities are confirmed by the 2014-2015 Annual Plan and Budget published on the MCC website; an extract showing operating expenses is reproduced in Appendix 8.

The peculiarities of the MCC's electoral system are largely a consequence of its position as Victoria's capital city. The City is the centre of government, business, culture and tourism for Victoria. Around 800,000 people use it as a place to live, work, conduct business or visit each day. More broadly, the capital city is the centre of economic growth in the state and plays a unique role in servicing the larger metropolitan region and its population (Department of Transport Planning and Local Infrastructure 2013).

The *City of Melbourne Act 2001* (s. 7(1)) provides for Council to have the following objectives:

- a) to ensure a proper balance within its community between economic, social, environmental and cultural considerations within the context of the MCC's unique capital city responsibilities;
- b) to develop and implement strategic directions and policies for the MCC in collaboration with the Government of the State to ensure alignment with that Government's strategic directions and policies for the MCC as the capital city of the State of Victoria;
- c) to co-ordinate with the State and Commonwealth Governments in the planning and delivery of services in the MCC in which those governments have an interest;
- d) to work in conjunction with the Government of the State on projects which that Government or the Council determines are significant to Melbourne.

These provisions reinforce the practicalities of the Council's relations with the State Government, business and other stakeholders. However, as indicated above and discussed in this report, it is not obvious that MCC's "unique capital city responsibilities" are reflected in specific resource allocation priorities.

## **5.3 INTERSTATE AND INTERNATIONAL COMPARISONS**

Comparison with other Australian capital cities can provide perspective. In nearly all States, the capital city council is regarded as special, and in some States there is separate legislation for that council. This Report will also briefly outline the franchise arrangements for the City of London (UK) for an international comparative perspective.

### **5.3.1 SYDNEY**

The City of Sydney is the closest equivalent to Melbourne. Like Melbourne, the City of Sydney is the centre of a major metropolitan area and is a business centre for the whole of Australia. Like Melbourne, the City of Sydney covers the CBD and a belt of inner suburbs; the municipality is unsubdivided, and voters elect nine councillors and vote in a separate election for the Lord Mayor. However, the legislation concerning the enrolment of non-residents is very different from Melbourne's. Non-resident ratepayers who pay at least \$5,000 per year in rates are entitled to enrol and vote, but their enrolment lapses after each election, and they have to apply again to enrol in a short period before the following election. The result was that in the 2012 election, despite a strong enrolment campaign by the Electoral Commission, only 1,709 non-residents were enrolled compared to 100,144 residents.

The New South Wales Parliament's Joint Standing Committee on Electoral Matters recommended that the Government introduce the "Melbourne model" as a way of giving

a say to business and other non-residents.<sup>13</sup> This was implemented through the *City of Sydney Amendment (Business Voting and Council Elections) Act 2014* (NSW), which commenced on 6 February 2015. The legislation provides for two votes for corporations, for corporation representatives to be deemed onto the roll if corporations fail to appoint them, and for compulsory voting for non-residents. Unlike Melbourne, however, non-citizens would not be able to enrol and vote.

Supporters of the legislation argued that, as businesses contribute most of the Council's revenue, they should have a greater say in voting for the Council. This is considered to be a democratic reform, with the Premier stating "Businesses ... rely on the city for services, they want a voice, they want their council to listen to them ... [The reform] provides an opportunity for greater democracy. That is something that no one can oppose".<sup>14</sup>

Opponents of the legislation argued that it was politically motivated, that it was open to abuse through the creation of shelf companies, and that it was undemocratic – particularly giving businesses two votes. The Lord Mayor, Ms Clover Moore and the Independent Member for Sydney, Mr Alex Greenwich MP, proposed a compromise solution, under which there would be a permanent register of businesses compiled by the Electoral Commission. However, the Bill passed, and the new legislation commenced on 6 February 2015.

### **5.3.2 BRISBANE**

The City of Brisbane encompasses the bulk of the metropolitan area. In terms of population, the City is the largest municipal area in Australia. Under the *City of Brisbane Act 2010* (Qld), there are separate elections for the mayor and for 26 councillors, each of whom represents a ward. Registered political parties may nominate candidates and have the party name on the ballot paper, and the great majority of votes are for the parties. Voting is compulsory.

The key feature of Brisbane is that there is no property franchise; only State electors can vote in council elections. There appears to be no pressure to introduce votes for property owners. The extent of the municipality may have something to do with this, as suburban residents who may have property or a business in the CBD are able to vote for the council that covers the CBD.

### **5.3.3 ADELAIDE**

Unlike Brisbane, the City of Adelaide is confined to the CBD, plus North Adelaide. Only 24,212 electors were enrolled to vote in the 2014 Council election. Adelaide electors vote in separate contests for the Lord Mayor, four area councillors, and seven ward

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<sup>13</sup> Joint Standing Committee on Electoral Matters: *Inquiry into the 2012 Local Government Elections*, March 2014, pp. 64-70.

<sup>14</sup> Sydney Morning Herald, 12 August 2014.



councillors. Voting is optional. Under the *City of Adelaide Act 1998* (SA), the franchise for the City of Adelaide resembles that for most Victorian councils:

- State electors are automatically enrolled;
- Non-resident ratepayers are also automatically enrolled;
- Body corporates and other occupiers can apply to enrol;
- Resident non-citizens who have lived in Adelaide for a month can apply to enrol.<sup>15</sup>

For the 2014 Council election, Adelaide City Council electors were apportioned as follows:

- State electors: 10,815 (44.7%)
- Council list: 13,397 (55.3%)

This contrasts with the position in all other South Australian councils, where non-residents have to apply to enrol and constitute a small minority of all electors.<sup>16</sup>

Before the 2010 council election, there was a strong push by Business SA and the Shop, Distributive and Allied Employees' Association to enfranchise the 108,000 people who worked in the City of Adelaide. Supporters argued that workers had a stake in the area where they spent their professional lives, and that giving them the vote would promote a broader approach by a Council that was currently the captive of a relatively small number of anti-development residents. The 2008 ALP State conference passed a resolution calling for employees to be allowed to vote in Adelaide City Council elections. However, the Minister for Local Government pointed out some of the administrative difficulties in defining this category of elector and arranging enrolment, and the proposal went no further.<sup>17</sup>

#### **5.3.4 PERTH**

The City of Perth also covers a relatively small proportion of the metropolitan area, though a process to reduce the number of metropolitan councils and enlarge the City of Perth (Local Government Advisory Board 2014) is being realised. The City is unsubdivided; electors vote every four years for the Lord Mayor, and every two years for half the councillors. Voting is not compulsory. State electors are automatically on the roll. Non-resident owners and occupiers need to apply to the Council to enrol. Owners remain on the roll until the property is sold, while occupiers need to re-enrol after every two elections. Corporations may appoint up to two persons to go onto the roll.<sup>18</sup>

A review of the *City of Perth Act* was undertaken in 2014-15. In early 2015, a number of submissions were made to the State Government's City of Perth Act Advisory Group, including from the City of Perth and the Chamber of Commerce and Industry (CCI). Both

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<sup>15</sup> [www.adelaidecitycouncil.com/your-council/other-government-information/elections/enrolling-to-vote/](http://www.adelaidecitycouncil.com/your-council/other-government-information/elections/enrolling-to-vote/), downloaded 11 September 2014.

<sup>16</sup> Source: Leanne Redpath, Electoral Commission of South Australia, 11 September 2014.

<sup>17</sup> See *Adelaide Advertiser*, 16 October 2008, 2 November 2008, *City Messenger*, 14 October 2010.

<sup>18</sup> [www.perth.wa.gov.au/council/elections/council-elections](http://www.perth.wa.gov.au/council/elections/council-elections), downloaded 11 September 2014.

these submissions identified ideas for more responsiveness and ways to encourage more participation by businesses and other non-resident stakeholders in City of Perth Council elections (CCI 2015 pp.91-94). Somewhat like the MCC and the City of London Corporation (2015) where workers as well as residents have the right to vote, these proposals advocated introducing a model where “non-resident owners and occupiers [were] ‘deemed’ [to be] on the electoral roll” (CCI 2015 p.2). The City of Perth released a position paper on the City of Perth Act considering various models for increasing the corporate vote and recommended the ‘strongest possible electoral franchise for non-residential electors’ (CCI 2015, pp. 92-3). Clause 8 of the Explanatory Memorandum (City of Perth 2015) sets out ten objects of the City of Perth including Object B, which is to represent the community and encourage community participation in decision-making.

At the 2013 Council election, electors were broken down as follows:

- State electors: 7,654 (70.7%)
- Owners and occupiers: 3,171 (29.3%)<sup>19</sup>

Across the State as a whole, only 1.4% of electors in the 2013 council elections were owners and occupiers.

### **5.3.5 HOBART**

The City of Hobart covers a substantial proportion of the metropolitan area, and is the third largest municipality in Tasmania in terms of population. Every two years, electors vote for the Lord Mayor, Deputy Lord Mayor and half of the 12 councillors. Voting is not compulsory. The City is unsubdivided, like all Tasmanian municipalities. State electors are automatically on the roll, while non-resident owners and occupiers and resident non-citizens may apply to the Council to enrol. A body corporate that owns or occupies property in the municipality may appoint a person to represent it. A person may have up to two votes – as a resident and as the representative of a body corporate. At the 2011 Council election, electors were classified as follows:

- State electors: 35,017 (95.6%)  
General Manager’s list of non-residents and non-citizens: 1,598 (4.4%). Across the State as a whole, the General Managers’ list electors made up 2.5% of the total.<sup>20</sup>

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<sup>19</sup> Western Australian Electoral Commission, 11 September 2014.

<sup>20</sup> Tasmanian Electoral Commission: Local Government Election Report, Tasmania, 2011, p. 13 [www.hobartcity.com.au/Council/About\\_Council/Elections](http://www.hobartcity.com.au/Council/About_Council/Elections), downloaded 12 September 2014.

### **5.3.6 DARWIN**

The City of Darwin is the largest municipality in the Northern Territory in terms of population, including about two-thirds of the metropolitan area's population. The municipality is divided into four wards, each with three aldermen. Every four years, electors vote for the Lord Mayor and for the aldermen for their ward. Voting is compulsory. There is no property franchise in the Northern Territory; only Territory electors can vote in council elections.

### **5.3.7 LONDON (UK)**

In the City of London (UK), which covers the 'Square Mile', voting arrangements are distinctly different to other parts of England, as eligibility to vote is present for both residents and workers or non-residents (known as business voters). This is unlike in other parts of the country, where the business vote was abolished in 1969 (City of London 2015 a & b; Morrison 2013). According to Morrison (2013, p.339) "this concession was, in part, in recognition of its tiny resident population of 7,400 in 2011 Census".

Allocation of business votes are based on the number of workers employed in "each body or organisation, whether unincorporated or incorporated, whose premises are within the City of London". As an illustration, the formula includes those with a workforce between 1-9 entitled to 1 vote, a workforce of 100 entitled to 10 votes, a workforce of 2000 entitled to 49 votes, or a workforce of 3500 entitled to 79 votes (City of London 2015a).

Eligibility includes that the voter must also be a member of staff since 1<sup>st</sup> September of the last year plus the City premises needs to be the main place of work. Further, those who cast a business vote retain their right to vote for the local council of their home residence, so long as it is outside the City (City of London 2015a).

Only people who are over 16 years of age, and a British, Irish, Commonwealth or European Union citizen can be registered as a business voter if they also work in a sole trader, a partnership or other qualifying body such as retail units, bars and restaurants, banks, insurance companies, stock brokers, other financial institutions, limited liability partnerships, charities, trade associations, livery companies, churches and other religious bodies and hospital trusts (City of London 2015a).

Canvassing registrations for worker voters take place between August and December each year with details of eligible voters published on the Provisional Ward Lists during the period 30 November to 16 December. The final Ward Lists are available for inspection, before their publication and use in elections (City of London 2015a).

**Table 3: Franchise for Australian Capital Cities**

City	State electors	Non-resident owners	Corporations	Non-citizen residents	Non-State electors on roll
<b>Melbourne</b>	Yes (automatic)	Yes (automatic)	Yes – 2 votes (compulsory – deemed onto roll if corporation fails to appoint representatives)	Yes (by application)	59.71%
<b>Sydney</b>	Yes (automatic)	Yes (by application)	Yes (by application)	No	1.68%
<b>Brisbane</b>	Yes (automatic)	No	No	No	-
<b>Adelaide</b>	Yes (automatic)	Yes (automatic)	Yes (by application)	Yes (by application)	55.3%
<b>Perth</b>	Yes (automatic)	Yes (by application)	Yes - -2 votes (by application)	No	29.3%
<b>Hobart</b>	Yes (automatic)	Yes (by application)	Yes (by application)	Yes (by application)	4.4%
<b>Darwin</b>	Yes (automatic)	No	No	No	-

Source: Authors

## 5.4 2012 MELBOURNE CITY COUNCIL ELECTION

One way to gauge the democratic nature of the MCC is to examine how it worked in practice at the October 2012 Council election. This election took place after a representation review had confirmed the unsubdivided electoral structure of the Council, while increasing the number of councillors by two.

The electoral system shaped the way in which candidates participated in the election. Melbourne voters participate in two elections: an election for the Lord Mayor and Deputy Lord Mayor, who stand as a team; and an election for nine councillors. Lord Mayoral teams are entitled to stand using a group name, and all of them did so. Candidates for the Councillor election can form groups, with a group name. The ballot paper for the Councillor election resembles a Senate ballot paper, divided by a horizontal line: voters can either vote above the line for a group, or below the line for all the individual candidates. Preferences for a vote above the line are distributed according to a group's voting ticket. These provisions encourage candidates to form groups, standing for both elections. In 2012 there were 11 groups, eight of which stood in both elections. There were only three ungrouped candidates.

State registered political parties are entitled to stand in MCC elections, but the only party that did so was The Greens. Apart from The Greens, the groups are ephemeral

bodies that form for an election and then seem to disappear. None of the groups that participated in the 2008 election did so in 2012, though candidates tend to keep together; for example, four of the Team Doyle candidates in 2012 were in the Activate Melbourne group in 2008. Possibly because the groups are primarily vehicles to get candidates elected rather than parties with coherent policies, their composition can be disparate. For instance, in the Morgan Elliott – Prosperity for Liveability team, Cr Jackie Watts appears quite different in her views from the leadership team candidates Gary Morgan and John Elliott.

A common criticism of elections for MCC is that the business and property franchise, the Council's unsubdivided structure, direct elections for the Lord Mayor and Deputy, and elections by post combine to effectively preclude candidates lacking wealth, organisational support or a high profile from being elected. The evidence from the 2012 election is mixed. The following table shows the numbers elected from the various teams, and the votes for those teams:

**Table 4: Numbers elected from teams and votes for those teams**

Team	Number elected	Names	Vote – leadership team	Vote – councillors
Team Doyle	5	Robert Doyle (Lord Mayor) Susan Riley (Deputy) Kevin Louey Arron Wood Beverley Pinder-Mortimer	40.76%	37.48%
The Greens	2	Cathy Oke Rohan Leppert	14.79%	15.62%
Gary Singer – John So Melbourne Living	1	Ken Ong	15.63%	13.04%
Our Melbourne	1	Richard Foster	4.29%	6.21%
Morgan Elliott – Prosperity for Liveability	1	Jackie Watts	11.32%	9.6%
Stephen Mayne: Independence, Experience, Transparency, Accountability	1	Stephen Mayne		6.01%
Shanahan Chamberlin for Melbourne	0		6.73%	5.79%
Community and Business leadership	0		2.45%	1.99%
Forward Together	0		2.31%	0.83%
Put Public First	0		1.7%	
Residents First: Stop the Rates Rip-off	0			3.03%
Ungrouped	0			0.39%

Source: Victorian Electoral Commission, 2012

<http://www.vec.vic.gov.au/Results/melbourneresult2012.html>

The ballot packs posted to all voters contain statements by the candidates. The electoral system clearly affected the campaigns. All the candidate statements in the 2012 election had a municipality-wide focus – a consequence of the Council’s unsubdivided structure. Nearly all the groups tried to appeal to both residents and business. The Residents First: Stop the Rates Rip-off group contended that “The MCC today is controlled by Corporate-Commercial interests, and the concerns of Residents are sadly neglected”, and proposed measures to restore balance. This group gained only 3.03% of the votes, which indicates that the great majority of residents voted for other groups. The most successful group, Team Doyle, pointed to various measures to make the city more liveable, including CCTV cameras, Salvation Army street teams, and capital works. Crucially, Team Doyle stressed responsible financial management: “In the past four years we have generated a surplus of \$40 million (all reinvested back into the community) and maintained a AAA

credit rating, all with zero debt. Now more than ever, we need a Council with strong financial management skills”.<sup>21</sup>

Does the contrast between these two groups show that only business-oriented candidates have a real chance of being elected to the MCC under the current electoral system? Not necessarily. The Greens emphasised community and sustainability, and won two of the nine Councillor positions. The Morgan Elliott group stated it would “manage the balance between business prosperity and funding ‘Liveability’”; the group’s successful candidate, Cr Jackie Watts, is a strong local community activist. Other groups that were successful in having councillors elected were composed of a mixture of residents and businesspeople, and focussed more on services than on business concerns.

Money is an important element of election campaigning. This is particularly the case for MCC elections, where costly mail-outs are the only effective way to reach the many non-resident voters and residents who live in secure apartment complexes. Information on campaign expenditure by groups is not available. However, candidates are obliged to submit returns of election donations to them, and these returns are published on the Council website. Groups received the following donations for the 2012 election:

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<sup>21</sup> The quotes are from the Candidate Statements that were sent to all voters in the 2012 Council elections, but that are not generally available now.

**Table 5: Donations received by groups in 2012 election**

Group	Amount donated	Percentage of total	Number elected
Team Doyle	\$399,637	63.16%	5
Gary Singer John So Melbourne Living	\$67,500	10.67%	1
Morgan Elliott – Prosperity for Liveability	\$66,088	10.44%	1
Shanahan Chamberlin for Melbourne	\$15,000	2.37%	0
Our Melbourne	\$39,350	6.22%	1
The Greens	\$26,922	4.25%	2
Forward Together	\$11,545	1.82%	0
Community and Business Leadership	\$4,795	0.76%	0
Ungrouped candidates	\$1,680	0.27%	0
Put Public First	\$250	0.04%	0
Stephen Mayne: Independence, Experience, Transparency, Accountability	-	-	1
Residents First: Stop the Rates Rip-off	-	-	0
<b>TOTAL</b>	<b>\$632,766</b>	<b>100.00</b>	<b>11</b>

Source: City of Melbourne, 2012,

<http://www.melbourne.vic.gov.au/AboutCouncil/financegovernance/Pages/ElectionCampaignDonations.aspx>

The picture was very lopsided, with Team Doyle attracting \$400,000 in donations – more than 63% of the total. Team Doyle was also by far the most successful group, winning almost half of the seats. The total amount of donations increased by more than 50% from the 2008 election. However, relative lack of money was not an insuperable obstacle to election. Although The Greens received only \$27,000 in donations, they won two seats. And Stephen Mayne was elected as a councillor despite receiving no donations and not having the backing of a party organisation.

Thus, the MCC's social composition, the franchise, the Council's electoral structure and the nature of elections by post do tend to produce a business-oriented Council. Nevertheless, these factors do not prevent the election of community-based candidates without large financial resources.



## 6. RESEARCH FINDINGS: FRANCHISE

The research findings are presented in three main sections. The first is franchise, the second is participation and the third is engagement with stakeholders.

### 6.1 FRANCHISE: SURVEYS FOR INDIVIDUAL STAKEHOLDERS

The survey asked individual respondents a series of questions about who should be able to vote in City of Melbourne elections. These questions were:

- A multi-choice question which asked “in elections for the Lord Mayor and Councillors of the City of Melbourne, who do you think should have the right to vote?” and
- Two open-ended questions seeking comments about who else should vote in City of Melbourne elections for the Lord Mayor and Councillors

These questions produced a quantitative data set compiled from 441 responses from 315 respondents who answered these questions. Whilst these responses are indicative, the respondents are not necessarily representative of the MCC resident or other populations. Respondents answered the multi-choice questions in an on-line anonymous survey.

A useful feature of the dataset is that it is divided according to the type of respondent. Groups of respondents had varying views on the franchise, partly reflecting their own interests. Permanent residents comprised 61 of the 315 respondents. This comparatively small proportion demonstrates how residents are outnumbered by the many other users of the City of Melbourne. Other sizeable categories of respondents were permanent workers, shoppers, people in the city of business reasons and those visiting for entertainment.

An overwhelming majority of responses from across all categories thought that permanent residents who are Australian citizens should have the right to vote in Melbourne City Council elections. This broadly coincides with electors for State and Federal elections, and could be considered the basic qualification for Australian democracy.

As qualifications diverged from the Australian standard, so support among respondents fell. Citizenship was considered by respondents to be a desirable qualification. While 95% of responses supported the vote for Australian citizens, only 52% thought that permanent residents who are non-citizens should have the vote. There was also less support for temporary residents having the vote. Support for the vote for temporary residents who are non-citizens (23%) was less than half as strong as support for the vote for Australian temporary residents (56%). Permanent residency was more strongly favoured than temporary residency as a qualification to vote. Interestingly, students

tended to be more favourably disposed to the idea of temporary residents being able to vote.

The property vote is a longstanding feature of Victorian council elections, and has been a focus of this study. A narrow majority (56%) of respondents supported the vote for non-resident property owners. Permanent residents of Melbourne were less inclined to favour this group having the vote. Respondents as a whole did not support the vote for non-resident tenants, with only 32% of responses supporting this.

The business vote has been a contentious element of the City of Melbourne's electoral system. Slightly less than half of the responses agreed that corporations owning or leasing property in Melbourne should be able to appoint a representative to vote for them. Very few (13% of the total), however, thought that corporations should be able to appoint more than one representative.

Respondents were also asked if commuters and workers in the City of Melbourne should be able to vote for the Council. One third of the responses supported this idea. There was very little support among permanent residents (13%), and more support among students and shoppers.

In addition to the check-box responses, there was an opportunity for respondents to provide some commentary. Some 7% of responses thought that "others" should have a right to vote for the Council. Respondents were invited to list these "others".

A précis of these comments are assembled in the following section.

### **6.1.1 SURVEY COMMENTS: "WHO SHOULD GET THE FRANCHISE?"**

#### **6.1.1.2 Ratepayers**

Any other person [or NGO] who/that directly or indirectly pay Council rates.  
This could [should?] include tenants on 6 month [or 12 month] leases.

A person who pays rates to MCC (including non-Australians)

#### **6.1.1.2 Temporary residents**

A definition of temporary resident could be clarified. Are you referring to months? Against voting rights for residents under 12 months

Re temporary residents - maybe 6 months qualification?

#### **6.1.1.3 Citizenship**

Australian citizens renting property in City of Melbourne

The person owning property should be an Australian citizen to be eligible to vote.

#### **6.1.1.4      *Broaden franchise***

Any Victorian who has an interest in Melbourne... excluding religious or corporate bodies that may have a conflict of interest or a political or commercial agenda lacking in diversity

A wider electorate representative of metropolitan Melbourne

Homeless people living and/or spending more than 10 days per month in the City of Melbourne

Include incorporated associations and providers in the City of Melbourne

Departmental heads of Uni. of Melbourne and RMIT

#### **6.1.1.5      *One vote: non-profit organisations and corporations***

One person from a non-profit organisation serving the residents and workers of the City of Melbourne, regardless of where the organisation is based - provided that one person DOES NOT already have the right to vote in another capacity [to avoid doubling one individual's vote]

One person from a not-for-profit who provides services for others who live in the City of Melbourne (e.g. disadvantaged, homeless etc.)

One person from a corporation / business who owns and works in a business property in the City of Melbourne

The franchise should ensure one vote one value rather than multiple voting as occurs now

Corporations should be represented as a separate constituency.

The company owning or renting should be an Australian registered corporation to be eligible to vote.

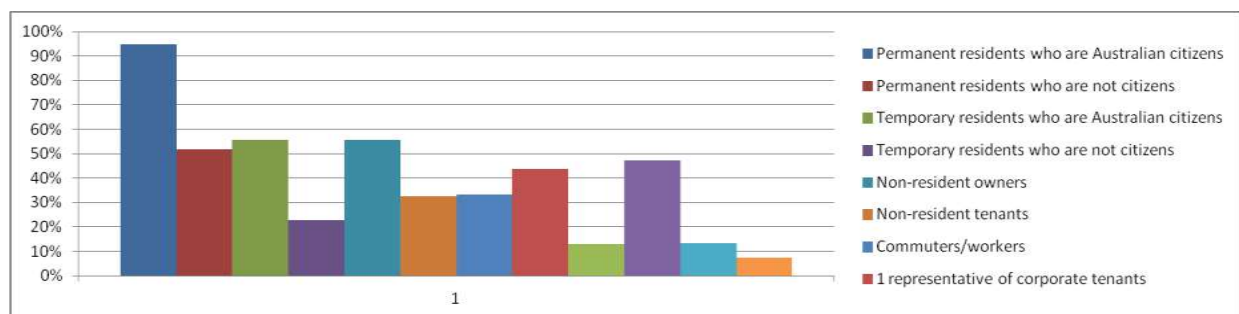
#### **6.1.1.6      *Influence on voting***

There is always the worry that business representatives would be required to vote in line with the company line on an issue that is not beneficial to people who actually live in the city...

This is illustrated below in Table 6 and Chart 1 which outline the findings from the question about who should be enfranchised to vote in the City of Melbourne elections for the Lord Mayor and Deputy Lord Mayor, and Councillors.

**Table 6: Breakdown of survey responses to the question about who should have the franchise in the City of Melbourne (N = 441 responses from 315 respondents answering this question)**

Percentage	Number in category	Permanent residents who are Australian citizens	Permanent residents who are not citizens	Temporary residents who are Australian citizens	Temporary residents who are not citizens	Non-resident owners	Non-resident tenants	Commuters / workers	1 representative of corporate tenants	>1 representative of corporate tenants	1 representative of corporate owners	>1 representative of corporate owners	Others
Permanent residents	61	97%	52%	41%	16%	39%	16%	13%	34%	7%	41%	5%	3%
Temporary residents	10	100%	60%	60%	50%	50%	20%	30%	40%	30%	40%	20%	0%
Permanent workers	68	93%	47%	54%	21%	56%	38%	38%	44%	13%	46%	13%	1%
Temporary workers	16	100%	75%	63%	19%	56%	31%	38%	63%	6%	75%	13%	19%
Students	26	96%	58%	73%	35%	58%	35%	50%	58%	27%	46%	23%	8%
Shoppers	44	91%	43%	52%	23%	66%	34%	43%	41%	9%	45%	11%	9%
Business reasons	44	98%	57%	61%	23%	64%	39%	39%	48%	11%	45%	11%	9%
Personal/medical	26	92%	42%	50%	27%	69%	46%	27%	38%	23%	46%	23%	8%
Tourist	18	83%	33%	50%	11%	33%	11%	28%	28%	6%	33%	17%	0%
Transit	21	100%	57%	62%	33%	52%	38%	48%	38%	24%	52%	24%	10%
Entertainment	73	96%	49%	63%	25%	59%	33%	30%	45%	12%	55%	15%	5%
Other	34	94%	68%	53%	18%	59%	38%	32%	53%	9%	44%	3%	24%
<b>TOTAL RESPONSES</b>	<b>441</b>	<b>95%</b>	<b>52%</b>	<b>56%</b>	<b>23%</b>	<b>56%</b>	<b>32%</b>	<b>33%</b>	<b>44%</b>	<b>13%</b>	<b>47%</b>	<b>13%</b>	<b>7%</b>



**Chart 1: Aggregate of survey responses to question - who should have the franchise in City of Melbourne (N = 441 responses)**

The second open-ended question probed the responses from the previous question, asking respondents if they had any further comments, questions or concerns about who should vote in the City of Melbourne elections for Lord Mayor and Councillors. As with the previous open-ended responses to the “other” question, they have been sorted into a number of categories and itemised below.

#### **6.1.1.7      *The corporate franchise***

There was some concern about the property-based franchise and the issue of multiple voting. Interestingly, some commentary seemingly indicates a degree of misunderstanding of the business franchise in the City of Melbourne. Representative comments were as follows.

‘Buying into’ a city should not give the option to vote. That could open doors for manipulations.

Concerns that the Council is being run by businesses, building groups and lobby groups for their own advancement and not for the rank and file residents or workers

I don't think companies and businesses should have the right to vote. It is a dangerous precedent, maybe non-profits can nominate one person [not compulsory] on the understanding that this one person can vote however they choose and has not already voted

I'm happy with current set up where only those residents on electoral role can vote... not businesses etc., although I can see how businesses would be helped by this

I am not sure whether companies or firms should be eligible to vote for the Mayor or Councillors - I'm sure they do not in other local government elections.

How to weight corporation votes

Property based taxes should be a thing of the past.

It should be one vote one value, not two votes for businesses.

Why do corporations have more than one vote whilst residents only have one vote?

I'm not sure what you mean by 'renting' a business property. I think those who run a business should have some say but this should be capped so that they can't get more and more votes by having more rental properties or sub-dividing their business in a way that gains more votes.

The concept of multiple-voting according to property ownership always troubles me a little. I can't see much of an alternative.

I think businesses should have some formalised mode of participation in decision making, but of a different form to residents - capital should not have the same rights as citizenship (and by citizenship I don't mean nationality, I mean the informal, 'every day' kind of citizenship of living and working somewhere).

Corporations and/or businesses have their own avenues for representation in City of Melbourne processes, they should not be entitled to greater or lesser voting power than individuals in elections

I answer as I do because I think voting should be restricted to people themselves connected not corporates as such

People who own property or businesses within the City of Melbourne but who don't live there would be voting with their wallets and not their hearts and should be exempt.

#### **6.1.1.8      *Ratepayers and franchise***

In contrast to the above comments about the corporate franchise, there are a number of remarks which unequivocally provide support for ratepayers to have a vote. Representative comments and explanations follow.

I think that the franchise should [be given to] people involved in the city.

Only residents and land holders should vote. Plus one government vote

Representation based on rate payments and or occupiers (renters) and social & environmental contributors. I think it is important that those that live in and contribute to its welfare to the city are represented

Democracy is the best form of an imperfect system. Expand the catchment for those who can vote in City Council Elections - including businesses. All rate payers.

#### **6.1.1.9      *Residency and franchise***

Comments about residents and their right to vote were all in agreement so long as they were permanent, with some dissent surrounding temporary residents. Representative responses follow.

Links with Melbourne should be permanent long term

The people living there should have most influence but absentee landlords should have a voice too

If someone is living in the city long term, they should be eligible to vote for changes that will affect their everyday lives.

Temporary residents should have lived in the municipality for a period of time, perhaps six months, before being eligible to vote.

I'm not sure about temporary residents, as on the one hand they are contributing to the city of Melbourne community so their voice/experiences are important but they do not have long-term interests at heart so may only want to satisfy short-term wishes.

Fairly high percentage of temporary or non-resident voters (the situation that currently exists, basically)

#### **6.1.1.10      *Citizenship and franchise***

A few respondents were concerned with the notion of citizenship and the franchise. Some believed only Australian citizens should have the franchise, while two argued the case for non-citizens having a vote. Representative responses follow.

I think that only Australian citizens should have the right to vote

No, I think if you pay rates and are a citizen etc. you should be able to have a say

I believe that if a business owner wishes to vote, they should be an Australian citizen, not by a business owner who does not live in Australia. They would not know what is happening in the City of Melbourne.

Yes, there are high rise student flats full of non-citizens/recent arrivals whose votes are harvested by those who can communicate with them. It is vulnerable to corruption

Must be a citizen

No concerns - from memory Mexico allows non-citizens to vote. I wouldn't object to that, provided they had lived in the City of Melbourne for...say, six months.

I just want to reiterate that I am in support of non Australian Citizens having a voting right only if they are PR. I would not be in favour of people on working holiday visas whom live in the City of Melbourne voting.

Same eligibility as for state and federal elections

#### **6.1.1.11      *Broaden franchise***

There were a number of suggestions about the need to broaden the franchise and ideas about how to do this. Categories of these responses include those who believe voters need to have a stake in the life of the City, while others were more specific and identified that commuters, workers, homeless people, refugees, asylum seekers, aborigines, those using the City's services and those living in metropolitan Melbourne should also be granted franchise. Representative comments follow.

Because the City of Melbourne serves the CBD, where more Melburnians than the above mentioned are stakeholders, the City of Melbourne Council

should be representative of more such Melburnians than are covered by the options in this survey.

I think being the city of Melbourne if it is compulsory for those living in Melbourne to vote but perhaps put it out to the whole of Victoria if they did want to Vote for the Lord Mayor. It is our city..... our capital if you like. I know many people from the country that often travel to the city for different reasons. If it was put out for everyone to vote outside Melbourne, if they are into their politics they may wish to vote.

Must be integral part of everyday life of Melbourne, a real ambassador.

All stakeholders should have a voice.

Voters of seniority and education who have both foresight and historical and overseas experience have particular insight into the living conditions in Melbourne.

Obviously lots of people have an interest in city of Melbourne unlike other municipalities

Voting rights should be extended to those who can prove they have an ongoing relationship with the City of Melbourne and are or would be significantly impacted by decisions made.

City of Melbourne relies on the whole of Melbourne for its being (in terms of economic well-being); therefore there should be wider voter representation than just ratepayers

Principle should apply that those with a longer term core link with the city should have a vote.

Those having a say should have a proven long term interest in the development of the city

Having worked in the City of Melbourne for some years, I think there needs to be some consultation on transport (including bike provision), use of public spaces, cleaning. People who work in the city should be able to elect a representative to the Council.

I think anyone who lives or works in the city should have one vote. Also it's important that businesses etc. should have only one vote.

Commuters working in the city have a major stake in the city as the major centre of employment in the region. The city is totally dependent on commuting workers. Commuters should have a say in the running of the city.

The CBD is made up of thousands of workers who come into the city for work - who should have a say about the city.



It would be good to have some representation of city users e.g. workers permanently working there. And what about the homeless?

Companies can nominate anyone, who has no or minimal interest in the City of Melbourne. People who work in the City of Melbourne ought to be able to vote. Non-natural persons, that is companies, should not have the right to nominate electors.

Those who are regularly using the facilities provided by the City of Melbourne, and are either an Australian citizen or permanent resident, should be able to have the option to vote in the elections.

I think that anyone who uses Melbourne's services on a regular/long-term basis should have the opportunity to contribute to and participate in decision-making

I think anyone who uses the City of Melbourne will have thoughts and opinions regarding it and might want a say when it comes to voting.

People who spend the most time in the city and are likely to do so medium to long term should have a say in who runs the city, not just those who dwell there.

I live in metro-Melbourne. Why shouldn't I have say?

Those using public transport to go into and out of the City need to have a voice in public transport decisions

In summary, the survey findings indicate only a minority support a franchise for corporations and very low support for multiple votes for corporations. Amongst those expressing opposition to the property franchise, a number advanced the democratic argument that the franchise should be limited to natural persons.

The right of non-citizen residents to vote raised interesting responses. Such residents have had the right to vote in local government elections for almost three decades. This has not had any discernible opposition but nonetheless does not seem to be universally supported amongst respondents.

The possibility of voting rights for people with permanent employment in the city was introduced in the knowledge that it had been floated in Adelaide, although not implemented. It had regard to the argument that if corporate landholders or tenants had rights to a voice, then should not also the people who perform the actual functions on behalf of their employers and who use footpaths and other MCC facilities and services. Opinion was clearly divided, with some strongly in support of some such broadening of the franchise, but overall that argument was clearly not supported by a majority.

## 6.2 FRANCHISE: FOCUS GROUPS

The focus groups did not make significant comment about who should be able to vote.

## 6.3 FRANCHISE: INTERVIEWS

It is remarkable that not one of the interviewees wanted to abolish the vote for businesses and non-resident property owners. These included people who could be considered to be on the progressive side of politics. Cr Jackie Watts, a member of the Carlton Residents' Association and of the ALP, certainly wanted to get rid of two votes for corporations as unfair, but was not opposed to there being a business franchise, stating:

businesses are part of this City, they pay rates. I am conscious of the representation they're entitled to, but they should only have one vote, the same as anybody else.

The Hon. Richard Wynne MP, the Minister for Planning and former shadow minister and a former Minister for Local Government, and former Lord Mayor of Melbourne, thought that the property franchise harked back to the nineteenth century, but that

it probably falls ultimately... to... the very significant investment that is made by business in the CBD...And I think governments at both levels have got to be respectful of that and to ensure that you understand their issues doesn't mean that you are dictated by them in any way. But that they do have that opportunity I think is probably important in terms of the balance of governance.

Mr Toby Archer, then of the Victorian Local Governance Association stated that local government is comfortable with commercial voters and the property-based entitlement, and it was difficult to see how it could be seriously questioned at this point of time.

Several interviewees pointed to the 70% of rates paid by businesses as a justification for businesses having a vote, and a bigger vote than in other municipalities. For the Lord Mayor, Cr Robert Doyle, "if you're going to exclude them then you're also breaching one of the basic precepts of democracy and that's no taxation without representation" – the catch cry of the American Revolution. No such principle is applied to State or national electoral rolls and it was not explained why it should apply differentially at local government level.

The Lord Mayor believed that the current franchise captured all who had a connection with the city, enabling it to function in a productive way. Any change, such as getting rid of two votes for businesses, could jeopardise a system that was working positively. Cr Stephen Mayne thought that the reason for the current franchise

is to stop a resident driven inner-city progressive left wing council being elected and dealing with major commercial capital city issues. So it's a deliberate decision by successive State Governments, introduced by the Bracks Government with a directly elected Lord Mayor... overall since this system was introduced, I

think that the City has been represented by a good cross section of resident and commercial interests and decision making has been good. So I think the balance of powers and representation, in terms of outcomes, have performed well so I don't see any strong case for substantial change.

This raised the issue of why corporations have two votes as opposed to any other number. The current set up favours small businesses rather than large ones. Cr Mayne thought that

it is a bit of an oddity that 7Eleven, with its many dozens of retail outlets it gets the same two votes as John Smith's shoe repairer and gets the same two votes as the world's biggest mining company BHP.

He suggested that major companies and institutions such as the University of Melbourne might get up to 100 votes. This view regards voters as more like shareholders in a company than as citizens in a polity. The general feeling was that things should be left as they were. The Lord Mayor thought that

you could argue for another figure, depending on what principle you are beginning with. If you wish to have business reflected in a reasonable way given their contribution to the economy, then two, to me, seems about right.

When asked to expand on what he saw as the democratic principles or representation principles that the City of Melbourne should be based upon, Councillor Mayne made the following comments.

Well I think because we are a Capital City Council that there needs to be an enhanced franchise for business and commercial interests as opposed to every other Council in Victoria. So you need to be move beyond the electoral roll and enfranchise property owners and commercial tenants, retailers, everyone who has a commercial interest in the city. And we have a very liberal interpretation of that, so, for instance, a foreign student, international student can get on the roll within one month of arriving. So it's a lower threshold than the traditional electoral roll across State and Federal elections. And seeing as 42% of our residents are students...

Minister Wynne observed that

it's a difficult thing to weight votes, I mean that's a dangerous proposition... there is an imbalance there but you wouldn't want a situation where you could say: 'Well BHP, I'm the biggest ratepayer in the City of Melbourne I therefore want 1,000 votes'.

Non-resident property owners and representatives of corporations do not have to be Australian citizens, and 6,630 voters at the 2012 Council election lived overseas. As well, resident non-citizens are able to apply to enrol for Melbourne City Council elections (though there were only 91 such voters on the roll at the 2012 Council election). The Lord Mayor supported the fact that in a world city, with a large

population of international students, non-citizens are able to participate in Council elections. Cr Mayne thought

enfranchisement of international students is an important area and a good example of how City of Melbourne should extend the franchise beyond citizenship and the electoral roll.

Councillor A argued that non-citizens had contributed to the city and were affected by council services and so should have a right to vote. On the other hand, Cr Watts stated that it was not acceptable to her

that such a huge proportion of the eligible vote is overseas or interstate, that bothers me. It also bothers me that being able to vote here, that is actually apply to vote, after one month's residency without regard to citizenship or permanent residency. This is inappropriate. I've done the international comparisons...I had a look at what goes on internationally and we really do give the right to vote away. We give the right to vote away and in doing so it is devalued. I believe it devalues the importance of the democratic process in this city.

Councillor A suspected that some of the opposition to non-citizen voting stemmed from an unwillingness to accept Asian participation.

Interviewees were asked their views on whether workers in the City of Melbourne should be able to vote. Cr Mayne was open to the idea, saying that workers had a stake in what happened in the city:

I think that's the missing gap in the franchise is if you have a full time job you travel into the city every day, how you can come up with a model that enfranchises those people.

All other interviewees, however, considered that it would be impractical and that workers did not have a close enough link with the City. For example, Cr Watts thought that the question of how long people had been in Melbourne created a difficulty for voting eligibility, obviously it was reasonable that those living there had a right to participate in the affairs of the city in other ways. Minister Wynne was concerned that a vote for employees would skew the outcome in favour of big workplaces, and that employees would have limited attachments to Melbourne and could easily change their workplace. Mr Archer thought that enfranchising employees was probably not desirable, practical nor possible.

A summary of commentary arising from the face-to-face interviews about franchise in the City of Melbourne comprises mixed opinions about who should get the franchise. A vast range of comments were provided, with a summary of these comments being:

- No interviewee said that non-citizens should not be able to vote, although there were concerns expressed by one participant about this (Watts);
- Basic property franchise is mostly unquestioned as an accepted "given";

- Several interview respondents justified businesses having a second vote with the argument that they paid high rates (70-75% of total) to the City; and
- There were a number of comments made that the business franchise needed to be reconsidered and made more proportional to the amount of rates paid and also to the level of risk taken by businesses.

Overall, there is no desire amongst the interviewees to remove the business vote.

In short, interviewees expressed a range of views on the key issues of voting rights and multiple voting for corporate landlords and tenants and whether others such as permanently employed commuters should have voting rights. None invoked democratic principle to defend the existing franchises or to argue for change. Indeed some comments seemed quite inconsistent with democracy as commonly understood, even more so as defined by Saward: “responsive rule” i.e. the “necessary correspondence between acts of governance and the equally-weighted felt interests of citizens with respect to those acts” (Saward 1996, pp. 468-9).

## 6.4 FRANCHISE: CONCLUSION

In this section we sought to answer the first of the following research questions posed in the initial project brief:

1. Who should have the right to vote in MCC elections?
2. What are the opportunities for participation in the MCC?
  - a. How satisfied is the public with those opportunities?

In answering Question 1, we find little articulation of any democratic principle, “academic” or otherwise. Some survey respondents did express support for equitable voting limited to natural persons, in some cases further limited to Australian citizens.

However, all interviewees regarded property and/or corporate franchises as acceptable or even desirable.

This is in stark contrast to Queensland and most foreign jurisdictions. Queensland and many other countries have long-since rejected and abandoned a property franchise or corporate franchise. Except for Victoria and most other Australian states, democracies generally limit voting rights to resident electors.

Most western democracies have long ago discarded property votes in local government. For example, Denmark discarded this in 1908; and the United Kingdom abolished all forms of plural voting and property votes in 1948, with the exception of the City of London discussed above (Sawer and Brent 2011, p. 23). New Zealand forms an exception to the rule: non-resident votes in local government were abolished in 1986 on the grounds that ‘local bodies exist to service people not property, but the property vote was reinstated following the election of a National government in 1990, and still remains (Sawer and Brent 2011, p. 23).

There is nothing peculiar to Victoria or MCC which justifies the democratic principle being compromised. Other political and economic capital cities such as Brisbane and London and economic centres such as the City of New York (the New York State capital is Albany) are thriving in the absence of property franchises. The performances of Brisbane and New York do not suggest that limiting the franchise to natural persons would lead to any lesser performance as a political or economic capital.

Accordingly, in respect of Question 1, we conclude that the franchises in MCC do not accord with democratic principles. However, it is also noted that no concerns have been found as to the “necessary correspondence between acts of (MCC) governance and the equally-weighted felt interests of citizens with respect to those acts” advocated by Saward.

We further conclude that democratic principle precludes the elected representation of the interests of those other than residents. If the principle is to be compromised nonetheless, there is at least as strong a case for extending the franchise to natural persons who use MCC facilities and services on a permanent basis (i.e. equivalent to the qualification as “resident”) such as commuting employees, than there is for rights to vote for non-resident landholders or corporate tenants.

It should be noted that MCC has been stripped of major decision-making functions as the economic capital, particularly land use planning and economic infrastructure; these powers have been appropriated by the Victorian Government. This renders MCC impotent in many matters of concern to business interests, which in turn diminishes the case for landholder and corporate franchises.

Interviewees are pragmatic and accepted the property franchise as a way of giving a say to people who have a real stake in Council services and issues. The survey showed little support for a property vote, particularly the MCC structure of having a double vote for business. This may illustrate an ‘insider’ versus ‘outsider’ perspective on retaining the current arrangements, with the current incumbents being keen to maintain the status quo that brought them into power, while the general public not having a strong interest in a property vote, or alternatively being ignorant of the current franchise structure in local government.

We conclude that a case has not been made for corporations, groups who own rateable land, and non-resident occupiers being able to vote.

Here we have found that retention of franchises for landholders and corporations is ill-founded. The cry of “no taxation without representation” is false: it is not accepted for voting in State or Commonwealth elections or in other democracies and has no greater justification in Victorian local government. Its most extreme manifestation, multiple voting, enjoys very low levels of popular support and is justified on no better grounds than that “it feels about right.” The basic feature of these franchises, voting rights for

legal entities, is offensive to democratic theory, for which we take as our authority Saward (1996). However, we found little evidence that these franchises have significant practical impact beyond the Council being “conscious” of those voters’ interests. Furthermore, the Victorian Government has appropriated many of the powers most relevant to business interests that would otherwise be exercised by MCC, rendering MCC less relevant to them. Indeed MCC’s own statements of its major functions and budgetary priorities indicate an overwhelming concern with serving human needs (City of Melbourne 2014).

Accordingly we conclude that Australian citizens, permanent residents and temporary residents should have the right to vote in MCC elections. Persons who are not Australian citizens nonetheless use MCC facilities and services equally with citizens and are liable for property taxes in the same way; accordingly we see no grounds for excluding them. Despite Jackie Watts’ claims to the contrary, there is nothing unusual in non-citizens being able to vote. For example, in New Zealand, permanent residents are able to vote in national and local elections. In the Netherlands, non-citizen residents can vote in council elections. Furthermore, in France, citizens of the EU can vote in Council elections.

Residents are not the only users of MCC facilities and services, however. People with permanent employment in the MCC are also major users of these resources provided by MCC and there is a strong case for them to have similar voting rights provided that they satisfy analogous tenure requirements e.g. have worked at the current address in MCC for at least six months. However, we acknowledge that there may be logistical difficulties in implementing this proposal.

It is undeniable that franchise is the most fundamental building block of a democracy. However, at a deeper systems level, voting to elect representatives who exercise power as trustees for four years is a crude manner to seek optimum outcomes from the governance of the MCC. Complex evolving systems theory suggests that much more sophisticated relationships and interactions between social actors within the MCC “system” and between MCC and other systems are necessary if the MCC objectives specified in the Act (s. 7(1)) are to be fulfilled.

As discussed in the next section, stakeholder engagement offers superior means of representing economic interests such as landholders and corporate tenants and reconciling them with other interests.

## 7. RESEARCH FINDINGS: PARTICIPATION

Here we review responses to the survey, focus groups and interviews relevant participation in City of Melbourne (CoM) or Melbourne City Council (MCC) decision-making and implementation.

### 7.1 PARTICIPATION: SURVEYS

The questions of interest for the participation variable include:

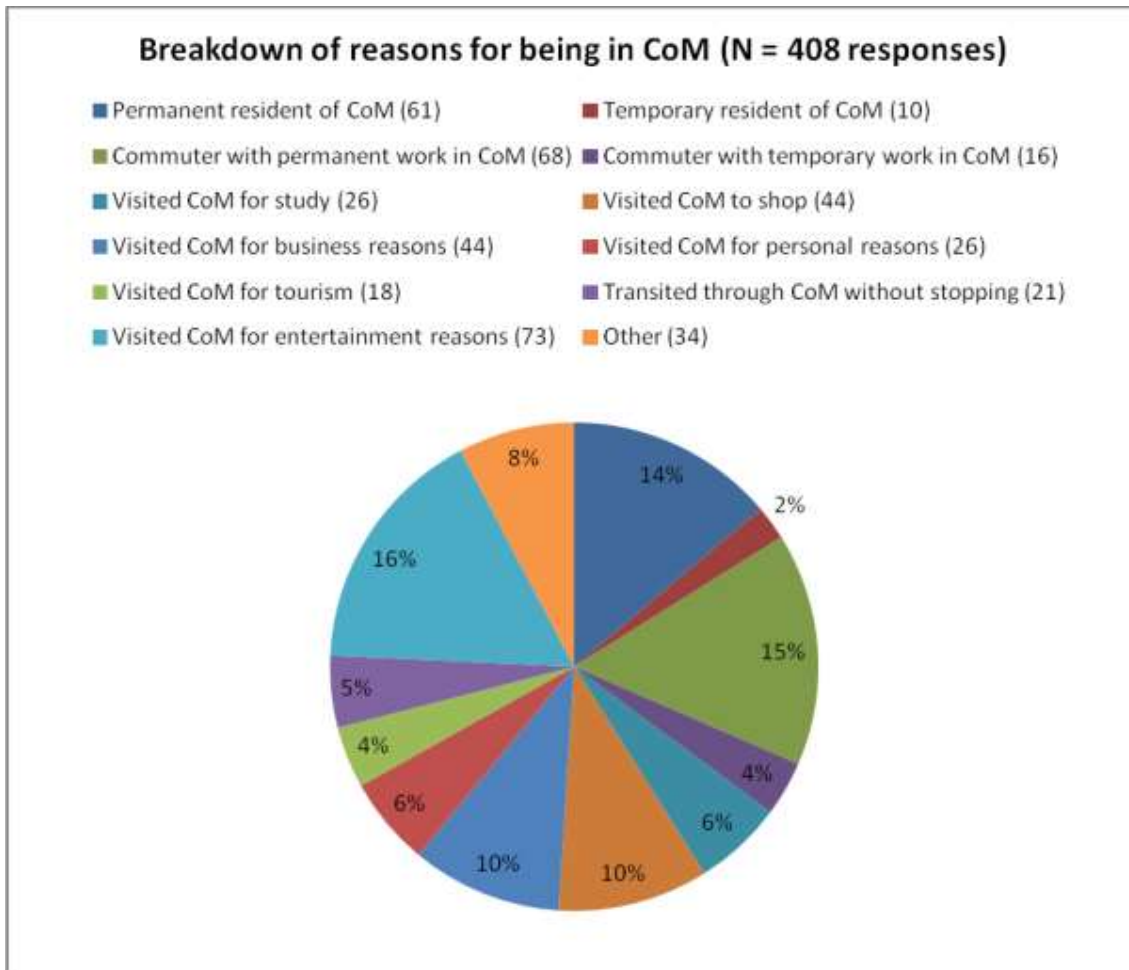
- **Question 3** = Reason for being in MCC this week
- **Question 5** = Participation in MCC democracy: given / accessed information or consulted / participated re policies, services or facilities or voted in election or member of NFP organisation in MCC
- **Question 6** = Opinion about right to be consulted, participate, vote as individual or member of NFP organisation re MCC policies, services or facilities
- **Question 9** = Satisfaction with extent of information, consultation or involvement in MCC policies, services or facilities

A cross-tab of these questions was undertaken using the permanent and temporary resident responses<sup>22</sup>. There are 408 responses for 315 respondents for Question 3 (in Survey 2.). It has been assumed that the number who gave their reason for being in MCC in the “permanent resident” and “temporary resident” categories will only include people who fit this category, hence the responses equal the number of respondents in these two categories.

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<sup>22</sup> In Question 3, respondents could select more than one reason. Therefore, the responses for those with a reason for being in MCC other than as a permanent or temporary resident, do not measure respondents (ie people). For instance, it is likely that permanent and temporary residents (and other groups) selected more than one reason for being in MCC.





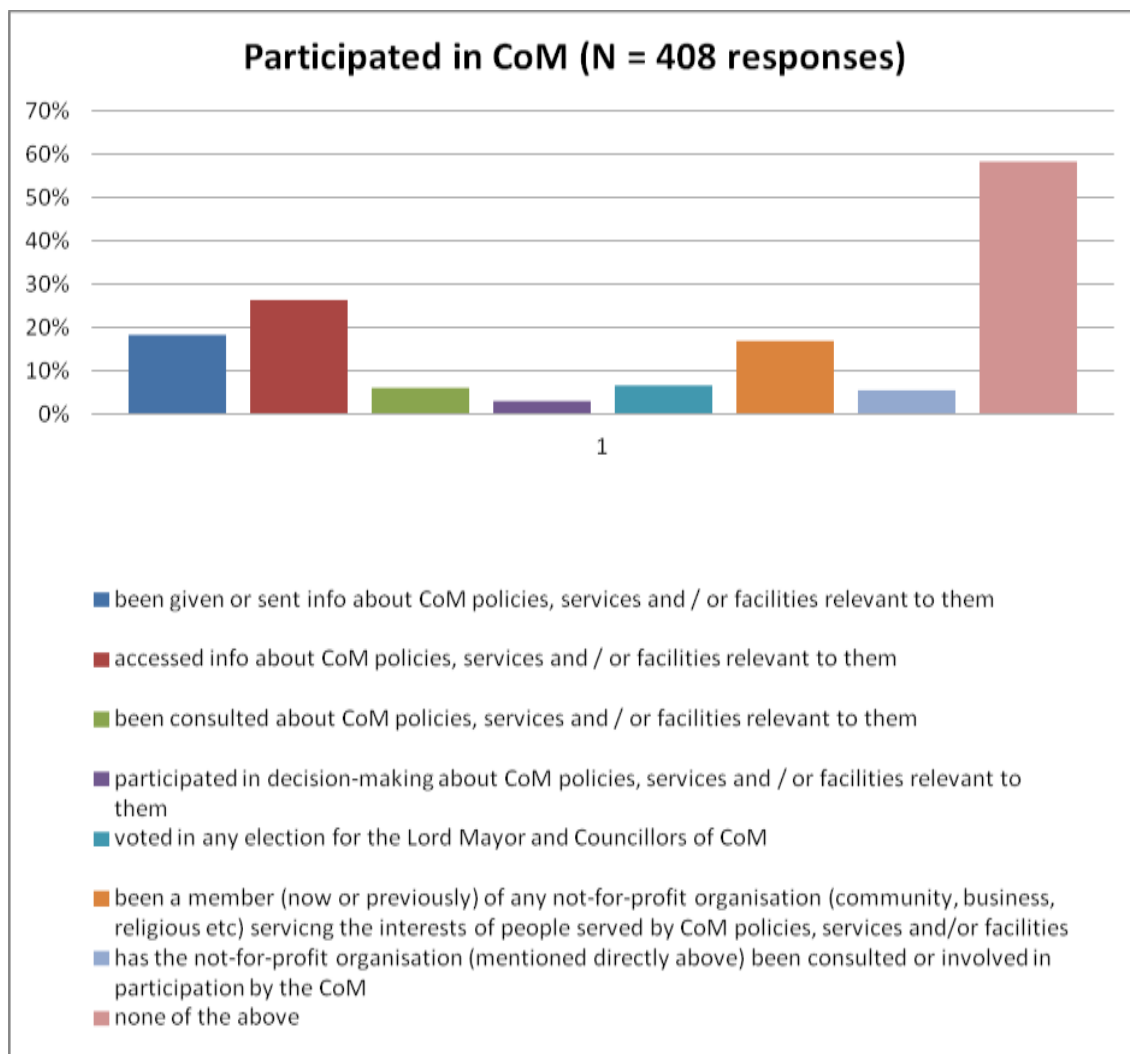
**Chart 2: Survey responses of reasons for being in City of Melbourne (CoM or MCC)**

Question 3 (All Responses) with Question 5 (n= 408)

Question 3 = Reason for being in MCC this week

with

Question 5 = Participation in MCC democracy: given / accessed information or consulted / participated re policies, services or facilities or voted in election or member of NFP organisation in CoM



**Chart 3: All Responses for those who, in the last 18 months, participated in City of Melbourne (CoM or MCC)**

When survey respondents (Survey 2, N = 315 people, with 408 responses) were asked if they had been consulted or provided with information from the MCC in the last 18 months, 58% of them said they had not had any community engagement.

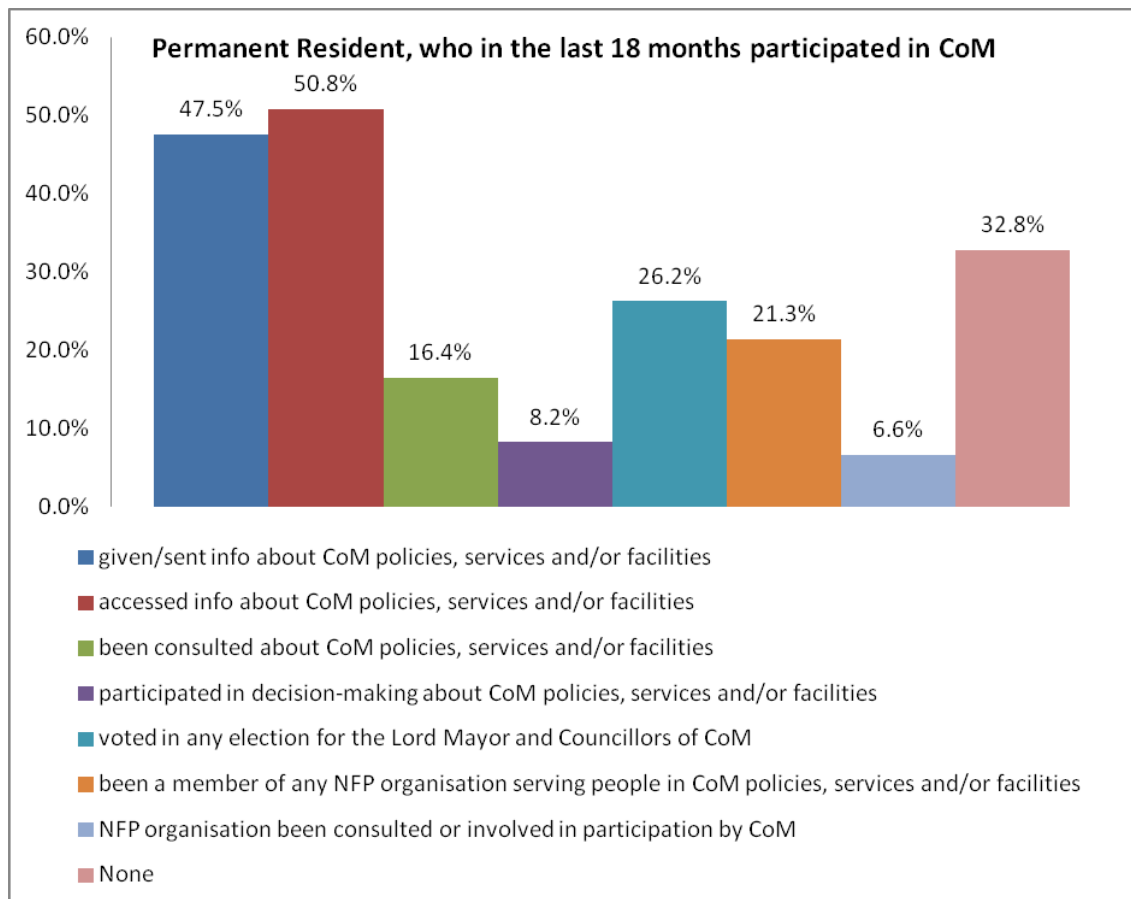
The data in Chart 3 (above) provides a breakdown of other community engagement or information sharing in the MCC by the survey respondents.

### Question 3 (Permanent Residents) with Question 5 (n= 61 respondents)

Question 3 = Reason for being in MCC this week

with

Question 5 = Participation in MCC democracy: given / accessed information or consulted / participated re policies, services or facilities or voted in election or member of NFP organisation in CoM



**Chart 4: Permanent Resident, who in the last 18 months participated in City of Melbourne (CoM or MCC)**

An examination of this data tells the following “stories”:

- about 48% of the Permanent Residents in MCC had “been given or sent information about MCC policies, services and/or facilities” in the last 18 months.
- about 51% of the Permanent Residents in MCC had “accessed information about MCC policies, services and/or facilities” in the last 18 months.
- only 26% of the Permanent Residents in MCC had voted in the last 18 months.
- About 8% of the Permanent Residents in MCC had participated in decision-making about MCC policies, services and facilities.

Question 3 (Temporary Residents) with Question 5) (n= 10)

Question 3 = Reason for being in MCC this week

with

Question 5 = Participation in MCC democracy: given / accessed information or consulted / participated re policies, services or facilities or voted in election or member of NFP organisation in MCC

**Table 7: Temporary Resident, who in the last 18 months participated in MCC**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
given/sent info about MCC policies, services and/or facilities	1	.2%	407	99.8%	408	100.0%
accessed info about MCC policies, services and/or facilities	1	.2%	407	99.8%	408	100.0%
been a member of any NFP organisation serving people in MCC policies, services and/or facilities	1	.2%	407	99.8%	408	100.0%
tick if the not-for-profit organisation (mentioned directly	1	.2%	407	99.8%	408	100.0%
none of the above	8	2.0%	400	98.0%	408	100.0%

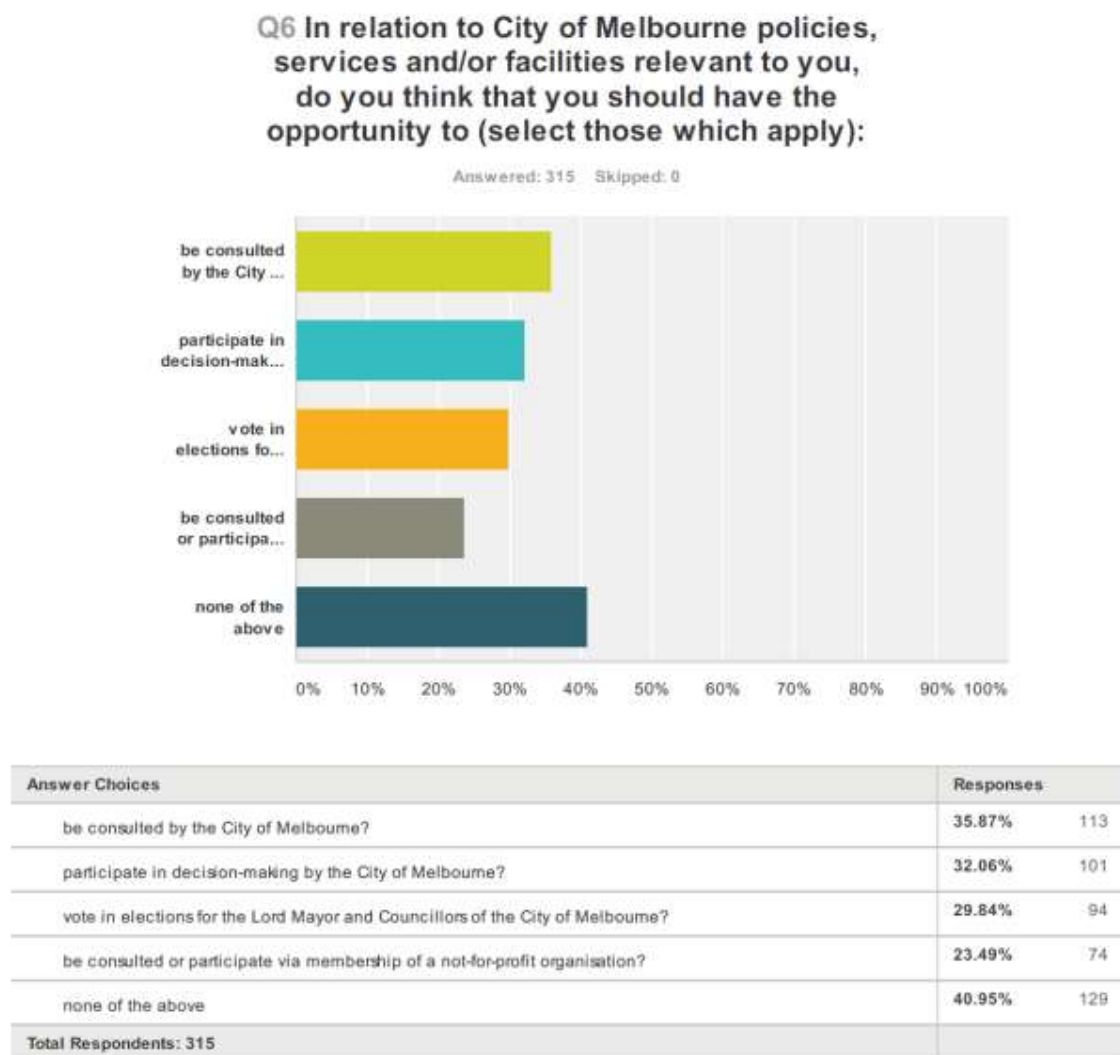
Note the small number of responses; they are not considered significant.

Question 3 (All Respondents) with Question 6 (n= 315)

Question 3 = Reason for being in MCC this week

with

Question 6 = Opinion about right to be consulted, participate, vote as individual of member of NFP organisation re MCC policies, services or facilities



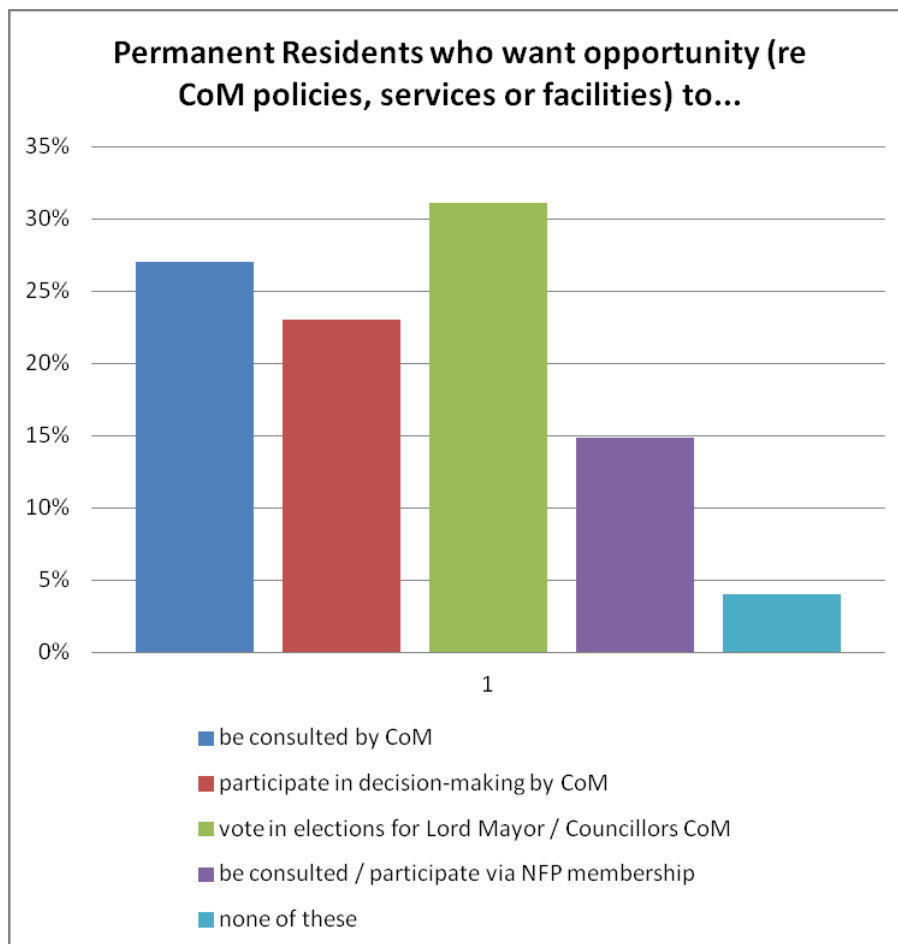
**Chart 5: Opinion about right to be consulted, participate, vote as individual of member of NFP organisation re MCC policies, services or facilities**

Question 3 (Permanent Residents) with Question 6 (n= 61)

Question 3 = Reason for being in MCC this week

with

Question 6 = Opinion about right to be consulted, participate, vote as individual of member of NFP organisation re MCC policies, services or facilities



**Chart 6: Permanent residents and participation**

Very significant proportions of permanent residents desire one or more forms of participation.

Question 3 (Temporary Residents) with Question 6 (n= 10)

Question 3 = Reason for being in MCC this week

with

Question 6 = Opinion about right to be consulted, participate, vote as individual of member of NFP organisation re MCC policies, services or facilities.

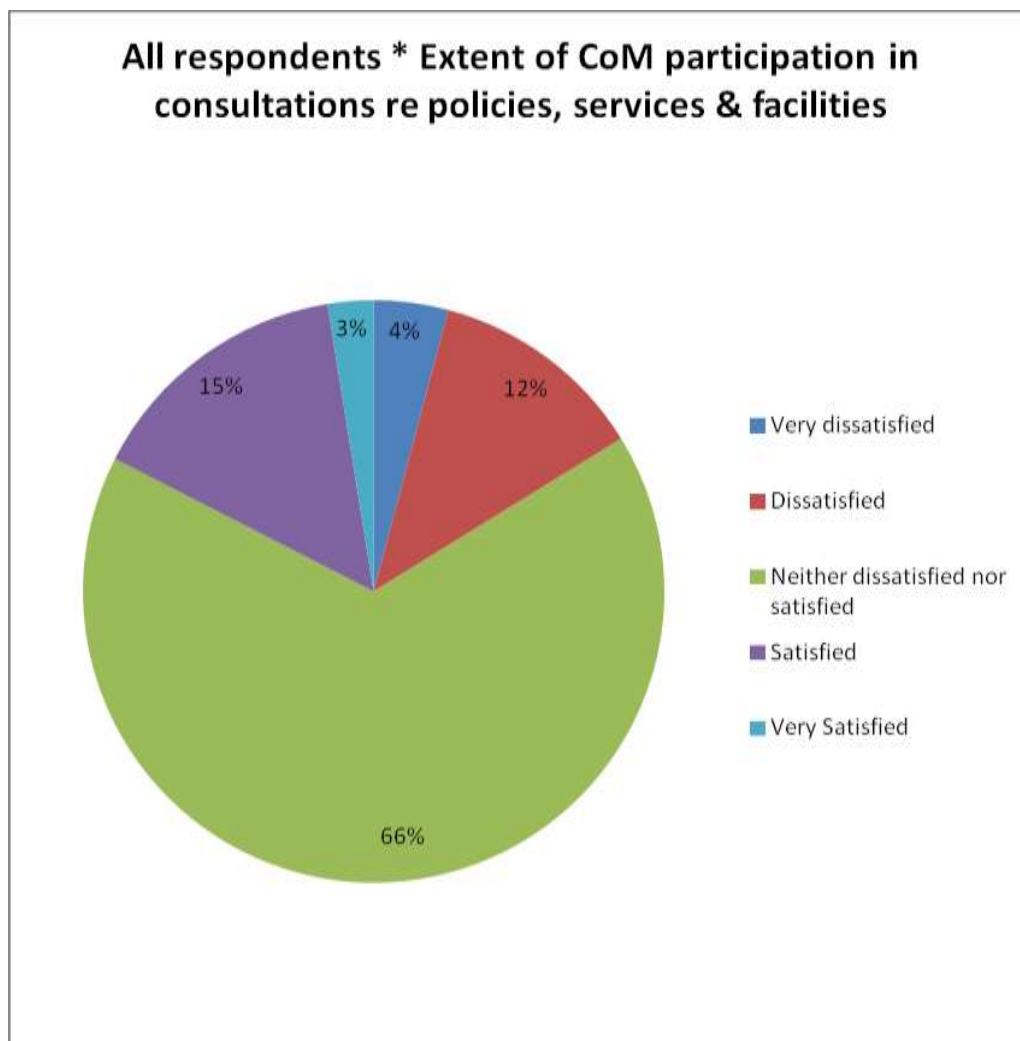
Note the small number of responses; they are not considered significant.

Question 3 (All Responses) with Question 9 (n= 315 Respondents)

Question 3 = Reason for being in MCC this week

with

Question 9 = Satisfaction with extent of information, consultation or involvement in MCC policies, services or facilities



**Chart 7: All respondents and participation**

Of 315 respondents in total, 18% (15% + 3%) are satisfied or very satisfied and 16% (4% + 12%) are dissatisfied or very dissatisfied, and 66% are “neutral” with the extent of information, consultation or involvement in MCC policies, services or facilities.

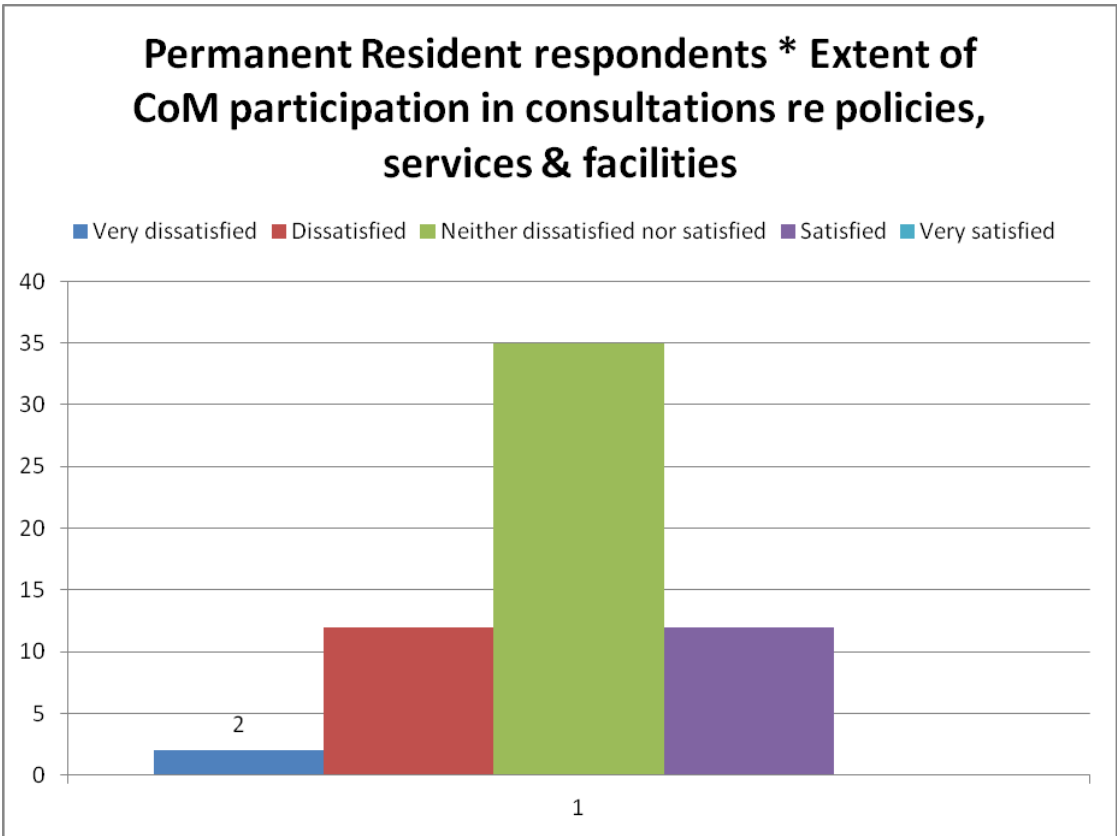
Of the group identifying themselves as **tourists** (18 responses), 55% report being satisfied or very satisfied with the extent of information, consultation or involvement in MCC policies, services or facilities.



Question 3 (Permanent Residents) with Question 9 (n= 61 respondents)

Question 3 = Reason for being in MCC this week  
with

Question 9 = Satisfaction with extent of information, consultation or involvement in MCC policies, services or facilities



**Chart 8: Permanent Residents and participation**

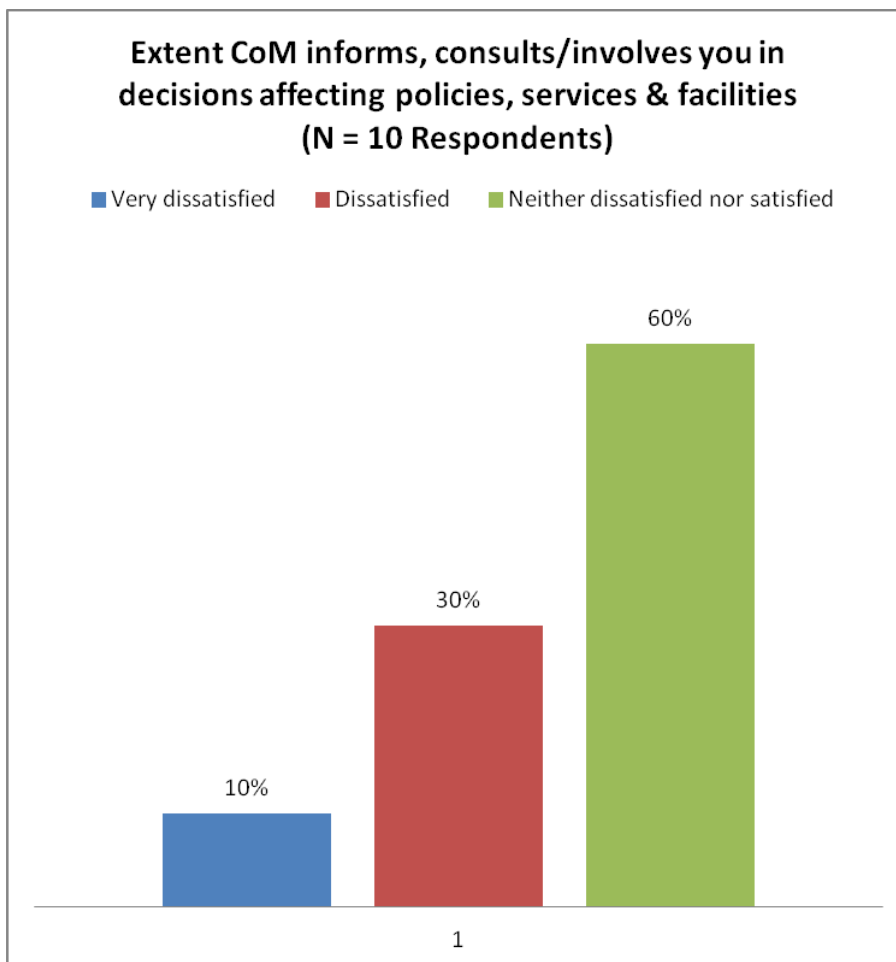
Of 61 permanent residents, 20% are satisfied; 23% are dissatisfied or very dissatisfied; and 57% are "neutral" about the extent of MCC participation in consultations about its policies, services and facilities.

Question 3 (Temporary Residents) with Question 9 (n= 10)

Question 3 = Reason for being in MCC this week

with

Question 9 = Satisfaction with extent of information, consultation or involvement in MCC policies, services or facilities



**Chart 9: Temporary Residents and Participation**

Temporary Residents = 10 people: 0% are satisfied; 40% (10% + 30%) are dissatisfied or very dissatisfied; and 60% are “neutral” about the extent that MCC consults or informs them about its policies, services and facilities.

## 7.2 PARTICIPATION: SURVEY COMMENTS

There is a wide range of comments provided about participation. For example, many survey respondents made mention of the importance of participatory processes in ensuring the MCC's democracy, as follows.

I think it would be beneficial if there was a mechanism for people who use the city (for whatever reason), to have a say about what would make it better!

The wider Victorian community are stakeholders of the City of Melbourne as decisions made by Council affect them therefore they should be offered an opportunity to provide input through relevant community engagement processes.

Refugees and asylum seekers and Aboriginal peoples especially blackfellas should be at the core of decision making, as well as the homeless and mentally ill communities. Traditional Owners and Elders should have the right to control their own communities and land. Land should be given back because the right to sovereignty has never been ceded.

Anyone who would be affected by the decisions of those elected should have a say.

You must have involvement in some way to participate in decision making

There are many decisions and policies determined by the City of Melbourne that impact on the broader community/communities and thus require broader consultation and involvement in decision making

I'm wondering who was consulted about all the changes to tram stops that disrupted Swanston and Elizabeth Streets for months.

Land use, especially zoning for much more medium height residential and less very expensive high rise, must be integrated across metropolitan Melbourne in the interests of a more liveable city. Perhaps the City of Melbourne should be amalgamated with inner suburbs to a radius of 5kms or so.

Melbourne is a very vibrant city with so much potential yet remains somewhat insular and impedes its progression as an international city

Too many bad decisions regarding planning for bike paths made without needs of everyday commuters being considered

The traffic congestion in the city is getting worst with more people driving into the city. Better road system and better public transport could help with this.

These comments, together with the answers to survey questions, confirm a strong latent interest in opportunities to participate in MCC decision-making affecting facilities and services used by people living in and visiting the city. Implicit in the comments are beliefs that the respondents do not currently have such access.

### **7.3 PARTICIPATION: FOCUS GROUPS**

Broadly the focus groups comments show that these disadvantaged groups exhibited a:

- lack of engagement / participation; and
- lack of knowledge

The respondents in both focus groups were largely unaware of the divisions of responsibility between Federal, State and local government for services to their community and had little awareness of the role of local government. None were aware of Councillors contacting them even during the election. Two examples where respondents were aware of services were for Maternal and Child Health and the maintenance of sporting facilities, but they were not able to indicate who was responsible for these services.



**Photo 1: Carlton Focus Group Respondents with interviewers**



**Photo 2: Flemington Focus Group Respondents**

## **7.4 PARTICIPATION: INTERVIEWS**

A summary of commentary arising out of the one-on-one, face-to-face interviews about participation in the MCC provided a number of instructive comments about types of participation, the effectiveness of participatory processes, and the limitations associated with participation. This highly informed and somewhat disparate commentary was sourced from a diverse group of MCC actors and stakeholders. They are the Lord Mayor, the CEO, the VLGA (Director of Policy), the MAV (CEO), three current councillors and one interviewee who held a number of relevant roles including the current Minister for Planning, former councillor, former Lord Mayor, former Minister for Local Government and former Shadow Minister for Local Government. A summary of interviewees' commentary as it relates to the issue of 'participation' matters follows:

- ranged from some claiming that there is inadequate participatory democracy to others maintaining that there is extensive participation and consultation, and open and transparent governance processes in MCC; and
- Issues arose such as the inevitability of the high financial cost of participatory democracy.

## **7.5 PARTICIPATION: FINDINGS**

- Effective public participation should ideally satisfy the following criteria:
  - There is public access to relevant government information;
  - There is good representation of stakeholders from a broad cross-section of the community;
  - There is a positive obligation for the council to consult;
  - The design of the consultation process is appropriate; and
  - The output of the consultation processes has a genuine impact on policy.
- There are strong initiatives undertaken at the local government level that involve extensive community participation.
  - However, the benefits of the initiatives need to be balanced against the cost, that is, what is the level of community participation compared to the cost of undertaking the participation; and
  - The effectiveness of these initiatives also depends on whether the inputs of participation actually affect the final outcomes.

## **7.6 PARTICIPATORY DEMOCRACY IN MELBOURNE**

New participatory processes are being applied in MCC which has engaged in innovative approaches to engage the community in its governance. This report considers the types of participation conducted by MCC.

### **7.6.1 TYPES OF PARTICIPATION**

The MCC undertakes a number of different modes of participatory democracy:

- People's Panel / 10-Year Financial Plan
- Committee meetings
- Council meetings
- Resident and commercial precinct associations (including advisory committees)
- Travelling 'Road Shows'
- Councillors individually meeting stakeholders.

Each will be examined in more detail.

#### **7.6.1.1 People's Panel: 10-Year Financial Plan**

In 2014, MCC undertook an innovative participatory democracy project, called the People's Panel. The People's Panel prepared recommendations and presented them to the Council meeting in November 2014 to assist MCC determine where and how to prioritise spending in the next decade. The independent research organisation newDEMOCRACY Foundation worked with MCC to oversee the design and selection process of the People's Panel which included a community engagement and participatory budgeting strategy (newDEMOCRACY 2014).

Iain Walker, Executive Director of newDEMOCRACY further explained the initiative:

All levels of government face hard decisions when it comes to managing their finances. The City of Melbourne is ensuring that a cross section of our community – residents young and old, together with businesses of all sizes – gets to explore the challenge in great detail across more than 50 hours of detailed examination to see if they can find common ground on solutions they want Council to act on (City of Melbourne Media Release 8 July 2014).

This Panel comprised a random selection of 46 residents and business owners representative of a cross-section of the city's population. The Panel selection was aimed to be based on the demographics of the City of Melbourne.

The People's Panel comprises 46 residents, business owners and students representing a broad cross-section of the City of Melbourne community. We conducted a random stratified process to ensure that the panel of 46 people reflected the demographic makeup on the City of Melbourne (Alexander, 2014).

The model of citizens' or peoples' panels arises out of the work of Professor John Burnheim (1985) who popularised the term 'demarchy'. These panel processes are an alternative to the typical participatory methods, where a small number of elected councillors are held responsible for a wide range of issues:

Demarchy, by contrast, is based on a network of numerous decision making groups given a narrowly defined remit. Each group of... citizens deals with a specific function (i.e. transport, land use, parks) in a given area – it moves away from being a ‘generalist’ system, aiming to free councillors to a more manageable set of priorities and a strategic focus while retaining a democratic oversight structure... (newDEMOCRACY 2013, p. 3).

Thus, citizen panels are given consultation or decision-making opportunities over a specific area, and are a form of devolution to the people on specialist issues.

One important feature of the Citizen and People Panels is that members are randomly selected, somewhat like the jury process used for court trials. The outcome is that:

[t]he process will empower [Panels] with an informed view from a group of people that reflect a ‘mini public’ of the community [which is not] ... subject to the pressures of the media or non-deliberative *vox pop* democracy. The People’s Panel selects experts of their own choosing [to provide advice] and the Foundation will fiercely protect the neutrality of information provision. Expert groups, interest groups, community groups and lobbyists [are] invited to present their information but it is up to the randomly selected citizens of the People’s Panel to determine the relevance of this information in developing its own recommendations (newDEMOCRACY 2014, p. 2).

Lord Mayor Doyle flagged the random selection as a major advantage as it is not self-selecting and may avoid the normal people who engage the MCC who tend to have a vested interest or personal relationships:

But one of the things I think is really interesting about this is of course participation in these sorts of democracies and presentation to us in front of council is self-selecting, and therefore you get the squeaky wheel syndrome. And we do have that. We have one bloke who comes to every meeting, asks a question, it’s hugely insulting and just abusing the process. Nevertheless, you grit your teeth and you get through it and you try to treat him with respect relentlessly.

When engaging with people with less vested and personal interests, Doyle thought that there was a greater opportunity to address tough political decisions in a more balanced way:

But [the People’s Panel] steps around that squeaky wheel or that favoured status or that vested interest pleading or that personal relationship or anything like that. It steps around all of that and that’s why I’m really interested in it. And I’m particularly interested in the tough political decisions that you have to make. How do you trade off better community infrastructure against higher taxation through rates? What are your priorities for provision of infrastructure in the city? What should the land use planning look like in terms of height? I’m very interested in some of the tough questions that we face and it’s a 10-year financial

plan of course that they're doing. But if they will consider a lot of those things with the information that's available to them.

The broad representation of the People's Panel is consistent with the principle of representation outlined below, which goes towards effective public participation.

A significant driver of this initiative is Councillor Stephen Mayne who is also Chair of the Council's Finance and Governance Committee. He said the Panel enable[d] members of the public to 'come up with the goals and priorities for our 10-year plan' and allow transparent and informed decisions by citizens about how Council spends ratepayers' money. In explaining the rationale for the People's Panel, he said:

Our city is changing at a rapid pace, and although our financial position is the envy of councils around Australia, our funding is finite. Spending can't keep pace with growth forever and we need to consider what we need to do to build the Melbourne we want while addressing these challenges, (Mayne, 2014).<sup>23</sup>

Councillor Mayne went on to clarify that:

Although Council is ultimately responsible for decision making, this process will give us first-hand feedback from residents and ratepayers about what is important to them... Putting it to a panel is an approach I'm confident will give us valuable insight into what really matters to the people who live and breathe this city, and help Council get its priorities right.

Thus, although councillors retain the responsibility for decision-making on spending, this initiative provided the people the opportunity to determine spending priorities within the city. This means it does not represent a complete empowerment and devolution of decision-making to the public, but rather a form of inclusive collaboration, where ideally the public's recommendations are incorporated into the decision to the maximum extent possible.<sup>24</sup>

At the same time, Lord Mayor Doyle noted that the People's Panel were given a significant amount of autonomy in their deliberations, without interference by the Councillors:

Look I've been, as we always are, somewhat disappointed at some of the media reaction to it. It is at the very far end of participatory democracy. It's only a half-step away from completely handing the decision to the community. But it's been done very professionally, those 46 people carefully chosen, they made the rules either way and one of those rules is 'we are not a goldfish'. So if you're coming to

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<sup>23</sup> [www.melbourne.vic.gov.au/AboutCouncil/MediaReleases/Pages/PeoplesPaneltoGuideCouncils10YearFinancialPlan.aspx](http://www.melbourne.vic.gov.au/AboutCouncil/MediaReleases/Pages/PeoplesPaneltoGuideCouncils10YearFinancialPlan.aspx)

<sup>24</sup> See spectrum of devolution produced by International Institute for Public Participation <http://www.iap2.org.au/documents/item/84>



observe, you're back over here while we deliberate unless we invite you into the conversation. And I think that will be a very important issue.

A key aspect of this Panel is that the Panel Members were given open access to information, expert opinion and financial data to make recommendations to Council on priority projects, initiatives, revenue and spending as part of a 10-Year Financial Plan (City of Melbourne, Media Release 8 July 2014).

Lord Mayor Doyle stated that access to expert advice by the Panel is very important:

And the big thing for [the Panel] is access to information in order to make decisions because often the public don't have that.

The then CEO of the City of Melbourne, Kathy Alexander argued that a well-informed citizenry with access to expert advice tended to come up with well-reasoned recommendations and decisions and were generally able to put their personal feelings aside:

Strangely enough a very well-informed community comes up with just about the same as we do. I've even been in a situation where we ran mock boards of hospitals in South Australia, about 20 of them. We decided to ask what would a board of old people say, what would a board of young parents say, what would a board of country people say, what would a board of city people say. I've even had a situation where one of the people on one of these boards said, "Well your neonatal intensive care unit saved my baby but you're asking me to make a decision on the allocation of resources for the State of South Australia and I don't think spending any more money on more neonatal intensive care units is the highest priority for improving children's health. It would be better to put that marginal amount into health promotion". Once you've informed people and they have access to experts, generally speaking they make really sensible decisions. So I would imagine we will probably get fairly sensible recommendations out of them.

Thus, another positive aspect of the People's Panel was the expert advice and resources provided to the Panel members, which enabled them to make more informed decisions.

Wampler (2007) supports Alexander's observations and states that '[p]articipatory budgeting also helps promote transparency, which has the potential to reduce government inefficiencies and corruption' (p. 21). Further, importantly, Alexander's commentary is aligned to expert Australian commentary from the newDemocracy Foundation (2012, p. 4 in Thompson 2012, p. 9), who judged that the Canada Bay participative budgeting project

... panel reached a pragmatic consensus that reflected the actual financial position of the Council. Their set of resolutions was quite different to, and

arguably more considered than, results from previous methods of community engagement.

The Canada Bay processes in New South Wales are discussed in further detail below. This is also aligned to lessons learned in Central and Eastern Europe where Fölscher (2007) noted that:

When citizens have the opportunity to make their needs known and hold public institutions to account, public resources are likely to be used more efficiently to deliver public goods and services that are better aligned with citizens' needs (p. 127).

Minister Wynne was very positive about the People's Panel as a structured way to get the community's view on issues:

I applaud Robert Doyle for what they do with the citizens' assembly... It's an opportunity in a more structured way for people to get their voice heard and to get a diversity view. I mean that must always be a good thing, surely. I think it probably needs to be a bit more systemic and it needs to be a bit more localised than what it is at the moment. It's quite high end. I've been involved over the journey with things called charrettes...<sup>25</sup> And those sorts of things work extremely well when there was commitment from the authorities to say, "We're taking you seriously. We're putting away your time for a day and we want to not only hear from you, we want you to be part of how this area is going to be planned" (Wynne 2014).

Thus, Wynne was very supportive of participatory mechanisms, but flagged the possibility of a more systematic and localised version of this process carried out in the future.

The People's Panel model draws on the experience of the City of Canada Bay, NSW.

A table of the features of the citizens and peoples panels from the City of Canada Bay and City of Melbourne are outlined below in Table 8.

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<sup>25</sup> A charrette is an intensive planning session where citizens, designers and others collaborate on a vision for development. It provides a forum for ideas and offers the unique advantage of giving immediate feedback to the designers. More importantly, it allows everyone who participates to be a mutual author of the plan. Retrieved from [www.tndtownpaper.com/what\\_is\\_charrette.htm](http://www.tndtownpaper.com/what_is_charrette.htm)

**Table 8: Features: Citizens' & Peoples' Panels - City of Canada Bay & MCC**

	City of Canada Bay Council - Citizens' Panel on Range and Level of Community Services	City of Canada Bay Council - Policy Panel (Fair use from facilities Council leases out for community use)	City of Melbourne (MCC) - People's Panel: 10-year Financial Plan
<b>Object of Panel project</b>	<p>Recommend the range and level of services to be provided in Council's 2013-2017 Delivery Plan, subject to the final approval of Council. Specifically to:</p> <ol style="list-style-type: none"> <li>1. Make an insightful and innovative set of prioritisation decisions as to the desired range and quality level of Council services; and</li> <li>2. Deliver widespread public confidence and acceptance of the priorities, trade-offs and funding models used as being equitable and based on merit.</li> </ol>	<p>Consider and make policy recommendations about which subsidies should be introduced or increased, and which reduced or eliminated for (22 of about 70) Council-owned facilities, which are formally leased to third parties for their sole use on a discounted or subsidised community basis. Address the following issues</p> <ol style="list-style-type: none"> <li>1. offer fair use of Council-owned facilities</li> <li>2. what rental subsidies should be offered for Council-owned facilities, and who should get them.</li> </ol> <p>Recommendations should ensure a subsidy program that delivers certainty, fairness, value, transparency and is trusted among the wider community.</p>	<p>Provide Council with <i>clarity of intent</i> regarding the community's views on its spending priorities and how they should be funded over the next 10 years.</p> <p>Public confidence in the community engagement and participatory budgeting processes.</p> <p>The remit of the Panel is to reach agreement on:</p> <p><i>Melbourne is growing and changing and the next decade will bring increased demand on our services, as well as new challenges and opportunities</i></p> <ol style="list-style-type: none"> <li>1. How can Melbourne remain one of the most liveable cities in the world while maintaining a strong financial position into the future?</li> </ol>
<b>Panel meetings and numbers</b>	<p>Meet 6 times for all-day assemblies over 3 months in 2012</p> <p>36 Panel members</p> <p>Facilitated by an independent and accredited facilitator</p>	<p>Meet 6 times for 3 hours over 6 months in 2014</p> <p>24 Panel members</p> <p>Facilitated by an independent and accredited facilitator</p>	<p>Meet 5-6 times for 3 hours over 3 months in 2014</p> <p>46 Panel members</p> <p>Facilitated by an independent and accredited facilitator</p>
<b>Member selection</b>	<p>Statistically sound representative selection of stakeholders</p>	<p>Statistically sound representative selection of stakeholders</p>	<p>Statistically sound representative selection of stakeholders</p>
<b>Access to Information and Expertise</b>	<p>Throughout the operation of the Panel assemblies, panellists were provided with access to a range of experts and further information and could request direction and support from Council officers as required. Members of the public were also invited to make presentations to the Panel as a means of conveying broader community preferences and views on service provision.</p>	<p>Council has responsibility for provision of information, experts and other technical requirements for the Panel.</p>	<p>People's Panel given access to experts of their own choosing [to provide advice] with open access provided to information including and financial data</p>

	City of Canada Bay Council - Citizens' Panel on Range and Level of Community Services	City of Canada Bay Council - Policy Panel (Fair use from facilities Council leases out for community use)	City of Melbourne (MCC) - People's Panel: 10-year Financial Plan
<b>Panel's Output</b>	A Report to Council in November 2012 with recommendations to agree: <ol style="list-style-type: none"> <li>1. The priority services for Council to deliver</li> <li>2. The level of those services which Council should deliver</li> <li>3. The preferred funding sources for each of their preferences</li> </ol>	Policy recommendations about <ol style="list-style-type: none"> <li>1. how Council can get the best use from 22 of its Council-owned community facilities</li> <li>2. what rental subsidies should be offered for 22 of its Council-owned community facilities, and</li> <li>3. who should get rental subsidies</li> </ol>	Delivery of a prioritised list of reform recommendations to the Lord Mayor and Council.
<b>Findings of Panel</b>	Services currently meet the community's diverse needs and expectations, however the Panel recognised a significant shortfall in funding for long-term maintenance and renewal of infrastructure which will impact future generations if unaddressed	The recommendations formed by the Policy Panel encouraged the optimal use of council facilities by community interest groups who provide various services for the community of Canada Bay and sought to recognise the value of these services to the community by providing levels of subsidy.	<ol style="list-style-type: none"> <li>1. rates be increased by CPI plus up to 2.5% pa for the next 10 years</li> <li>2. the City of Melbourne allocate the necessary (increased) funding to its plans to address climate change</li> <li>3. the City of Melbourne maintain the same high standard and quality level of service to activate the City of Melbourne</li> <li>4. the City of Melbourne review the property asset portfolio and sell non-core assets</li> <li>5. funding should be considered in covering the cost of the QVM development subject to a realistic feasibility on the rate of return and improved end value in terms of social, economic and environmental outcomes</li> <li>6. debt finance may be used to finance growth infrastructure, special projects and major asset renewal. However, the overall debt levels should be constrained so as to maintain an AA credit rating or better.</li> <li>7. more bicycle lanes with physical barriers should be installed in the City of Melbourne</li> <li>8. increasing CBD footpath accessibility within the next 5 years by increasing footpath width and ease of access by removing obstructions, such as relocating parking options for motorcycles, ensuring businesses are complying with space regulations, and customers don't block ease of movement while waiting</li> <li>9. the City of Melbourne advocate on various issues, including public transport, schools, building planning</li> </ol>

	City of Canada Bay Council - Citizens' Panel on Range and Level of Community Services	City of Canada Bay Council - Policy Panel (Fair use from facilities Council leases out for community use)	City of Melbourne (MCC) - People's Panel: 10-year Financial Plan
			<p>and permission processes transferred to the City of Melbourne especially in relation to the policy of developments above 25,000 square metres</p> <p>10. the City of Melbourne maintain the provision of all its community services to at least current service levels over the next 10 years</p> <p>11. the City of Melbourne should continue to implement the LEAN program for operational efficiencies</p> <p>12. the City of Melbourne reduces expenditure on new capital works by 10% over the 10 year budget period.</p>

Sources: City of Canada Bay (2012 & 2014); City of Melbourne (2014)

The People's Panel concluded in late 2014 and the MCC resolved to embed almost all the Panel's recommendations on revenue and spending priorities into the City's first 10-Year Financial Plan. On 30 June 2015, Council unanimously endorsed a 10-year Financial Plan which was heavily influenced by the Peoples' Panel recommendations. These recommendations dealt many topics including planning for more public open space, continuing to deliver a high standard of events, and the redevelopment of the Queen Victoria Market. Only one recommendation, which was to increase rates by CPI plus up to 2.5 percent, could not be met due to State Government plans to introduce a rates capping policy for all Victorian councils (City of Melbourne 2015). The recommendations balance the need for financial prudence with services provided by the MCC.

Thus, the MCC People's Panel is a positive initiative that engaged a diverse range of stakeholders and provided them with expert advice towards generating strong recommendations for the financial future of MCC.

#### **7.6.1.2 Committee Meetings**

In the MCC, there are committees of council that meet twice a month prior to the council meeting, called the Future Melbourne Committee. This committee comprises all councillors and discusses planning and other issues affecting the MCC:

It's something that I've found it can be exhausting, a la last night, but it can also be exhilarating. And there is a nimbleness about cities that enable you to take back these opportunities .... the two big meetings, the first and the second Tuesday of each month are what we call Future Melbourne Committee. The first one of those is given over to planning and that was last night and the second one is given over to all the other business, so all the other portfolios, whatever

activity is taking place that needs to come to a resolution, needs a decision, needs funding, comes up in that second meeting (Doyle, 2014).

At a committee meeting any member of the public can speak directly to the council or make written submissions on any individual item of business (Mayne, 2014). As Lord Mayor Doyle stated:

Those agendas and council papers are publicly available and we debate that in public. So the public come along, they can stand... by the way, the staff come to a council meeting a bit later but you can stand on any item. We even make it easy, if you haven't even registered we'll let you do it. As well as writing to us, you can present to us and you can present your point of view for three minutes to the full Future Melbourne Committee. Now that's not actually compulsory and in the time before me when they ran committee meetings which they weren't Future Melbourne but committee meetings like planning, all those sorts of things, they'd get turn ups of 30% to 50%. Every councillor comes to all of Future Melbourne unless there is a really pressing engagement elsewhere. And so those submissions are made to us both in person and in writing. And then the debate happens and we can ask questions of our officers. And so the public who are interested can actually sit in on the debate and watch the vote.

Lord Mayor Doyle stressed that the submissions of the public made a difference in the Council's decision-making:

And I can't tell you the number of times where although the officers present a recommendation to us and... we have decided not to follow our officers' recommendations. One last night was on a thing called the Up Market, which is a market they wanted to put next to the Australian Centre for Contemporary Art and our officers recommended it be allowed. There was significant objection from all of the nearby residential towers, particularly on St Kilda Road. And in the end what decided it for what ... because I would have presumed when they first came before us a month ago, and we deferred it, we said, "Go away and talk to each other, objectors and applicant and see if you can come to some resolution". I thought at that time this would pass easily and in fact I was probably going to vote for it. Last night I voted against it and it was voted out. There were only three people who voted for it. And the reason for that was there was no demonstration by the applicant that they'd made any attempts at compromise with the residents. So, for instance, they want to run a market from 7:00am in the morning until 5:00pm every Saturday of the year. If they had said, "I'll tell you what we'll do, we'll guarantee that there won't be any cars there before seven and we will do a trial period where we will do two a month for the first three months and then three a month for the three months after that". If they had come back with a proposal like that I have no doubt it would've got through.

But the residents quite rightly were saying, “Well hang on, this is our amenity, we’re not sure how it’s going to affect it” and once you give a permit that’s the end of it. And so that was one we recommended against on the voices of the residents.

Thus, in the particular decision above, the residents’ objections were taken into account and resulted in the rejection of an application for a market to be conducted in their residential area.

Doyle stated that this was a classic case of ‘democracy in action’, where the residents’ objections directly affected the final decision of the councillors:

That, to me, is real democracy in action. That is listening directly to the voice of the people and putting it through the frame of what you know in the planning scheme. Now there are some things we couldn’t decide on, this was about is this an appropriate use of this land. And in the end, because of residential amenity, we decided it was not because of the frequency of the market, because of the unknown effects, because they had not been prepared to compromise so that went down. And that happens very regularly, very regularly.

Therefore committee meetings provide the ability for members of the public to actively participate in council decision-making and to make both oral and written submissions, including asking any questions during Question Time.

#### **7.6.1.3 Council Meetings**

Cr Mayne stated that council meetings are a good avenue for public participation. In particular, public submissions on council agenda items are allowed. Both written and oral submissions can be made.

Lord Mayor Doyle stated that council meetings at the MCC have publicised agendas that are provided before the meetings so that information is publicly shared as broadly as possible:

I’ve seen councils where they have very lengthy council meetings that are just grandstanding. What we did was we’ve set up a structure which means that information is shared as broadly as possible inside the organisation and externally. So our agendas go up... well before the meeting.

Public attendance at council meetings enables individuals to “convey information to officials, influence public opinion, attract media attention, set future agenda, delay decisions and communicate with other citizens” (Adams 2004, p. 43).

However, a central problem of participation in public meetings is that the openness of public debate may be stifled by the time allocated for public address being monopolised by interest groups, such as property developers (Filla 2009). As mentioned above, Lord Mayor Doyle noted the ‘squeaky wheels’ that tended to present in council meetings:

We've introduced 15 minutes of question time at the start and at the end of every council meeting and every committee meeting; and we have 33 a year... the public - and there's absolutely no restriction on this... journalists, non-residents, staff, anyone, it can be kids... and for 15 minutes ask unscripted questions, they don't have to fill in a form to register, they don't have to submit it in writing... [It's a] very liberal regime... if you've got an issue the entire 11 councillors and the full management team is here four times a month for 15 minutes of questions, ask us whatever you like (Mayne 2014).

However, Cr Mayne expressed disappointment that Question Time was not taken up as extensively as he hoped:

I guess the disappointing thing has been that it hasn't been taken up as enthusiastically or diversely as I would have hoped as the proponent of that change (Mayne 2014).

One of the authors attended a council meeting on 25 February 2014 and there was no Question Time conducted. The audience was completely physically separated from the Councillors in an elevated area, which made audience participation difficult. It is unclear to what extent the planned public consultation was in fact carried out in practice.

Thus, there is an openness in council meetings that allows members of the public to make oral and written submissions. However, it is unclear to what extent new initiatives such as Question Time are implemented and whether and how much, these mechanisms are utilised by members of the public.

#### **7.6.1.4 Residents and Commercial Associations**

Resident and commercial associations are funded by the MCC, including providing office space and funding for newsletters and assistance with websites (Mayne, 2014). Examples of residents and commercial associations in the MCC are the Carlton Residents Association, Docklands Chamber of Commerce, East Melbourne Group, North and West Melbourne Association, Kensington Residents Association, traders in Collins Street, Lygon Street and Chinatown (Mayne, 2014). There are also advisory committees, such as the Yarra Park Advisory Committee, Hospitality and Retail Trade Advisory Committee, Homeless Person Advisory Committee and Indigenous Advisory Committee. In these committees, residents and commercial representatives advise on policies and decisions (Mayne, 2014).

Kathy Alexander stated that the CoM engaged residents' associations in workshops and other participatory mechanisms to get their views on issues:

We fund the residents' associations both to inform through various strategies, their resident constituency and we also use the residents' associations to inform ourselves. So we will engage residents' associations in workshops and participatory mechanisms to get the views of residents on issues that will impact



them. So we have a very strong and a very broad community engagement strategy which engages the residents' associations in many other groups.

However, Alexander noted concerns that residents' associations may not be representative with only a few members who purport to speak for the rest of the community:

It's fractious for that reason as well because one of the things that I was most concerned about when I came here was that the resident association sometimes only have about 20 or 30 members and they had begun to believe that they were indeed community participation rather than a mechanism for community participation. Our community engagement strategy goes much broader than the residents' associations.

Thus it was supported by Councillor A, who agreed that the MCC has extensive consultation processes, but noted that some resident groups were more active and more representative than others:

Stakeholders we have your usual residents groups. Your business associations we have precinct groups etcetera. Those are, I would say still a minority of the people. You've got residents groups where only have voices of three people. So that does translate into talking for the whole neighbourhood...

I always believe that our consultation should go deeper into the masses. And our consultations in the City of Melbourne are very extensive, but maybe could be more extensive. You can't just be driven by a resident group or a business precinct, because they only have their handful of active members. The other people, they claim ownership of all the people in that area, whether it's 5,000 or 6,000 that live there. But some people have never heard of those groups.<sup>26</sup>

For instance Councillor A stated that Carlton had a small residents group of three, while the South Yarra residents group was very active with a few hundred active residents, and the East Melbourne group was also active in fighting for heritage and the beautification of the gateway.

Alexander also discussed the financial support for business precincts in the CoM:

We have a number of business precinct associations and they are groupings of businesses in particular areas of the city. And like residents' associations we provide them with quite a large amount of money actually to both inform their constituent members and also to develop collaborative marketing and business development strategies. We hear from them if they're not comfortable with decisions that are being made as well - and they provide valuable feedback to what we are doing.

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<sup>26</sup> Interview with Councillor A, 21 March 2014.

Cr Mayne was surprised that the high rise apartments with 33 large owners' corporations have not been politically organised or coordinated. He noted that political mobilisation tended to be issues-based, such as the Southbank Association mobilising due a decision to build a giant tower six metres from Freshwater Place.

Thus, the MCC provides funding and various opportunities for residents and commercial associations to be consulted and provides for participation in decision-making through advisory committees.

#### **7.3.6.1.5 Travelling 'Road Shows'**

There are also Travelling 'Road Shows', that is, public meetings in various suburbs, e.g. East Melbourne and South Yarra, where the community is invited to discuss anything on their mind. Councillors will present key issues for the area, such as planning issues (Mayne, 2014).

#### **7.3.6.1.6 Individual Councillors Meeting with Stakeholders**

Individual councillors also meet with various stakeholders. Councillor A emphasised the grass roots nature of local government, where he provides his mobile number publicly and residents would phone him about their issues and he would resolve them:

So it's about getting relationships with the residents and I hand my mobile number out, it's on all my cards and it's on the City of Melbourne website, I'm one of the few. I'm the only one. Maybe there's two of us out of the 11 that have a mobile ... really, people don't ring often but when they do then you know that there is an issue involved. So it's about being able to be contacted. We've got some great management and we've got a great system. I mean you do have to log it and then CitiPower will go out there, change the globe and then they'll notify them when it's done.

So we've got a really good grass roots... get their hands dirty level of government where the residents will ring. And why not? They pay rates, we should be servicing them.

Councillor A stated that he personally spent some time with the CBD and Docklands traders discussing their concerns:

So I spend time on the ground in different neighbourhoods. I do a lot in the CBD and I coach here in the Docklands. I spend a lot of time in the Docklands. So you hear from the business operators, we meet with some of the commercial owners, the people that own the small retail shops. That's their superannuation, some families have bought small retail shops. They're struggling because their tenants are unable to pay the rent. So you hear it from both sides, from the tenant, from the small property owner, then you hear from the tenants that live down there.

However, Lord Mayor Doyle noted that informal meetings had to comply with probity, e.g. councillors interacting with developers should always have a council officer with them:

There's always the informal stuff that people do, you know where you talk to people, that sort of connection. But we put rules around that too so if you're a councillor and a developer comes in you can't meet with that developer by yourself. Even if they're not a donor or anything else, you have to have either another councillor but you must have an officer with you as well and you can see the reasons for that.

Thus, individual councillors may make themselves available to address the concerns and issues of individuals or businesses, while addressing any potential probity issues.

## **7.7 PRINCIPLES OF EFFECTIVE PARTICIPATION**

There are clearly multiple forms of participation initiated by the City of Melbourne. However, the more important question is what constitutes effective participation and whether these forms of participation are effective.

Public participation in government has traditionally focussed on “measures to facilitate greater public access to information about government, enhance the rights of citizens to be “consulted” on matters which directly affect them, and ensure that all voices can be heard equally through fair systems of representative democracy” (Aulich 2009, p. 45).

There are three factors exhibited by this definition:

- Public access to government information;
- Individual rights to be consulted on matters affecting them; and
- All voices are heard equally.

### **7.7.1 PUBLIC ACCESS TO GOVERNMENT INFORMATION**

In order to properly participate, individuals should be provided with access to government information and resources:

Participants should have access to the appropriate resources to enable them to successfully fulfil their brief (Rowe & Frewer 2000, p. 3).

For example, the People's Panel provides panel members with advice by experts in order to facilitate their recommendations.

### **7.7.2 POSITIVE OBLIGATION FOR COUNCIL TO CONSULT**

The second element is that there should be a positive obligation for council to consult, rather than it being at the discretion of the decision-maker. Such a requirement could be in legislation, regulations, rules, internal policies or part of funding agreements.

For instance, the *New Zealand Local Government Act 2002* (NZ) has very detailed consultation requirements, explicitly requiring consultation on a number of issues, such as the proposed content of a long-term plan or an annual plan under the Act (section 48P), requiring consultation before a local authority may establish or become a shareholder in a council-controlled organisation (section 56), as well as requiring a special consultative procedure is used in relation to the adoption or amendment of a long-term plan (section 93A).

In addition, the Act sets out principles of consultation as follows:

### **Section 83 Principles of consultation**

- 1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:
  - a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:
  - b) that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority:
  - c) that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented:
  - d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:
  - e) that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:
  - f) that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.
- 2) A local authority must ensure that it has in place processes for consulting with Māori in accordance with subsection (1).
- 3) The principles set out in subsection (1) are, subject to subsections (4) and (5), to be observed by a local authority in such manner as the local authority considers, in its discretion, to be appropriate in any particular instance.

- 4) A local authority must, in exercising its discretion under subsection (3), have regard to—
  - a) the requirements of section 78; and
  - b) the extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the local authority; and
  - c) the nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter; and
  - d) the provisions of Part 1 of the Local Government Official Information and Meetings Act 1987 (which Part, among other things, sets out the circumstances in which there is good reason for withholding local authority information); and
  - e) the costs and benefits of any consultation process or procedure.
- 5) Where a local authority is authorised or required by this Act or any other enactment to undertake consultation in relation to any decision or matter and the procedure in respect of that consultation is prescribed by this Act or any other enactment, such of the provisions of the principles set out in subsection (1) as are inconsistent with specific requirements of the procedure so prescribed are not to be observed by the local authority in respect of that consultation.

Thus, there are elaborate consultation requirements in the New Zealand Act that obliges local government authorities to undertake consultation in accordance to best practice principles.

However, the consultation approach in this Act has been criticised by the New Zealand Local Government Efficiency Taskforce review which was released in December 2012. This Taskforce was

appointed... to provide independent advice on how to streamline local government consultation, planning and financial reporting requirements and practices under the Local Government Act 2002 [The Act] ((Carter 2012, p. 3).

An issue considered by the Taskforce was a “rewrite of decision-making and consultation provisions” as they are “overly prescriptive and detailed” in the Act, which it was claimed “lead to inefficiencies and delays in decision-making and limit more appropriate and innovative decision-making and consultation” (DIA 2012, p. 9).

These recommendations for “greater discretion ... given to councils” (DIA 2013) were defended by the Taskforce as providing “flexibility to respond to and engage with, their communities in an appropriate manner” (p. 9). Accordingly, Recommendation 2 proposed a “[r]eview [of] the decision-making and consultation provisions of the Act... to provide councils with a clear and flexible mandate to determine whether or not to engage with the community and the most appropriate way to do so” (p. 9).

With regard to decision-making, the Taskforce Recommendations 3 and 4 suggests “[r]epeal[ing] the prescriptive rules related to decision-making ... and replace the rules with a clear set of relevant principles” (p. 11). Recommendations 6 and 7 suggest that reforms be made to ensure ‘relevant provisions of the Act requiring consideration of community views do not create a legal duty to consult’ (p. 13).

The Taskforce recommendations were characterised by Gooding (2013) as ‘reductions in the requirements for councils to conduct community consultations’ (p. 35).

Thus, there are mixed accounts about whether it is desirable to have a mandatory individual right to participation, compared to allowing for greater flexibility for the councils in their operations.

This report takes a different position from the New Zealand Taskforce. Clearly a firm obligation on the council to consult will ensure that councils will more actively embark on participatory programs. The various participatory initiatives in the MCC have been championed by strong individuals, such as the Lord Mayor Robert Doyle and Councillor Stephen Mayne. However, if these individuals were not around, there would not be a systematic push towards participatory mechanisms. This makes a positive obligation to consult important.

Thus, this Report recommends that legislation or regulations be adopted to require MCC, and each other local government, to apply specified minimum standards of participatory processes, including annual participatory budgeting, as a regulatory condition of adopting its annual plan and budget. These standards should include baseline method design, such as the significance of delegated policy and resource questions; commitment to outcome; sample size and selection; meetings number, duration, frequency; facilitators; sources of expert and interest group input; and administrative support). The changes could be introduced progressively. The New Zealand *Local Government Act 2002* s. 48P provides a model which could be adapted (see above). Such provisions would reduce the risk of participatory processes diminishing.

However, considerations of participatory democracy need to be balanced by the cost of participatory mechanisms, which will be discussed in the next section.

### **7.7.3 REPRESENTATION OF STAKEHOLDERS**

There should be a broad representation of interests from the public in the participation process, rather than it being skewed or dominated by powerful individuals or vested interest groups. This is best exhibited by the People’s Panel, where a broad demographic of individuals are selected representing various interests.

### **7.7.4 DESIGN OF CONSULTATION PROCESS**

For a consultation process to be effective, the structure of the consultation should be appropriate.

Cr Watts noted the expanding opportunities for participation in city affairs where future modes of communication would continue to evolve:

The degree of civic engagement and the opportunities for participation is increasing all of the time. We spend a lot of money on community engagement, we're doing the social engagement much better than ever before. But I'm not sure, look at me, I'm older - and I can't even imagine the ways this civic participation will occur through future technologies. (Watts 2014).

Thus, as technology evolves, so should participatory models, in order to maximise opportunities for connecting with the public and maximising engagement by the public. The design of the consultation process is crucial in order to maximise engagement by the public.

#### ***7.7.5 OUTPUTS OF CONSULTATION PROCESSES IMPACTING ON POLICY***

However, beyond the formal processes of consultation, the effectiveness of public participation needs to be considered. It is possible that government engages in extensive public consultation, but already has a predetermined outcome from the outset. This means that the public participation is merely a façade that has no substantive effect. Ineffective forms of participation could be due to poor management or bad faith by governments, such as where the public “enter an apparently participatory process, only to find there is an absence of genuine devolution or meaningful involvement because the government sector is unwilling to forego control over processes and the shaping of results.” (Head n.d., p. 7).

Thus, effective public participation is more than simply offering procedures designed to consult, involve and inform the public to “allow those affected by a decision to have an input into that decision’: the output of the procedure should have a genuine impact on policy” (Rowe & Frewer 2000, p. 6). Citizens will have more confidence in the public participation processes if they perceive a connection between their feedback and the outcomes:

When citizens can see a connection between participation and outcomes they are more likely to take part (Patemen 2002, p. 12. In Swerhun & Fernandes 2014).

Thus, according to the formulation in this report, effective public participation should ideally satisfy the following criteria:

- There is public access to relevant government information;
- There is good representation of stakeholders from a broad cross-section of the community;
- The design of the consultation process is appropriate; and
- The output of the consultation processes has a genuine impact on policy.

These criteria will be utilised as a basis for evaluating the effectiveness of participatory mechanisms in this report.

## **7.8 GOOD EXAMPLES OF PARTICIPATION**

Several examples of effective participation were given by the interviewees.

### **7.8.1 GOLDEN PLAINS SHIRE**

Spence from the MAV argued that the key to effective participation is the public seeing their recommendations reflected in the outcomes. He provided the example of Golden Plains:

Well I think the key to [the public seeing their consultation as being influential] is people seeing their recommendations reflected in outcomes of the Council. So the classic example in Victoria is the Golden Plains example, I know it's a tiny municipality but what they did was they appointed a consultant who went and knocked on residents' doors and said, "We want you to come to an event to have a discussion about the way forward for our municipality". And when people were approached personally about it and they had a discussion at the door, they came. And then they took what the community said and they built it into their plan. They said, "We can do this but these are the reasons we can't do that". Okay, so the conversation is an open one. When the community saw that the things that they raised were developed, were considered and debated at the Council, some of them included and some of them not, and the reasons not, they got on board. And amazing outcomes. The community said, "We want all these things" and the Council said, "Well the only way we can do them is to jack the rate up and this is what it's going to look like" (Spence 2014).

I said, "Well you deliver that, we're happy to pay that" off we go. So it was rating at in excess of 10 per cent increase per annum (Spence 2014).

Thus, the residents of Golden Plains agreed to a significant rate increase in exchange for their recommendations being implemented, following extensive public consultation. This is a significant victory for the council involved.

This shows that the output of the consultation processes is crucial for effective participation.

### **7.8.2 SWAN HILL RIVER PRECINCT PROJECT**

The Victorian Local Governance Association 2013 John Jago Good Governance Award (VLGA 2013) was presented to the Swan Hill Rural City Council for its Riverfront Masterplan (Swan Hill Rural City Council [SHRCC] 2013) for:

demonstrating outstanding commitment to good governance. The organisation [SHRCC] listened to the needs of its community members and provided them



with support, building strong relationships. Clear information was provided to the community throughout the planning and the ongoing engagement strategy clearly focused on valuing and acting on feedback.

Community consultation in developing of the SHRCC Master-plan was extensive, with community engagement events conducted in 1997 and again in 2013. This consultation sought to 'gain insight and input from key stakeholders and the wider community to better understand their ideas, aspirations and requirements for the future use of the riverfront. The feedback... was used to guide the development of initial ideas plans and a draft master-plan for further community consultation' (SHRCC 2013, p. 35).

As part of the Swan Hill River Precinct Project, a research and consultation process was undertaken to understand opinions and needs of local residents and organisations. The initial "consultations took place over a 9 month period and sought input from over 800 individuals and organisations." The form of these 1997 consultations included public forums to discuss current use, future potential for the river precinct, as well as priorities for Council activities; a Community Open Day including a survey and a community event at the Art Gallery; Key Informant Interviews and Site Visits; Public Submissions; a draft plan to a Project Reference Group with public comment on the draft plan.

The culmination of this extensive consultation process in 1997 was the release of the final concept plan. Some items outlined in the final concept plan have since been implemented or constructed. While it was appreciated that this consultation process was extensive and captured the views of a broad range of the community members, this process was conducted in 1997 (over 15 years ago) and it was acknowledged that the Swan Hill community had experienced a great deal of change in that time.

As a result, a second (Stage 2b) community consultation was conducted to enable ideas, opinions and views of the 2013 Swan Hill community to be captured to form a progressive, forward looking vision for the future development of the riverfront.

In 2013 the consultation events included a range of opportunities for the community to participate. These included: Australia Day Consultation; Open House Community Consultation with a Heartbeat Consultation Process; Small Discussion Group with Novo Youth Council; Roaming Interviews at the FREEZA Pool Party; Children's 'Drawing Activity' Consultation during the SHRCC Vacation Program; Indigenous Community Consultation; CALD Community Consultation; Small Discussion Groups with Local Artists, Swan Hill Specialist School, Murray Human Services' Day Program members', Health Professionals, Swan Hill Canoe Club, Sustainable Living in the Mallee, and Rotary Club of Swan Hill; a Visitors Survey Consultation, and a workshop with key stakeholders and Council representatives.

### **7.8.3 KNOX CITY COUNCIL**

At these 2013 VLGA awards the Knox City Council was highly commended for “a highly-quality nomination with strong supporting documentation for their project *Knox@50 Our City... Our Future*. The judges agreed that Knox CC showed clear identification of a need within the community, a strong creative and inclusive process with excellent organisation buy in” (VLGA 2103).

The Knox City Council had undertaken:

a comprehensive approach to Community Engagement around Liveability... to better inform and receive feedback from the community about what is driving change in our City and within our communities ... prior to making any further decisions about key strategic policies such as the Housing Statement, a revised Community Vision, and the development of a municipal City Plan. The *Knox@50* process built on other ... engagement activities undertaken by Council over the past few years (Knox City Council 2013, p. 3).

### **7.8.4 HEPBURN SHIRE COUNCIL OURSAY**

The Hepburn Shire Council was one of the finalists in the 2013 VLGA awards for its use of *OurSay*, an online democracy group, who worked the Council to:

help residents put forward their Big Ideas for the next four-year Council Plan. After weeks of community workshops and the *OurSay* forum engaging 10% of households in the shire, the councillors and council officers responded to the top 10 Big Ideas (OurSay 2013).

Thus, there was strong online engagement by the Council.

## **7.9 GOOD ENGAGEMENT IN THE CITY OF MELBOURNE**

### **7.9.1 FUTURE MELBOURNE**

*Future Melbourne* is a 10-year city plan that was endorsed by Council and took place in 2007-08. Agenda Item 5.5 of the City of Melbourne, Planning Committee which was held on 6 March 2007 was a report tabled by the Manager City Strategy to:

seek Council’s endorsement to proceed with the development of a new strategic plan for Melbourne to be known as *Future Melbourne* and to be carried out in partnership with the University of Melbourne and other key organisations (Mayne 2007, p. 1).

*Future Melbourne* was developed utilising collaborative public conversations with stakeholders and experts which took the form of “public forums, face-to-face meetings, round table discussions, an online discussion forum, an interactive wiki, community surveys, public road shows, community art-making, an exhibition and information hubs around the City” (City of Melbourne 2008, p. 3). One of the innovative community

consultative processes of the Future Melbourne plan was a wiki, or an online collaboration (Futuremelbourne.com.au 2008) that could be edited by the public.

The post-implementation report of the wiki (City of Melbourne 2009) indicated that engagement over the month-long consultation was high with an average of 2,500 page views daily and 30,000 views over the four-week period; 7,000 unique visitors to the site; and 131 members of the general public registered to edit the plan's content; with these public participants making several hundred contributions. The public participants represented inner city Melbourne; the wider metropolitan region; Victorian regional areas; other Australian states; and many other countries internationally. In terms of internal engagement, there were almost 60,000 page views and 11,500 edits made by City of Melbourne participants.

In summary, during a 12 month period in 2007-2008, "over 15,000 individuals, businesses, organisations and community groups from across Melbourne and the world participated in this extensive consultation program" (City of Melbourne 2014). These consultations contributed to the Future Melbourne Plan, which is "a resource through which the current and future council can develop their council plans" (City of Melbourne 2014).

Alexander stated that due to the broad nature of participation in the City of Melbourne, where 17,000 people participated in the Future Melbourne 10-year plan (discussed in further detail below), the processes have more political legitimacy, which means that Councillors will tend to abide by the long-term 10 year plan proposed by the community:

So I think that Melbourne has a tradition of listening to the broader communities of interest in the City documenting their views. That tends to have informed the political decisions of the councils. The more people you get involved in the Future Melbourne plans, the more likely astute politicians are to take notice, when you consider that you only need about 2,000 people to get voted into the job, when you look at a plan that's actually had 17 or 18,000 people participate in it, it would be foolish not to take notice of it. That's actually what's been happening for a long time in the City of Melbourne. To a certain extent that's created for Melbourne a stable platform on which the politics sit. So rather than swinging from one area of investment to another, there's been a relatively consistent level of investment across a range of areas. I think that has provided a very strong contributor to Melbourne being a very liveable city.

Thus, broad public participation creates a political imperative to comply with the plan:

Well, yeah, I think it becomes a bit of a political imperative to comply with really because, as I said, if you know 17 or 18,000 participated in this and it's quite a

high profile thing, I mean when the Future Melbourne<sup>27</sup> was actually passed in 2008, *The Age* ran weekly editorials with big glossy centre pages about the future of Melbourne for something like six or seven weeks in a row. So it's very high profile when it's done (Alexander 2014).

### **7.9.2 URBAN FOREST STRATEGY**

The urban forest strategy conducted by the MCC involved extensive consultations, including workshops for each street to educate people about trees and form a consensus about this:

When we decided to develop our urban forest strategy we ran workshops street by street so that people understand what the issues are, they understand what the palliative trees might be from which they can choose, they can form consensus views as a street in how to do that. So it's a very intensive community engagement strategy. And for people who have come to believe that they indeed have the power to represent the community that can get a bit tiresome for them.

Watts opined that the urban forest strategy was a successful example of consultation as people felt that they had been heard:

[O]ne of the better engagements that I've seen work was around the Urban Forest Strategy here. It was not my portfolio, but I participated in the consultation process. It was more like a town hall meeting really, a led discussion, topics pre-determined certainly but people came away thinking they'd been heard. That was one of the successful ones. Others have not been so.

Thus, for Watts, the perception of the public that their views were taken into account was material to assess the success of community engagement. This also reiterates the importance of the outputs of consultation having a genuine impact on policy.

### **7.9.3 SWANSTON STREET**

There was also a broad community engagement strategy for the redesign of Swanston Street, where there were around 7,500 people who participated (Alexander 2014).

However, as will be discussed below, Watts disagreed with this strategy as the decisions of the councillors were put out for public consultation, rather than initiating the consultation before the decisions were made. This goes towards the appropriate design of the consultation process.

## **7.10 LIMITATIONS OF PARTICIPATION**

There were mixed accounts about the extent to which each of the methods of participation in the MCC were effective. Several participants discussed the high financial

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<sup>27</sup> The Future Melbourne initiative is discussed below.

cost of ensuring participation compared to the benefits. Disappointment at the low attendances and participation rates was expressed by the councillors as well.

Councillor A was sceptical about the value of certain public consultations conducted by the MCC, such as travelling roadshows through different parts of the City, where there were low attendances at a huge cost:

The new Councillors insisted there be town hall style residents meetings ... a travelling road-show through different parts of the City. We've done this in the past and not successfully because we've done it in town, we'll say, we'll do it in Parkville, East Melbourne, Kensington and for Docklands and the inner City residents we did it in the town hall. Not a very big turnout. We must have had 30 officers there manning different tables... but there couldn't have been more than 35 residents turned out as well. So Councillors are engaging in community engagement, but community engagement is not for 35 to 40 people. That sort of money was spent in the hundreds of thousands of dollars in doing these programs to go out to the people... There must be a different way of doing it, but anyway, we've done it in the past and there are some places we had a dozen people. We had 30 officers but we had 12 residents come to the town hall meeting.

Alexander also noted the high cost of not engaging the community:

I think if there was to be any reform it should be a requirement that local government up the ante in terms of its community engagement. But that comes at a cost. It is a costly process. But not as costly as getting decisions wrong and having to re-work things (Alexander 2014).

Thus, a cost-benefit analysis should be undertaken about whether the cost is commensurate with the amount and quality of participation that it generates. This supports the New Zealand review about not obligating participatory mechanisms for each and every decision.

Councillor Watts was also sceptical about the effectiveness of community engagement as being a matter of 'form' rather than 'substance':

Well in this Council it theoretically goes beyond that, there is this whole Council push towards, and serious investment in community engagement ... I don't always think it works. I'm quite suspicious of bureaucratic processes which get in the way of real work... This community engagement structure, you'll find it referred to a lot on the Council website and other places, leaves people with the impression that yes, they're very well engaged but the feedback is that they don't always feel like they're being heard. And I know from being on the other side of the fence, pre-Council that it may well be that they haven't been.

Cr Watts also reflected that people now seem to be less responsive to being consulted and even when consulted, their responses are not properly taken into account:

People are fed up with being consulted. 'Community consultation' is becoming a bit like the concept of 'sustainability'. People are responding not quite as well to it any longer. I believe something may have gone awry with 'consultation'. We all

want it to happen but there are cynics. For example, at councillor forum today somebody said, "Oh yes, people might say they don't want to be consulted continuously but they complain that when a decision is made based upon a consultation. If they don't like it, they want even further consultations." But I'm not cynical enough to say this is the case. But, I would say in my experience that people perceive that they are not actually taken notice of very much. And this is making them cynical and less responsive. The professionals would argue that the community doesn't have the breadth of knowledge to decide many matters. I disagree. I would say the community has the lived experience which is quite different. This is what matters.

Cr Watts discussed a couple of public consultations that were perceived as ineffective in that the outcomes had already been determined or the community's views had been disregarded although expensive consultations were conducted:

The least successful example concerned the contested use of a new community asset... the Kathleen Syme Centre in Carlton for which the community had agitated for many years to prevent it being sold to developers or acquired by Melbourne University. It in the end, required a change of government and a rich Council prepared to buy the asset. But after this acquisition there was a very clear message from the officers that they, and not the community, would actually decide what to do with it. A long series of very expensive consultations were convened to gather community views about what it might be used for despite years and years of the community's needs being made known officially to two levels of government. I attended a number of these consultations as an elected Councillor by that stage. The community was not being heard or they didn't feel they were being heard and new professional stakeholders were being elevated. And another example was, the planning process around a piece of parkland at Royal Park, do you know that corner there on Gatehouse Street and Flemington Road where the Children's' Hospital was moved? And so we had an opportunity to extend Royal Park creating a new park there. The planning involved very expensive and ultra-extensive consultation - Saturdays, afternoons, mornings, asking the focus groups of children what to do, asking the homeless what to do, an in-house reference group of officers and government and other experts... seemingly endless consultation. I may exaggerate, but not a lot - the whole process was in over-drive and was all very disruptive and time consuming for what was a simple reclamation project really.

Watts also criticised the participation processes in the redesigning of Swanston Street, before her election to Council, stating that it was in fact poorly 'structured', that councillors' decisions on six specific options were put out for public comment, when the process should have been reversed and the public should provide comments before the Councillors made their decisions on the six options:

This is an example of a project which was relevant to people who worked in the city, not just the residents. They would have had ideas about the way Swanston

Street was designed ... Council options were put out for comment for 30 days, but I think ... that's a silly way to do it ... people should be feeding their ideas in at an earlier point. More options may have emerged. And perhaps such views external to Council would have more impact if they had come before Council had finished deliberations (Watts 2014).

This goes towards the principle that effective public participation means the output of the consultation processes should have a genuine impact on policy. It appears that some of the consultations do not meet this criterion.

These findings confirm the principles of participation discussed above, that is, effective public participation means that the recommendations of the public should be reflected in the outcome.

## **7.11 PARTICIPATION AND LOCAL GOVERNMENT INTEREST GROUPS**

Local Government representative bodies do assist councils in engaging in public consultation processes.

The MAV runs training called The Future of Local Government, which introduced councils to processes of participation, consultation and community engagement, including a program called America Speaks Out

Archer observed that the VLGA previously issued many guidance documents for Councils on participation, but that VLGA no longer has a preferred model, and the local government sector has now become more sophisticated in their community engagement:

[W]e were very much, from the 1990s, very much a part of the movement saying, "You need to consult more, you need to consult more". So we've done, you know, if you go back through the files, issued many, many reports and those, sort of, guidance documents to Councillors and governance managers and CEOs about how they should do it. We don't have a preferred model now. And I think that's because that's really been taken up by the sector at the administrative level, so they actually become – and City of Melbourne is a really good example of this – they actually become really sophisticated in their community engagement or their public participation work, really sophisticated techniques, they invest a lot of money and human resources in doing this stuff well. At this point in time as a membership body, I don't think we've got anything to tell them about how to do it, I think we're more in a space now about asking the question about why you're doing it and when should you do it.

Archer thought that councils could be more reflective on their approaches to doing consultation:

[W]hen you look at what's going on in the sector, you've got a whole heap of different approaches to doing consultation which is appropriate for a diverse sector. But often it's done in not a very reflective way... [T]heir Council budget and their Council plan probably sailed through the Council Chamber, they would have complied with the legislative requirements to notify the public, have a special meeting and one or two responses. Now there's just something about that that just doesn't sit very well, and we think it's often because there's not a lot of reflection on why we would do participatory approaches to decision making. So I think there's a whole heap of motivations there. I think a lot of it, it's a good thing to do. The offices can do it or an officer thinks it's a good thing to do, why wouldn't we do it, it's the right thing to do. Or we might want to do it because we're a bit worried about the legal consequences of a controversial decision or we got beaten up last time we wanted to close a pool. But there's never, as far as I can tell as a sector, never, sort of, actually had the conversation.

Archer noted that there was a distinct tension between representative democracy and participatory democracy, and where to draw the line between councillors making decisions and engaging the public in decision-making:

And so we often have these conversations with Councillors and our organisation's been guilty of this in the past as well, "Oh you've got to consult, you've got to consult, you've got to consult". So have these conversations with Councillors about that and they say, "Well I just consulted. I've been elected by 4,000 people, I know what they want, they elected me, I'm making the decision". There's a sound philosophy behind that but how the two are reconciled.

However, Archer thought that the City of Melbourne tended to be more advanced in reconciling between the demands of representative and participatory democracy, although he thought that an overarching framework for different participatory methods could be developed.



## **8. RESEARCH FINDINGS: ENGAGEMENT WITH STAKEHOLDERS**

Interview respondents provided a range of commentary about the stakeholder relationships in the City of Melbourne (CoM). This included the relationships between:

- the MCC and the State Government
- the MCC councillors and the Lord Mayor; and
- the MCC and other local councils.

This commentary also included observation about the level of influence of various interest groups within the system together with which bodies are seen to be influential and less influential.

Analysis of the relationship between stakeholders is an important component of delineating Seward's complex, evolving relationships between stakeholders discussed above.

Further, there has not been any work to date on policy networks in the City of Melbourne. A policy network is "a systematic set of relationships between political actors who share a common interest or general orientation in a particular area" (Heywood 2014, p. 131). The networks in the MCC highlight the importance of informal processes and relationships in the process of policy-making and decision-making.

### **8.1 RELATIONSHIPS IN MCC: FINDINGS**

The following summarises the findings of this report in relation to relationship in the MCC.

#### ***8.1.1 RELATIONSHIP BETWEEN THE CITY OF MELBOURNE AND THE STATE GOVERNMENT***

- Overall, the State Government is clearly the most powerful player in local government in the City of Melbourne. This can be attributed to their control over the legislative basis and finances of local government.
- There is tension between the MCC and the State Government over planning issues and which level of government should be responsible for infrastructure within the City of Melbourne.
- The Lord Mayor has the primary relationship with State Government Ministers. Networks are very important in order for the Mayor to gain access to State Government Ministers.
- Individual councillors in the MCC do not have strong direct access to State Government Ministers.

### ***8.1.2 RELATIONSHIP BETWEEN THE CITY OF MELBOURNE COUNCILLORS AND LORD MAYOR***

- The relationship between the current councillors and the Mayor is one of mutual compromise, where the Mayor has to negotiate with the councillors to agree on policies and programs.
- There is some indication that councillors were pressured to adopt unanimous positions, despite the fact that they have different interests and political agendas.
- Nevertheless, as these councillors are elected officials, there are limits to the amount of control that the Lord Mayor can assert.
- The diverse interests of councillors can lead to councils that do not function optimally and fragment, with power struggles and contestation between councillors of different political persuasions and personalities.

### ***8.1.2 RELATIONSHIP BETWEEN THE CITY OF MELBOURNE AND OTHER LOCAL COUNCILS***

- The MCC tends to identify more with other Australian capital cities and the Victorian inner city councils, compared to other Victorian local councils.
- The MCC has the upper hand in interactions with other Victorian local councils as it is well-resourced, and is able to pick and choose the relationships to maintain.
- The MCC has tended to be insular in its approach to dealing with other Victorian local councils.

### ***8.1.3 INFLUENCE OF INTEREST GROUPS IN LOCAL GOVERNMENT***

- There are many complex interrelationships between interest groups such as the MAV and VLGA with the MCC, State Government and other interest groups.
- Some of these relationships are infused with tension, while others may be surface relationships with a limited ability to actually influence.
- However, the MAV is acknowledged to be generally influential within the local government sector.
- The VLGA has a better relationship with the MCC, particularly with more progressive councillors. There are also good officer relationships between the VLGA and MCC.
- There are loose informal connections between the interest groups in the local government sector.
- The MAV and VLGA have had a contested relationship due to their overlapping mandates, but may now be seen to be largely complementary.

### ***8.1.4 MCC RELATIONSHIP WITH STATE GOVERNMENT***

The State Government clearly assumes a superior role over the MCC, as the MCC is a product of State legislation and the State Government has control over the finances of

the MCC. Because local governments are created by State legislation, a Victorian council only has the powers conferred on it by the Victorian Parliament.

In addition, the *City of Melbourne Act 2001* (Vic) obligates the City of Melbourne to work closely and collaborate with State Government by specifying the following objectives for the Council:

- to develop and implement strategic directions and policies for the City of Melbourne in collaboration with the Government of the State to ensure alignment with that Government's strategic directions and policies for the City of Melbourne as the capital city of the State of Victoria;
- to co-ordinate with the State and Commonwealth Governments in the planning and delivery of services in the City of Melbourne in which those governments have an interest; and
- to work in conjunction with the Government of the State on projects which that Government or the Council determines are significant to Melbourne.<sup>28</sup>

Thus, the MCC is legislatively obliged to collaborate and coordinate with the State Government on strategic directions for the City of Melbourne as a capital city.

There is a clear tension between the State Government and MCC in planning matters, as will be discussed below.

### ***8.1.5 RELATIONSHIP BETWEEN LORD MAYOR AND STATE GOVERNMENT***

Mayor Doyle acknowledged the primacy of State Government in the relationship with the City of Melbourne, but noted that he worked well with both Labor and Liberal Governments:

Yep, sure. Well, I mean again, if you go back to first principles, we are a creature of State Government. We're a wholly owned subsidiary... But that's it, we are governed by a state government and that is the reality. I also sit on the Ministerial Mayor's Advisory Committee and have done for the past three local government ministers. One thing I would say... I have worked equally well with Labor and Liberal Governments and I think you have to as the City of Melbourne.

Doyle stated that he tended to brief both sides of the political parties where the MCC required State Government involvement:

I try to brief both sides if we have a proposal where we need State Government cooperation. So... I'll brief Daniel Andrews [the then Opposition Leader] just as much as I will lobby Cabinet. And again, we see that as very important but that we're not withholding information from one side. And the same was true with

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<sup>28</sup> City of Melbourne Act 2001 (Vic) s 7(1)(b)-(d).

the previous government, that we try to actually keep it very balanced like that ... So, yeah, I think it's an engagement with the government at the ministerial level and it's an engagement with the opposition somewhat at shadow ministerial but more at leader level.

Doyle considered that the relationship between the MCC and State Government was amicable even when the MCC disagreed on decisions or policies of the State Government and saw it as part of his role as Lord Mayor to maintain the relationship with State Government:

I must say it's a very amicable relationship even when you disagree and I've disagreed with Liberal, National and Labor Ministers from time to time but never to the point, I would hope, where our relationship has deteriorated to the point where we couldn't talk. I've disagreed with decisions or with policies but in the end that relationship has to be maintained. And I think it is actually written into the role of the Lord Mayor that you do have a role in interacting with the other levels of government. And I think you're the advocate of the City to the other levels of government and that's very important.

Doyle stated that the principal relationship the MCC had was with the Minister for Planning, followed by the Local Government Minister:

Look, our principal relationship interestingly is not with the Minister for Local Government. The minister with whom we have the most interaction is the Minister for Planning and that is something that I think should be changed. It's because of this artificiality of 25,000m<sup>2</sup> buildings being determined by the Minister with us as a referral authority not the responsible authority. When that was put in place and I saw why, it's one of the reasons *The Way Forward* was done because this place was dysfunctional and you'd remember the days that... I mean Ivan Deveson, terrific fellow, Peter Costigan had his flaws but their councils were completely dysfunctional. And I think the Labor Government at the time quite rightly said, "This is too important to allow to descend into this sort of chaos" ... So, yeah, the Local Government Minister and the Planning Minister.

There were also subsidiary relationships between the MCC and other Ministers, such as the Attorney-General, Police Minister and Emergency Services Minister, the Economic Minister, and the Transport Minister:

Look, we intersect with most other ministers as well and anything where the city is active or engaged we'll find expression in a relationship with the State Government Minister. City safety is important so the Attorney and the Police Minister are important to us. The Emergency Services Minister is important to us. The Economic Minister is very important to us because of the State grants that we get and that's a major source of our income. The Local Government Minister and the Planning Minister of course. So we interact with them very

much based on what our responsibilities are and what their responsibilities are. We have a fair bit to do with the Transport Minister as well I must say, so that would be another key stakeholder for us.

Mayor Doyle stated that the MCC did sometimes seek to agitate for changes in policies and legislation of State Government. For instance, the MCC sent the political parties questions about 15 areas where it would like answers from the major parties in the lead up to the 2014 election (Doyle, 2014).

Minister Wynne who said that his basic relationship as a Minister was with the Mayor and the CEO of the Council, rather than individual councillors:

Oh in formal sense absolutely [the relationship is largely with the Lord Mayor]... You'd go to events and things with other councillors... but you'd have to say your basic relationship was with the Mayor and the CEO of the Council and that's appropriate. Occasionally the Deputy Mayor bits and pieces but any formal conversations would be with the Mayor.

Wynne stated that he would have formal meetings with the Mayor about issues and legislative changes:

Proper meetings, proper agendas, briefings so you knew in advance what they were coming for, what the issues were and particularly if we were making legislative change that they wanted or we wanted. You talk it through with them and it was a very productive relationship.

This suggests that the Lord Mayor was the principal player in the MCC that has the power to influence State Government. It is thus necessary to consider the relationships between other councillors in the MCC and State Government.

#### ***8.1.6 RELATIONSHIP BETWEEN INDIVIDUAL COUNCILLORS AND STATE GOVERNMENT***

The relationship between individual councillors and State Government seems to be a lot weaker compared to the Lord Mayor, with individual councillors having limited access to State Government.

Mayne opined that the relationship between the MCC and local government has also changed depending on the government in power:<sup>29</sup>

I've heard people here say that our relationships with the State Government haven't been as good when the Liberal Government got elected. So I know that the Municipal Association of Victoria, for instance has had a very distant relationship with the State Government.

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<sup>29</sup> Interview with Stephen Mayne, 25 February 2014.

Cr Mayne noted that he had never personally met the Planning Minister, but instead had meetings with a senior public servant in the Planning Department:

At the planning level, where I'm involved, we have a fortnightly meeting with a senior bureaucrat from the planning department to informally go through any issues, but I've never met the Planning Minister. He's never come down and addressed us, which is a bit odd. And it depends on the portfolio, so our environment spokesman, Aaron Wood, has been put on a ministerial advisory panel by the Minister so he's got a good working relationship with him.

This can be contrasted with the Lord Mayor's strong connections with State politicians as former Leader of the Victorian Liberal Party:

The Lord Mayor has good connections, he's loved, he's hated, he's got the full gamut of connections with Spring Street. But overall because of his background and his gravitas, he gets good access to Spring Street. But I would say actually that the connections at the Councillor level are not as deep or as strong as you would imagine, and at the officer level they're probably better, a bit better (Mayne, 2014).<sup>30</sup>

Similarly Cr Watts thought that her access as a left-wing councillor in a then Liberal Government was restricted compared to Councillors who were members of the Liberal Party, although she also felt that when active in the Coalition of Residents and Business Associations she had similar problems concerning limited community access with the Labor Government:

Well, of course, I'm of the left so my connections to a Coalition government would be weaker despite the fact that I was elected to Council as an Independent. I mean, superficially anyway, it is what you would expect. Obviously I'm not going to have the same access to a Coalition government that say Robert Doyle might have or any other Councillor who is a member of the Liberal Party. But it's not overt. I don't think I've been actually personally rebuffed by the State government while on Council. The primary and, to an extent exclusive, link to government under this Council has been via the Lord Mayor who appears to claim unlimited access. Before joining Council around planning matters I've had meetings and conversations with Matthew Guy (the then Minister for Planning) and no, it seems I had just as much trouble reaching government on the other side of the political fence with Dick Wynne. I had quite a lot to do with Dick Wynne when trying to achieve electoral reform in Melbourne. Always, of course, unsuccessful because the current electoral system suits established political parties very well.

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<sup>30</sup> Interview with Stephen Mayne, 25 February 2014.

Councillor A stated that as an individual Councillor, there would not be formal regular meetings with State Government, but that relevant Ministers, Opposition Leaders and local MPs would be contacted if there was an issue that arose.

Thus, individual councillors did not tend to have good access to State Government, with the Planning Minister not bothering to meet with the Councillors even once. However, the current Lord Mayor has good connections with the State Government. Part of this may be attributable to the Lord Mayor's personal and political connections, rather than the nature of the position, which will be discussed further in the next section.

### ***8.1.7 IMPORTANCE OF NETWORKS IN INFLUENCING STATE GOVERNMENT***

Mayor Doyle noted that his background as a Liberal party member helps him to gain access to Ministers, but that the position of Lord Mayor does not automatically give that level of influence:

One thing I think is very important and maybe my background helps there, you've got to be able to pick up the phone to a minister. You just, you know, and position doesn't naturally confer that. The Lord Mayor has no executive power and that's a good thing, I don't think the Lord Mayor should have executive power. We do have some influence and we do have control over the areas for which we are responsible but not executive power, I don't think that would be appropriate. Therefore you do need to develop a network of friendship and professional working relationships with state and federal ministers.

Doyle considered that connections were very important, and different Members of Parliament have different levels of interest in the MCC:

It's not a formal set of arrangements, it is very laid back that Westminster political tradition where those connections between people become important. And look, there are people who are good at it and people who are not so good at it and there are people at Spring Street who don't give the City of Melbourne a second thought. And there are other people for whom it's a very important entity in their portfolio. If you're a backbench opposition member, there's not much connection with the City of Melbourne.

Minister Wynne also agreed that personal relationships were a very important factor in the relationship between the State Government and the MCC:

Look, in my experience some of that relationship is based on personal relationships... I had the opportunity to work with Joan Kirner, I mean her and I worked on all sorts of projects together, the Melbourne Olympics bid. Yes, we lost the bid her and I.

The redevelopment of Swanston Street was my project and hers. Where you have a relationship with the key leadership of government it can do good things. And

see the current relationship between Robert Doyle and Napthine I think is pretty good but there's always tension there around that.

Wynne considered that he had a very good relationship with his mayors (John So and Robert Doyle) when he was Minister and Shadow Minister for Local Government, which he attributed to his personal background as a former Mayor:

I had a very good relationship with them of course, because I was a minister but even before that with John So... So and Doyle were my Mayors. And there's a certain level of respect for former mayors and people who have knocked around Local Government, as I have, for a long time. We always had a very good relationship and I continue to have a good relationship with Robert. So I could only describe it as being both a strong and a productive relationship.

As a result, Wynne found himself in the position of being the Minister who would stand up for local government in Cabinet:

I understand... the issues they're trying to grapple with. I mean I was always seen within the cabinet process as being rightly the person who'd always stand up for Local Government because that was my game. It's just unhelpful to find reasons to divide. Work with people is my view.

Thus, for local government to influence State Government, connections seem to be very important to gain access to relevant Ministers. There may be a general level of distrust of State politicians of the MCC, but this may be mitigated by other State politicians with a local government background.

### **8.1.8      *TENSION BETWEEN STATE GOVERNMENT AND MCC IN PLANNING MATTERS***

Another issue which arose was the relatively low levels of responsibility the MCC has when dealing with issues of land use and other decisions.

At present, the City of Melbourne is the Responsible Authority only for planning permits under 25,000 metre squares. On the other hand, the the Minister for Planning is the Responsible Authority for the Melbourne Planning Scheme for:

- any proposed development with a gross floor area exceeding 25,000 square metres
- development and use of land being undertaken for or on behalf of a Minister of the Crown; and



- the use and development of land at the Melbourne Showgrounds, Flemington Racecourse and a number of specific sites including the Melbourne Casino.<sup>31</sup>

Cr Mayne stated that the Council and State Government's relationship faced tension in planning matters, where the Minister had control over planning matters:

We're the only Council where a Minister can put something like that out "Super Tuesday Approved" where the minister with five signatures can approve five different major developments in one go. So this runs totally contrary to our process of public advertising, public submissions, hands in the air, democratic vote. This is a Minister given incredible delegated powers.<sup>32</sup>

Cr Mayne stated that the then Minister for Planning [Matthew Guy] delegated certain sites back to MCC, following the collapse of a wall on Swanston Street that killed a few people, but the State Government still had a lot of power in planning.<sup>33</sup>

Despite their lack of formal authority in planning, the MCC councillors initiated a system where the full committee considered each application above 25,000 square metres, accepted submissions and publicised their view on the development:

One major change that we've made to neutralise his power, because we do call him Mr Skyscraper and he does love issuing permits which are three or four times the designated height limit, what we started doing was we made a delegation decision here, and I drove it, that every application which is more than 25,000 square metres which comes through the door, we automatically take it to full committee.

So if there's an automatic delegation to full committee ... we behave as if we're the responsible authority when we actually have no power at all. And it's been amazing how the developers have been coming in and doing submissions and what's happened is we also, and I was very proud of this actually, that, from a transparency point of view, to bring the Minister into line, we passed a motion unanimously, and I put it up, which was to do a back analysis of the last five years of ministerial decisions on more than 25,000. And we published the application that came in, what we said, what the Minister did and then a 300 word explanation of the difference, so that this would be a level of accountability to him because we are the only contradictor, if you like, we are the only contradictor who can give an informed decision and advice. And when you had a minister who literally had approved 20 towers above 200m and was determined to radically transform already the highest skyline in Australia, we took a view

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<sup>31</sup> City of Melbourne, (2015). *Ministerial Applications*. Retrieved 1 April 2015, from <http://www.melbourne.vic.gov.au/BuildingandPlanning/Planning/planningpermits/Pages/Ministerialapplications.aspx>

<sup>32</sup> Interview with Stephen Mayne, 25 February 2014.

<sup>33</sup> Interview with Stephen Mayne, 25 February 2014.

that the only power we had was the power of publicity and the power of public decision making. And for the last year he's been largely following our advice when we've done that, although I was very nervous when I saw him back to the bad old days of 'Super Tuesday' and... I was busily tweeting all of our recommendations on all of these because we're still yet to see what he's done, he hasn't even told us what conditions he's put on these five approvals.<sup>34</sup>

In addition, Cr Mayne publicly criticised the Minister's decision to approve a 400 metre tower at Southgate when the height limit was 130 metres.<sup>35</sup> His preference would be for site-specific approvals to be given to local councils, while the Minister retains broader approval powers over big picture structural planning issues.

Mayor Doyle thought that land use planning should be given to the MCC, rather than State Government:

Land use planning is something where I think you do need elected representatives and that's why the 25,000m<sup>2</sup> anomaly I think needs to be returned to the city.

The Council publicly called for the Minister of Planning to be stripped of the position of responsible authority for all high-rise permits of more than 25,000 square metres, and the role to be given to the city.<sup>36</sup>

Wynne discussed the tensions between the State and MCC about key infrastructure projects and suggested that a more collaborative approach could be adopted such as in Adelaide:

And it goes to the question of what's a legitimate role of the State, what's a legitimate role of the council around key infrastructure projects. And that's where the tension always occurs about we want more office development, we want more residential development, who's going to manage the Docklands because ultimately the Docklands has been handed back to the City of Melbourne and some of the planning down there has been pretty ordinary I must say. Windy, cold sort of a place. And in fairness to the council you go, "Well what have you given us? You've given us this mess to clean up". So I think they're often very legitimate claims that the Council makes. But it's always attention around infrastructure and development, always, more than anything else.

It will be interesting to see whether Minister Wynne will make any changes as the current Victorian Minister for Planning.

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<sup>34</sup> Interview with Stephen Mayne, 25 February 2014.

<sup>35</sup> Interview with Stephen Mayne, 25 February 2014.

<sup>36</sup> <http://www.theage.com.au/victoria/a-tall-order-as-melbourne-city-council-seeks-to-reclaim-skyscraper-approval-powers-20140901-10b3j7.html>.

Cr Mayne concluded that the relationship with State Governments ebbed and flowed, but he thought essentially State Government wanted local governments to occupy a low profile and not overshadow them:

I think that the State Government fundamentally don't like Councils getting too big for their boots or taking publicity. So hence they don't have any directly elected Mayors in the suburbs, because they would overshadow the local MPs.<sup>37</sup>

This points to a competitive and possibly slightly antagonistic relationship between State Government and the MCC.

On the other hand, Councillor A opined that the MCC and State Government worked together well, despite differences in opinions:

the... Lord Mayors that I've worked with... have been able to work with the State and that's the ultimate aim is to be able to work with the State. If you don't work with the State you're not going to get anywhere... Okay, you can agree or disagree on [a policy]... and whether on policy or political ideologies, the main thing is if you can't work with the State you'll be left behind and you end up with nothing for your electorate... Look, we work together, not necessarily we agree with everything, the City doesn't agree with everything with State and I'm sure the State doesn't agree with everything with the City as well. But we're able to work together to iron those out.

Councillor A stated that protesting and voicing opposition ineffectually was not productive and would not produce results for the ratepayers they were representing. Therefore, a major tension between State Government and the MCC is in planning and infrastructure issues within the city of Melbourne. There is debate about the appropriate level of government that should be handling these issues that has not been resolved.

#### **8.1.9 MCC RELATIONSHIPS BETWEEN COUNCILLORS AND MAYOR**

As the MCC has various councillors from different backgrounds with various interests and political affiliations, it is interesting to consider the relationships between these various elected officials. There is a different dynamic compared to the other levels of government, where Cabinet consists of members of only one political party.

In addition, the *City of Melbourne Act 2001* (Vic) legislatively provides the Lord Mayor with precedence in council meetings:

The Lord Mayor takes precedence at all municipal proceedings within the City of Melbourne.<sup>38</sup>

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<sup>37</sup> Interview with Stephen Mayne, 25 February 2014.

Mayor Doyle noted that there was a collaborative approach between councillors that transcends party politics, where councillors from different political persuasions have to agree on an annual plan and four year plan:

One of the things I enjoy is not being in that adversarial partisan anymore. When we sit down to make decisions I sit down with two Greens, two Labor members, two Liberal members and everybody else independent; and yet we've got to come to a four year plan and an annual plan that is agreed between us all. And I pride myself on the fact that we get there, but none of us got 100% of what we want in those plans but we've got 80%, 85%. So when you talk about participating in democracy, at the elected level it's a very interesting dynamic. Imagine forming a cabinet with all of the political parties plus some independents represented as well.

However, the relationship between the Councillors varied depending on the personality of the Lord Mayor and whether there was a 'ruling clique'. Cr Mayne stated:

I know under the John So Council that the second John So Council was highly balkanised. [The current mayor] made me chair of finance and deputy chair of planning when he could've just, you know, argued to keep me off in a corner somewhere. So we have a Lord Mayor who likes to give everyone what they want and in return likes everyone to behave and operate collegiately. And so far that has worked remarkably well in this Council and in the last Council it also worked very well where the progressive side of things got a whole bunch of stuff done, whether it's bike policy, climate change, urban forest, under a Liberal Mayor.<sup>39</sup>

Councillor A had a similar opinion that the current term of the MCC worked generally harmoniously due to the lack of factions, which may not have been the case in the past:

We, in this term in the time I've been here, I think these last few terms have been steady. Certainly there's no one underlying issue that has broken the Council. So I think everyone has had views on particular topics and agendas. But I think we try to have them delivered transparently.<sup>40</sup>

Councillor A also discussed earlier involvement in 'hairy' councils, where there were tussles between the professionals, Greens and Liberals, as well as tussles between different personalities.<sup>41</sup> Nevertheless, Councillor A acknowledged that councillors who were not affiliated with a political party tended to be more isolated as councillors tended to discuss issues with others of similar political affiliations.

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<sup>38</sup> City of Melbourne Act 2001 (Vic) s 20.

<sup>39</sup> Interview with Stephen Mayne, 25 February 2014.

<sup>40</sup> Interview with Councillor A, 21 March 2014.

<sup>41</sup> Interview with Councillor A, 21 March 2014.

Similarly Cr Mayne identified that the main form of communication and collaboration between Councillors tended to be within the political parties, with Councillors outside of political parties being more excluded:

I would say that the most amount of conversation that occurs within Councils is within party members, Councillors who are in the same party.

So Green Councillors talk to Green Councillors, Labor Councillors talk to Labor Councillors. The Mayors meet a bit more because there's quite a few Mayor forums. But if you're just an ordinary Councillor and you're not a member of a political party, apart from conferences and the MAV, but if you're not the MAV rep, there probably isn't as much sharing of information as there should be.<sup>42</sup>

Councillor A noted the strong governance staff provided to Councillors, who are tasked to ensure legislative requirements are followed, and there are no breaches of duties by the Council or Councillors. Councillor A noted that the governance team provided the Council with 'frank and fearless advice':

We've got a great governance manager and team. And certainly if anyone steps out of line, they'll be pulled up. The staff are very good, our support staff also. So if something doesn't sound right they'll certainly, sort of, tap people on the shoulder and say, "Well maybe you should be looking at doing it this way to cover off more open and more transparent". So I think certainly each individual Councillor is responsible to keep themselves on track. I think that if they misinterpret something I'm sure the management and the staff certainly have tapped them on the shoulder. They're fearless in what they do and they will certainly say, "Probably this is not the way, it should be this way."

Lord Mayor Doyle thought that a unanimous council reflected a council working well together:

So the actual committee structure it isn't predetermined and the interesting part to me was if you've got a council working well together, last time the only people I had, if you like, who were guaranteed votes, as it were, myself and the Deputy Lord Mayor and one councillor. And yet the number of votes that were unanimous last time because the system works its way through.

Cr Watts expressly denied that there was any 'official council line', but noted there were certain agreed council positions. For example, Watts noted that there was a very strong 'push' for unanimity in the council, which she disagreed with:

On joining Council I noted that the reality is there's rather an 'understanding', that unanimity is a good thing. Maybe this is the way all Councils operate, I don't know, there seems to be a pervasive and prevailing push for unanimity, which is

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<sup>42</sup> Interview with Stephen Mayne, 25 February 2014.

not the way I think it should be. It seems to me that minds could be more open to debate than they are. It's a perception of mine that opinions rarely change during debate.

She also noted that there was a change in media policy under this council; where there were cascading opportunities to speak and be quoted and that some councillors did speak with 'one voice' with a public spokesperson. This suggests some form of control over the media announcements by councillors.

However, Mayor Doyle painted a different picture, stating that he had 5 votes out of 11, and never asked his councillors to vote as a block:

Compared to the other councillors I'm only one vote, I'm the casting vote, yes, if there is a deadlock but I'm only one vote and that's actually a good thing. Again, this is a matter of individual practice, I'd say to my team, and of the 11 councillors five, myself, the Deputy Lord Mayor and elected councillors I have three, so I have five of 11 but I don't direct them to vote as a block and the sort of people they are that wouldn't work anyway.

Therefore, the relationship between the current councillors and the Mayor is one of mutual compromise, where the Mayor has to negotiate with the councillors to agree on policies and programmes. However, there is some indication that councillors were pressured to adopt unanimous positions, despite the fact that they have different interests and political agendas. Nevertheless, as these councillors are elected officials, there is only so much that the Lord Mayor is able to control them.

However, as seen in the past, this can lead to councils that do not function optimally and fragment, with power struggles and contestation between councillors of different political persuasions and personalities.

#### **8.1.10      *RELATIONSHIPS WITH OTHER LOCAL GOVERNMENTS***

It is also interesting to consider the MCC's relationships with other local councils in Victoria and other capital city councils.

Mayor Doyle indicated that there were interrelationships between Lord Mayors in capital cities in Australia, as well as big cities:

There is a Council of Capital City Lord Mayors of which I'm the Chair. And what we try to do is, sort of, rise up above our individual cities and look at the city's agenda, and in particular our interactions with the Federal Government. Not so much with the individual state governments because that's what we can do. So that tends to be our principal governmental relationship. But also there's a lot of information sharing and policy comparison that goes on. So we've done a lot of work on smart growth, we've done a lot of work on funding of infrastructure. We've done a lot of work on city safety. We've done a lot of work on

homelessness. We're sharing case studies, sharing experience and expertise as being very beneficial for all of us.

We also sometimes include, by the way, as well as the capital cities, we sometimes include Geelong, Gold Coast, Wollongong, Newcastle, Parramatta because they're the five big cities.

Doyle also stated that he occasionally organised meetings for metropolitan suburban mayors to discuss common interests, but found that councils wanted to meet outside of their areas of common interests:

From time to time I have gathered all the metropolitan suburban mayors together and to discuss things of mutual interest. So a lot of that is around planning and land use because that's the question that we all have in common. Interesting, when I've done that they have said to me, and I haven't done it now for over a year, but they said to me whenever we've come together and we've broken up, for instance, in small groups, "Please don't put us in our usual gang. So don't make us..." they're the bayside councils, they're the interface councils, they're the inner suburban councils. What they wanted rather was interaction with a range of other councils. And they have found that productive from time to time. It is variously effective for one very simple reason, the mayors change and that's why we had CEOs come in as well. And I think one of the skills that in the broader local government, one of the skills that mayors in suburban councils need to develop is a close relationship with their CEO to enable continuity of policy with successive mayors.

Mayor Doyle also said that they re-joined the Association of Bayside Municipalities for a year, but was unsure of the benefits of joining for the MCC:

There are so many of these and we've just gone back into the association of bayside municipalities because we saw no benefit in that for us. But they wanted us there and so we said, "Alright, we'll go back in for a year."

Doyle further stated that within that year, the bayside municipalities had to prove the benefit to the MCC of joining.

This suggests a superior relationship, where the MCC wanted the bayside association to positively demonstrate the benefit to the MCC of being engaged.

Kathy Alexander, the then CEO of the City of Melbourne, stated that there were very strong relationships between the inner city municipalities due to the commonalities in being a tourism, retail and hospitality hub:

We have been working for many years through the IMAP (Inner Melbourne Action Plan) Group. That takes in Maribyrnong, Stonington, Port Phillip, Yarra and ourselves. It is a central tourist region and retail, hospitality and commercial

hub. The relationship has recently been sanctioned by government as one of the structural arrangements by which government planning will take place. So that's been a good move. It's a bit confusing about exactly how it's going to work at the moment but I'm sure it'll shake down; it's more a natural grouping of relationships.

There were indications that the MCC was uninterested in other Victorian local governments and their issues, and did not provide leadership as the capital city local government.

Cr Mayne argued that there could be more cooperation between councils beyond their own boundaries in contributing to facilities at the boundaries of each council. Councils tended to adopt an insular approach to their territorial boundaries.

Thus, it seems that MCC has stronger relationships with and identifies more strongly with other capital cities and Victorian councils in the inner city area compared to other local councils within Victoria. There are less formal meetings between the MCC and other Victorian local councils. The MCC seems to have the upper hand in these relationships due to being better-funded and better-resourced. Thus, the MCC picks and chooses the relationships it wishes to maintain, and tends to adopt a more insular approach that only shows concern for matters within their boundaries.

## **8.2 INFLUENCE OF INTEREST GROUPS IN LOCAL GOVERNMENT**

### **8.2.1 RELATIONSHIP BETWEEN MCC AND INTEREST GROUPS**

The MCC has relationships with a number of interest groups, including VLGA, which in turn has a relationship with MAV. Cr Mayne stated:

Well we're members of the Victorian Local Governance Association and we go to their meetings, they go to the MAV meetings. We go to ALGA in Canberra once a year – 600 Councillors from all over Australia go together and vote on a whole bunch of resolutions and hear the Prime Minister give speeches and the opposition leader and the Nationals and the Greens etcetera. So that's the main level of engagement with other Councillors through the peak bodies in Victoria. We've got a group called IMAP which is the Inner Metropolitan Councils who plan together, so it's Stonnington, Maribyrnong, Port Phillip and Yarra, I think it is. But there is an argument for probably more of that.<sup>43</sup>

### **8.2.2 MUNICIPAL ASSOCIATION OF VICTORIA (MAV)**

Mayor Doyle acknowledged that the MCC was not engaged with the MAV for some time but the MCC was now was back in the MAV. Doyle criticised the MAV for not recognising the MCC's unique status as a capital city:

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<sup>43</sup> Interview with Stephen Mayne, 25 February 2014.



We took ourselves out of the MAV for a while. We're back in it now but the interesting part to us is that if I had a criticism of the MAV is that it doesn't recognise the capital city as different, whereas demonstrably it is, that it is almost impossible for, for instance, the City of Melbourne to get a representative on the executive of the MAV. The MAV, because of the nature of councillors, and this is where your equity of voting starts to fall apart, is dominated by rural councils of tiny size.

Thus, the sentiment was that the MCC did not see any benefit in being involved with the MAV, as the MAV did not recognise unique inner city or capital city concerns.

### ***8.2.3 VICTORIAN LOCAL GOVERNANCE ASSOCIATION (VLGA)***

As the MCC is relatively well-resourced compared to other local governments, it makes less use of support from the VLGA. The MCC has a community engagement team which is more sophisticated than many other local councils with which the VLGA interacts including on issues such as housing and gambling. There are good officer relationships between the VLGA and MCC.

### ***8.2.4 INFLUENCE OF INTEREST GROUPS***

Watts thought that the various interest groups that were influential in the local government sector come and go, but that the Committee for Melbourne was 'having a good run at the moment'.

Watts also thought that residents' groups had a strong voice, particularly over issues such as the East-West link, but that few Councillors took any notice of residents' groups and some could not care less:

We have two Councillors who actually take any notice of them and one of them is me.

Watts has strong links to residents associations, due to her former link as part of the Carlton Residents Association.

Thus, it appears that the MAV and VLGA are considered to be influential within the local government sector. The Committee of Melbourne and residents groups also may play a role in influencing local government.

## **8.3 PARTICIPATION AND STAKEHOLDER CONCLUSIONS**

### ***8.3.1 MELBOURNE – A COMPLEX EVOLVING SYSTEM***

The evidence reported here demonstrates that it is the nature and quality of relationships between social actors that can best explain the operation of the City of Melbourne, consistent with complex evolving systems theory.

The objectives of MCC, specified in the Act under which it is constituted, require it to:

- (a) ensure a proper balance within its community between economic, social, environmental and cultural considerations within the context of the MCC's unique capital city responsibilities;
- (b) to develop and implement strategic directions and policies for the MCC in collaboration with the Government of the State to ensure alignment with that Government's strategic directions and policies for the MCC as the capital city of the State of Victoria;
- (c) to co-ordinate with the State and Commonwealth Governments in the planning and delivery of services in the MCC in which those governments have an interest; and
- (d) to work in conjunction with the Government of the State on projects which that Government or the Council determines are significant to Melbourne.

These objectives do not specifically refer to democracy but exist in the context of a strong democratic culture and provisions in the Act for representative government of MCC. Objectives (b), (c) and (d) explicitly indicate that MCC is to subordinate itself to Victorian State and Commonwealth government policies and priorities. However, even in the case of these objectives, it is clear that they can be facilitated by conducive relationships rather than formal power relationships.

Fulfilment of objective (a), "a proper balance within its community between economic, social, environmental and cultural considerations", is most clearly and directly relevant to the operation of democracy.

### **8.3.2 PARTICIPATION**

Key features that may be found in better participatory processes correspond well with characteristics described by complex evolving systems theory - connectivity, inter-dependence, feedback and emergence.

To be effective, public participation should ideally satisfy the following criteria:

- Connectivity: there is good representation of stakeholders from a broad, representative cross-section of the community;
- Inter-dependence: there is sharing of values and information, including expert technical advice, between the community and MCC;
- Feedback: the design of the consultation process is appropriate; and
- Emergence: the output of the consultation processes has a genuine impact on policy and resource allocation.

There are a number of participatory mechanisms used in the MCC including:

- Citizens' jury and participatory budgeting;
- Opportunities to participate in Council and committee meetings;
- Residents' and commercial associations.

Whilst some may argue that the benefits of the initiatives need to be balanced against the cost, this must not be allowed to be used to manipulate and divert attention from the community's priorities and re-orientate them towards the priorities of special interests.

## **8.4 MCC RELATIONSHIPS WITH OTHER STAKEHOLDERS**

We have provided extensive data, principally from interviews, which enable us to answer the third question (what are MCC's relationships with other stakeholders?). We find a complex, dynamic evolving system that is consistent with theory. It relies on characteristics including connectivity, inter-dependence, feedback and emergence and is not dependent on statutory or other formal provisions.

## 9. CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The findings and recommendations from this research are:

### *Findings*

- Finding 1)** Arguments to support a property franchise or a franchise for corporate entities were not found to be based on accepted democratic principles. There was weak support among survey respondents for corporate entities to have a right to a single vote and much less support for them having a right to two votes. However, among interviewees, nearly all accepted the property franchise and at least one vote for each business as a given.
- Finding 2)** The democratic principle of “responsive rule” is not fulfilled only by periodic election of the Lord Mayor, Deputy Lord Mayor and Councillors.
- Finding 3)** Participatory practices including deliberative democracy, have the potential to be applied much more extensively than the forms of consultation and participation adopted to date, to better achieve effective democracy.
- Finding 4)** Few specific functions, activities and expenditures related to MCC’s status as the political capital of Victoria could be identified (other than as the location of the Parliament and Victorian Government offices).
- Finding 5)** Whilst MCC is recognised as the economic capital of Victoria, MCC’s specific functions, activities and expenditures are overwhelmingly orientated to serving the needs of people – e.g. residents, workers (from the most junior to the most powerful), customers, clients, students, visitors and other users of MCC facilities and services.
- Finding 6)** Major public sector functions affecting businesses in MCC have been appropriated by the Victorian Government e.g. land use decisions affecting large buildings and other major developments.

## ***Recommendations***

**Recommendation 1)** Limit the franchise for candidature and for voting in the MCC for Lord Mayor, Deputy Lord Mayor and Councillors of the MCC to residents on the electoral roll and non-citizen residents.

**Recommendation 2)** If Recommendation 1 is not accepted, extend the franchise to users of facilities and services provided by or under the authority of the MCC, including non-resident property owners and permanent employees (i.e. similar period to residence for electoral enrolment) in the City of Melbourne.

**Recommendation 3)** Require the Council (Lord Mayor, Deputy Lord Mayor and Councillors) of the MCC to empower and facilitate the participation of stakeholders (including businesses), so that participation has a genuine impact on strategies and policy decisions.

**Recommendation 4)** Adapt and progressively apply deliberative democracy techniques, including participatory budgeting, in relation to all significant elements of MCC's annual plan and budget, drawing on the successful examples and learning from less successful examples in other jurisdictions.

**Recommendation 5)** Introduce legislative provisions which require MCC and each other local government, to apply specified minimum standards of participatory processes, including annual participatory budgeting, as a regulatory condition of adopting its annual plan and budget. Ensure these standards include baseline method design (e.g.: significance of delegated policy and resource questions; commitment to outcome; sample size and selection; meetings number, duration, frequency; facilitators; sources of expert and interest group input; and administrative support) which could be introduced progressively.

## 10. DIRECTIONS FOR FURTHER RESEARCH

Opportunities for further research include:

- Examine the nature and effectiveness of participatory budgeting and any other forms of deliberative democracy in both the City of Canada Bay (NSW) and MCC;
- Investigate the effectiveness of the processes that local government use to engage with citizens;
- Investigate the nature and quality of democracy in other local governments;
- Study the implementation of reforms to the franchises of City of Sydney;
- Compare the legislative provisions and democratic practices in MCC with other Capital Cities in (i) Australia and (ii) comparable countries;
- Investigate the extent of understanding of local government franchises;
- Investigate the extension of the franchise to people with permanent employment in MCC;
- Investigate appropriate boundaries for capital city municipalities; and
- Investigate the relationships between State and Local Government, including formal and informal distribution of powers.

# APPENDICES

## APPENDIX 1: INDIVIDUAL ONLINE SURVEY 2 INSTRUMENT

City of Melbourne (v2) for Individual Stakeholders

CONSENT and EXPLANATORY STATEMENT

**\* 1. Are you interested in winning a \$500 supermarket voucher? Have you been in the City of Melbourne recently? If yes, read on as you are eligible to complete a voluntary and confidential survey conducted by Electoral Regulation Research Network, University of Melbourne and Monash University. You may have a chance to WIN a \$500 supermarket voucher. This survey should take no more than 3-4 minutes to complete.**

**If you are ready to start, answer "YES" below.**

**Want more information? Click the button below to access and read the full Explanatory Statement.**

**Thank you,**  
**Dr Ken Coghill**  
**Monash University**

**ARE YOU WILLING TO PARTICIPATE IN THIS SURVEY?**

☐ Yes

☐ No

☐ Before proceeding, I want to read the full Explanatory Statement

City of Melbourne (v2) for Individual Stakeholders

EXPLANATORY STATEMENT (Full version)

Project Number: CFI30022 - 2013001637  
Project Title: Enhancing Local Government Democracy  
Chief Investigator: Dr Ken Coghill

**1. ARE YOU WILLING TO PARTICIPATE IN THIS SURVEY?**  
You are invited to take part in this study. Please read this Explanatory Statement if you want more information before you decide whether or not to participate in this research.

**2. CHIEF INVESTIGATOR and TEAM**  
Chief Investigator's name: Ken Coghill, Department of Management, Monash University  
Phone: +61 (0)3 9603 1532 or +61 (0)4 1942 6866 or email: ken.coghill@monash.edu  
The members of the project team are Dr Ken COGHILL, Associate Professor in the Department of Management at Monash University; Mr Yusef W. S. Lecturer at Faculty of Law at Monash University; Dr Paul THORNTON-SMITH, Information Research Officer at Victorian Electoral Commission; and Ms Valerie SANDS, Research Assistant, University of Melbourne / Monash University.  
If you would like further information regarding any aspect of this project, you are encouraged to contact me via the phone numbers or email address listed above.

**3. WHAT DOES THE RESEARCH INVOLVE?**  
We are conducting this research to investigate Local Government democracy. This study aims to address the following research questions:  
- How do the relationships that operate within the City of Melbourne affect governance?  
- How are the relationships affected by the right to a vote and other forms of participation?  
- What reforms would be consistent with representation of the various interests of residents and non-residents in the City of Melbourne?  
The study involves completing an online survey which should take 5-6 minutes. The survey consists of nine (9) multiple-choice questions plus optional demographic questions.

**4. WHY WERE YOU CHOSEN FOR THIS RESEARCH?**  
You have been selected for this research as you are a stakeholder in the City of Melbourne who utilizes the facilities and services in the City of Melbourne.

**5. SOURCE OF FUNDING:**  
This project is funded by the Electoral Regulation Research Network, Melbourne Law School, Victorian Electoral Commission, and NSW Electoral Commission.

**6. CONSENTING TO PARTICIPATE IN THE SURVEY AND WITHDRAWING FROM THE RESEARCH:** Before commencing the questions in this online survey, you are presented with a question. You need to consent to participate in the survey - on the survey website. Participation is voluntary - you are under no obligation to participate in this survey. However, if you do participate, you may withdraw at any stage. But because the survey is anonymous, you will not be able to withdraw the data once the survey is submitted.

**7. POSSIBLE BENEFITS AND RISKS TO PARTICIPANTS:**  
The only inconvenience foreseen is the time taken to complete the online survey. There are no risks to participants.

**8. PAYMENT:**  
No payment is provided.  
There will be a prize draw of three \$500 vouchers from major supermarkets.

**9. CONFIDENTIALITY:**  
No individual will be identified.

**10. STORAGE OF DATA:**  
Data collected will be stored in accordance with Monash University regulations, kept on University premises, in a locked filing cabinet for 5 years.  
A report on the study will be submitted for publication, but individual participants will not be identifiable in such a report. Data will not be used for other purposes.

**11. RESULTS:**  
If you would like to be informed of the aggregate research findings, please contact Ken Coghill, Department of Management, Monash University. Phone: +61 (0)3 9603 1532 or +61 (0)4 1942 6866, email: ken.coghill@monash.edu

Page 2

**City of Melbourne (v2) for Individual Stakeholders**

12. COMPLAINTS:  
Should you have any concerns or complaints about the conduct of the project, you are welcome to contact the Executive Officer, Monash University Human Research Ethics (MUHREC), Room 111, Building 26, Research Office, Monash University VIC 3800. Tel: +61 3 9605 2052 or Email: [muhrs@monash.edu](mailto:muhrs@monash.edu) or Fax: +61 3 9605

**\* 2. AFTER READING THE FULL EXPLANATORY STATEMENT, ARE YOU WILLING TO PARTICIPATE IN THIS SURVEY?**

☐ Yes ☐ No

**SURVEY QUESTIONS**

**\* 3. What is/are your reason(s) for being in the City of Melbourne local government area this week (select all that apply):**

☐ I am a permanent resident of the City of Melbourne  
☐ I am a temporary resident of the City of Melbourne (e.g. student)  
☐ I am a commuter whose permanent work is in the City of Melbourne  
☐ I am a commuter who worked temporarily in the City of Melbourne today  
☐ I visited the City of Melbourne to study today  
☐ I visited the City of Melbourne to shop today  
☐ I visited the City of Melbourne for business reasons today  
☐ I visited the City of Melbourne for personal reasons today (e.g. medical appointment)  
☐ I am a tourist who visited the City of Melbourne today  
☐ I travelled through the City of Melbourne today without stopping  
☐ I visited the City of Melbourne for entertainment reasons today (e.g. seeing out)  
☐ Other (please specify):

**City of Melbourne (v2) for Individual Stakeholders**

**\* 4. The City of Melbourne services or facilities you have used include in the last 12 months (select all that apply)**

<input type="checkbox"/> footpaths	<input type="checkbox"/> health services (e.g. hygiene in food retailers)
<input type="checkbox"/> roads	<input type="checkbox"/> homelessness
<input type="checkbox"/> street cleaning	<input type="checkbox"/> services for aged
<input type="checkbox"/> rubbish (trash) bins &/or collection	<input type="checkbox"/> sporting facilities
<input type="checkbox"/> visitor information	<input type="checkbox"/> facilities for youth
<input type="checkbox"/> municipal library (not State Library)	<input type="checkbox"/> translation services
<input type="checkbox"/> training for local community organisations	<input type="checkbox"/> facilities for people with disabilities
<input type="checkbox"/> family services (e.g. childcare, parenting support, family support, maternal and child health, immunisation, playgroups)	<input type="checkbox"/> public open spaces (parks, gardens, river, etc.)
<input type="checkbox"/> community centres	<input type="checkbox"/> public toilets
<input type="checkbox"/> Other (please specify): <input type="text"/>	

**\* 5. In the last 18 months, have you (select any which apply):**

☐ been given or sent information about City of Melbourne policies, services and/or facilities relevant to you?  
☐ accessed information about City of Melbourne policies, services and/or facilities relevant to you?  
☐ been consulted about City of Melbourne policies, services and/or facilities relevant to you?  
☐ participated in decision-making about City of Melbourne policies, services and/or facilities relevant to you?  
☐ voted in any election for the Lord Mayor and Councillors of the City of Melbourne?  
☐ been a member (now or previously) of any not-for-profit organisation (community, business, religious etc) serving the interests of people served by City of Melbourne policies, services and/or facilities? (see below if this is chosen)  
☐ tick if the not-for-profit organisation (mentioned directly above) has been consulted or involved in participation by the City of Melbourne (to your knowledge)  
☐ none of the above

**\* 6. In relation to City of Melbourne policies, services and/or facilities relevant to you, do you think that you should have the opportunity to (select those which apply):**

☐ be consulted by the City of Melbourne?  
☐ participate in decision-making by the City of Melbourne?  
☐ vote in elections for the Lord Mayor and Councillors of the City of Melbourne?  
☐ be consulted or participate via membership of a not-for-profit organisation?  
☐ none of the above



**City of Melbourne (v2) for Individual Stakeholders**

**\* 7. In elections for the Lord Mayor and Councillors of the City of Melbourne, who do you think should have a right to vote (select all that apply):**

☐ a person who is a long-term or permanent resident living in the City of Melbourne, who is an Australian citizen

☐ a person who is a long-term or permanent resident living in the City of Melbourne, who is NOT an Australian citizen

☐ a person who is a temporary resident (e.g. student) living in the City of Melbourne, who is an Australian citizen

☐ a person who is a temporary resident, living in the City of Melbourne, who is NOT an Australian citizen

☐ a person owning property in the City of Melbourne and who does not live in the City of Melbourne

☐ a person renting property in the City of Melbourne and who does not live in the City of Melbourne

☐ a person who commutes and works in the City of Melbourne

☐ one person from a corporation (company) renting a business property in the City of Melbourne

☐ more than one person from a corporation (company) renting a business property in the City of Melbourne

☐ one person from a corporation (company) owning a business property in the City of Melbourne

☐ more than one person from a corporation (company) owning a business property in the City of Melbourne

☐ Other (please specify):

**8. Having thought about your answer to the previous question, do you have any other comments, questions, or concerns?**

**\* 9. Thinking about the extent to which the City of Melbourne informs, consults or involves you as a participant in decisions affecting policies, services and facilities which you may or do use, are you:**

☐ Very dissatisfied ☐ Dissatisfied ☐ Neither dissatisfied nor satisfied ☐ Satisfied ☐ Very Satisfied

**10. Do you have any other comments, questions, or concerns?**

Page 5

**City of Melbourne (v2) for Individual Stakeholders**

**11. DEMOGRAPHIC INFORMATION (Optional questions)**

The following questions will assist us make better use of the data you have provided. If you choose to complete any of them, be assured that the data will be used in aggregate and no individuals will be identified.

**Do you identify as:**

☐ Male ☐ Female ☐ Other

**12. What is your postcode?**

**13. Which category below includes your age?**

**14. Which of the following best describes your current relationship status?**

☐ Single ☐ Married ☐ Divorced or separated

☐ In a relationship ☐ Living with partner ☐ Widowed

**15. Which of the following categories best describes your employment status?**

☐ Full-time (more than 30 hours) ☐ Home maker ☐ Retired

☐ Part-time/casual job ☐ Full-time student ☐ Not currently employed

**16. Which of the following best describes your current occupation?**

☐ Professional ☐ Labourer

☐ Clerical and Administrative Worker ☐ Sales Worker

☐ Technician / Trades Worker ☐ Machinery Operator / Driver

☐ Manager ☐ Home Maker

☐ Community and Personal Service Worker ☐ Student

Other (please specify):

**Draw to win supermarket voucher**

Thank you for completing this survey. In appreciation of your participation, we are providing you with the chance to win a \$500 supermarket voucher.

If you want to enter the draw, add your contact details below. These details will only be used to contact you if you win the draw, or if you opt-in (below) and offer to participate in a possible focus group, and for no other purpose.

Winners will be advised by 24th April 2014 and, subject to their permission, details of winners will be announced on the ERRN website (www.law.unimelb.edu.au/errn) on Wednesday 30th April 2014.

Page 6

City of Melbourne (v2) for Individual Stakeholders

\* 17. Do you want to enter in the draw for a supermarket voucher?

Yes (click 'Next' to add contact details)

No

\* 18. Contact details for chance to win supermarket voucher

Name:

Email Address:

Phone Number:

Focus Group

\* 19. Focus Group participation: It is expected that the research project will conduct a number of focus groups. Are you willing to be contacted to participate?

Yes (click 'Next' to add contact details)

No

\* 20. Contact details for focus group


Name:

Email Address:

Phone Number:

Page 7

City of Melbourne (v2) for Individual Stakeholders



Page 119

# APPENDIX 2: ORGANISATION ONLINE SURVEY INSTRUMENT

CoM for Organisation Stakeholders

CONSENT and EXPLANATORY STATEMENT

**\* 1. Does your Organisation have dealings with the City of Melbourne? If yes, read on as you are eligible to complete a voluntary and confidential survey conducted by Electoral Regulation Research Network, University of Melbourne and Monash University. This survey should take no more than 5-8 minutes to complete.**

If you are ready to start, answer "YES" below.

Want more information? Click the button below to access and read the full Explanatory Statement.

Thank you,  
Dr Ken Coghill  
Monash University

**ARE YOU WILLING TO PARTICIPATE IN THIS SURVEY?**

☐ Yes

☐ No

☐ Before proceeding, I want to read the full Explanatory Statement

Page 1

CoM for Organisation Stakeholders

EXPLANATORY STATEMENT (Full version)

Project Number: CP15/0022 - 2013001827  
Project Title: Enhancing Local Government Democracy  
Chief Investigator: Dr Ken Coghill

**1. ARE YOU WILLING TO PARTICIPATE IN THIS SURVEY?**  
You are invited to take part in this study. Please read this Explanatory Statement if you want more information before you decide whether or not to participate in this research.

**2. CHIEF INVESTIGATOR and TEAM**  
Chief Investigator's name: Ken Coghill, Department of Management, Monash University  
Phone: +61 (0)3 9603 1532 or +61 (0)4 1940 8888 or email: ken.coghill@monash.edu  
The members of the project team are: Dr Ken COGHILL, Associate Professor in the Department of Management at Monash University; Ma Yee-Pui NG, Lecturer at Faculty of Law at Monash University; Dr Paul THORNTON-SMITH, Information Research Officer at Victorian Electoral Commission; and Ms Valerie SANDS, Research Assistant, University of Melbourne / Monash University  
If you would like further information regarding any aspect of this project, you are encouraged to contact me via the phone numbers or email address listed above.

**3. WHAT DOES THE RESEARCH INVOLVE?**  
We are conducting this research to investigate Local Government democracy. This study aims to address the following research questions:  
- How do the relationships that operate within the City of Melbourne affect governance?  
- How are the relationships affected by the right to a vote and other forms of participation?  
- What reforms would be consistent with representation of the various interests of residents and non-residents in the City of Melbourne?  
The study involves completing an online survey which should take 5-8 minutes. The survey consists of nine (9) multiple-choice questions plus optional demographic questions.

**4. WHY WERE YOU CHOSEN FOR THIS RESEARCH?**  
You have been selected for this research as you are a stakeholder in the City of Melbourne who utilise the facilities and services in the City of Melbourne.

**5. SOURCE OF FUNDING:**  
This project is funded by the Electoral Regulation Research Network, Melbourne Law School; Victorian Electoral Commission; and NSW Electoral Commission.

**6. CONSENTING TO PARTICIPATE IN THE SURVEY AND WITHDRAWING FROM THE RESEARCH:** Before commencing the questions in this online survey, you are presented with a question to consent to participate in the survey - on the survey website. Participation is voluntary - you are under no obligation to participate in this survey. However, if you do participate, you may withdraw at any stage. But because the survey is anonymous, you will not be able to withdraw the data once the survey is submitted.

**7. POSSIBLE BENEFITS AND RISKS TO PARTICIPANTS:**  
The only inconvenience foreseen is the time taken to complete the online survey. There are no risks to participants.

**8. PAYMENT:**  
No payment is provided.

**9. CONFIDENTIALITY:**  
No individual will be identified.

**10. STORAGE OF DATA:**  
Data collected will be stored in accordance with Monash University regulations, kept on University premises, in a locked filing cabinet for 5 years.  
A report on the study will be submitted for publication, but individual participants will not be identifiable in such a report. Data will not be used for other purposes.

**11. RESULTS:**  
If you would like to be informed of the aggregate research finding, please contact Ken Coghill Department of Management, Monash University. Phone: +61 (0)3 9603 1532 or +61 (0)4 1940 8888, email: ken.coghill@monash.edu

**12. COMPLAINTS:**

Page 2

CoM for Organisation Stakeholders

Should you have any concerns or complaints about the conduct of the project, you are welcome to contact the Executive Officer, Monash University Human Research Ethics (MUHREC), Room 111, Building 26, Research Office, Monash University VIC 3000.  
Tel: +61 3 9595 3053 Email: [muhrec@monash.edu](mailto:muhrec@monash.edu) Fax: +61 3 9595 3031

**\* 2. AFTER READING THE FULL EXPLANATORY STATEMENT, ARE YOU WILLING TO PARTICIPATE IN THIS SURVEY?**

☐ Yes
 ☐ No

SURVEY QUESTIONS

**\* 3. Which City of Melbourne policies, services and/or facilities are relevant to your Organisation or its Members or People whose interests it represents (select all which apply)**

<input type="checkbox"/> Footpaths	<input type="checkbox"/> Health services (e.g. hygiene in food retailers)
<input type="checkbox"/> Roads	<input type="checkbox"/> Homelessness
<input type="checkbox"/> Street cleaning	<input type="checkbox"/> Services for aged
<input type="checkbox"/> Rubbish (trash) bins and collection	<input type="checkbox"/> Sporting facilities
<input type="checkbox"/> Visitor information	<input type="checkbox"/> Facilities for youth
<input type="checkbox"/> Municipal library (not State Library)	<input type="checkbox"/> Translation services
<input type="checkbox"/> Training for local community organisations	<input type="checkbox"/> Facilities for people with disabilities
<input type="checkbox"/> Family services (e.g. childcare, parenting support, family support, maternal and child health, immunisation, playgroups)	<input type="checkbox"/> Public open spaces (parks, gardens, trees, etc.)
<input type="checkbox"/> Community centres	<input type="checkbox"/> Public toilets
<input type="checkbox"/> Other (please specify)	

**\* 4. In the last 18 months, which of the following interactions has your Organisation had with the City of Melbourne (select all which apply):**

☐ Been given or sent information about City of Melbourne policies, services and/or facilities relevant to your organisation?  
☐ Accessed information about City of Melbourne policies, services and/or facilities relevant to your organisation?  
☐ Been consulted about City of Melbourne policies, services and/or facilities relevant to your organisation?  
☐ Participated in decision-making about City of Melbourne policies, services and/or facilities relevant to your organisation?  
☐ None of the above  
☐ Other (please specify)

Page 3

CoM for Organisation Stakeholders

**\* 5. Check the City of Melbourne personnel with whom your organisation interacts (select all which apply)**

☐ Lord Mayor and/or Councillors  
☐ City of Melbourne CDO and/or Officials  
☐ City of Melbourne Consultants and/or Contractors  
☐ Other (please specify)

**\* 6. What is the frequency of interaction between your Organisation and the City of Melbourne?**

☐ Our Organisation receives excessive amounts of information and opportunities for interaction  
☐ Our Organisation receives about the right amount of information and opportunities for interaction  
☐ Our Organisation does not receive enough information and opportunities for interaction  
☐ Our Organisation never receives information and opportunities for interaction  
☐ Not sure how often our Organisation receives information and opportunities for interaction

**\* 7. Thinking about the extent to which the City of Melbourne informs, consults or involves your Organisation as a participant in relevant decisions affecting policies, services and facilities, are you:**

☐ Very dissatisfied
 ☐ Dissatisfied
 ☐ Neither dissatisfied nor satisfied
 ☐ Satisfied
 ☐ Very Satisfied

Do you have any comments about this answer?

Page 4

Page 121

## CoM for Organisation Stakeholders

### \* 8. In elections for the Lord Mayor and Councillors of the City of Melbourne, who do you think should have a RIGHT TO VOTE (select all which apply):

- ☐ A person who is a long-term or permanent resident living in the City of Melbourne, who is an Australian citizen
- ☐ A person who is a long-term or permanent resident living in the City of Melbourne, who is NOT an Australian citizen
- ☐ A person who is a temporary resident (e.g. student) living in the City of Melbourne, who is an Australian citizen
- ☐ A person who is a temporary resident, living in the City of Melbourne, who is NOT an Australian citizen
- ☐ A person owning property in the City of Melbourne and who does not live in the City of Melbourne
- ☐ A person renting property in the City of Melbourne and who does not live in the City of Melbourne
- ☐ A person who commutes and works in the City of Melbourne
- ☐ One person from a corporation (company) renting a business property in the City of Melbourne
- ☐ More than one person from a corporation (company) renting a business property in the City of Melbourne
- ☐ One person from a corporation (company) owning a business property in the City of Melbourne
- ☐ More than one person from a corporation (company) owning a business property in the City of Melbourne
- ☐ Other (please specify):

Page 5

## CoM for Organisation Stakeholders

### \* 9. What types of INDIVIDUALS and ORGANISATIONS do you think should have the OPPORTUNITY TO PARTICIPATE in the City of Melbourne's relevant decisions affecting policies, services and policies?

- ☐ Long-term or permanent residents living in the City of Melbourne, who are Australian citizens
- ☐ Long-term or permanent residents living in the City of Melbourne, who are NOT Australian citizens
- ☐ Temporary residents (e.g. student) living in the City of Melbourne, who are Australian citizens
- ☐ Temporary residents, living in the City of Melbourne, who are NOT Australian citizens
- ☐ People owning property in the City of Melbourne and who do not live in the City of Melbourne
- ☐ People renting property in the City of Melbourne and who do not live in the City of Melbourne
- ☐ People who commute and work in the City of Melbourne
- ☐ For-Profit Company/Business renting a business property in the City of Melbourne
- ☐ For-Profit Company/Business owning a business property in the City of Melbourne
- ☐ Not-for-Profit Organisation renting a business property in the City of Melbourne
- ☐ Not-for-Profit Organisation owning a business property in the City of Melbourne
- ☐ Religious/Spiritual Organisation renting a business property in the City of Melbourne
- ☐ Religious/Spiritual Organisation owning a business property in the City of Melbourne
- ☐ Philanthropic or Charity Organisation renting a business property in the City of Melbourne
- ☐ Philanthropic or Charity Organisation owning a business property in the City of Melbourne
- ☐ Lobby Group renting a business property in the City of Melbourne
- ☐ Lobby Group owning a business property in the City of Melbourne
- ☐ Political Party renting a business property in the City of Melbourne
- ☐ Political Party owning a business property in the City of Melbourne
- ☐ Employee Union renting a business property in the City of Melbourne
- ☐ Employee Union owning a business property in the City of Melbourne
- ☐ Sporting Organisation renting a business property in the City of Melbourne
- ☐ Sporting Organisation owning a business property in the City of Melbourne
- ☐ Resident Organisation renting a business property in the City of Melbourne
- ☐ Resident Organisation owning a business property in the City of Melbourne
- ☐ Representative/Association for Employers/Businesses renting a business property in the City of Melbourne
- ☐ Representative/Association for Employers/Businesses owning a business property in the City of Melbourne
- ☐ Other (please specify):

Page 6

**CoM for Organisation Stakeholders**

**\* 10. In relation to City of Melbourne policies, services and/or facilities relevant to Organisations such as yours, do you think Individuals should have the opportunity to (select all which apply):**

☐ Be informed by the City of Melbourne?  
☐ Receive information from the City of Melbourne?  
☐ Be consulted by the City of Melbourne?  
☐ Participate in decision-making by the City of Melbourne?  
☐ None of the above  
☐ Do you have any comments about this answer? If "yes" add them below:

**\* 11. Do you have any other comments, questions, or concerns?**

☐ No  
☐ Yes (add comments)

**12. DEMOGRAPHIC INFORMATION (Optional questions)**

The following questions will assist us make better use of the data you have provided. If you choose to complete any of them, be assured that the data will be used in aggregate and no individual Organisation will be identified.

**How many members/employees are in your Organisation (approximate):**

☐ 1-49  
☐ 50-99  
☐ 100-499  
☐ 500 or more

Page 7

**CoM for Organisation Stakeholders**

**13. Are your members/employees mainly located:**

☐ City of Melbourne  
☐ Greater Melbourne  
☐ Victoria-wide  
☐ Australia-wide  
☐ World-wide

**14. The chief role of the ORGANISATION that I work for is (select one which best describes your Organisation):**

☐ For-Profit Company/Business  
☐ Not-for-Profit Organisation  
☐ Religious/Spiritual Organisation  
☐ Philanthropic or Charity Organisation  
☐ Lobby Group  
☐ Other (please specify):  
☐ Political Party  
☐ Employee Union  
☐ Sporting Organisation  
☐ Resident Organisation  
☐ Representative/Association for Employers/Businesses

**Focus Group**

**\* 15. Focus Group participation: It is expected that the research project will conduct a number of focus groups. Is your Organisation willing to be contacted to participate?**

☐ Yes (click "Next" and add contact details below)  
☐ No

**\* 16. Contact details for focus group**

Name:   
 Email Address:   
 Phone Number:

Page 8

## **APPENDIX 3: FOCUS GROUP QUESTIONS**

### **Focus Group Question Guide**

1. What is your involvement in CoM?
2. How aware are you of CoM (politics, policy, governance, services etc)?
3. Do you know what opportunities are open for you to be involved in CoM?
4. Did you vote in the 2012 CoM election or
5. Were you involved in other ways?
6. Who do you think should be able to vote?
7. In addition to voting, are there other ways in which you would like to be involved in decisions affecting CoM facilities and services?

## APPENDIX 4: GUIDE FOR FACE-TO-FACE INTERVIEWS

Thank you for participating in this interview. *(insert Explanatory Statement here).*

1. This research concerns the democratic governance of the City of Melbourne as the local government of Victoria's capital city and commercial centre. Could you begin by telling me generally about the principles on which you see the governance of the City of Melbourne as being based?
2. What relationships do you have with stakeholders in
  - a. the City of Melbourne;
  - b. Victorian Government;
  - c. Other representative bodies?
3. [E.g. how regularly would you meet with these stakeholders?]
4. What types of opportunities should the City of Melbourne provide for participation in decision-making by individuals, businesses and not-for-profit organisations? In particular, could you tell us about the Peoples Panel – why you decided on it; how members are recruited; how you would respond to criticisms of this approach?
5. [How and to what extent do such opportunities constitute democratic governance?]
6. How does the role of the City of Melbourne as the seat of Parliament in the Victorian State Government affect its political powers and structure?
7. What principles should govern relations between the powers of the City of Melbourne and powers of the Victorian Government within the City (e.g. on what basis should decisions affecting the City and not other areas be determined by the Victorian Government rather than the Council)?
8. How is the role of the City of Melbourne as Victoria's commercial centre and status as a capital city taken into account in determining its governance structure?
9. Do you think that franchise in the City of Melbourne should be amended? [Eg increase/decrease voting rights for property, non-resident, non-citizens]
10. Few if any other capital cities have property franchises. What is the basis for retaining unique property franchises in the City of Melbourne?
11. What is the basis of the relative voting power of each particular type of property franchise in the City of Melbourne?
12. The principle of equity in voting power has been enshrined in elections to the Victorian Parliament for several decades. What is the basis for not applying it to elections to the City of Melbourne?
13. Non-residential properties are the locations at which products and services are generated by business owners and employees who are served by City of Melbourne policies, services and facilities. If owners and tenants of non-residential properties are entitled to the franchise, is there a case for extending it to the employees?
14. What reforms would you recommend to make the City of Melbourne more democratic?



## APPENDIX 5: VARIETIES OF DEMOCRACY PROJECT BY NUMBERS



Source: Coppedge (2014): Found at <http://kellogg.nd.edu/projects/vdem/index.shtml>

## APPENDIX 6: THE 12 PRINCIPLES FOR GOOD GOVERNANCE AT LOCAL LEVEL

### Principle 1- Fair Conduct of Elections, Representation and Participation



- Local elections are conducted freely and fairly, according to international standards and national legislation, and without any fraud.
- Citizens are at the centre of public activity and they are involved in clearly defined ways in public life at local level.
- All men and women can have a voice in decision-making, either directly or through legitimate intermediate bodies that represent their interests. Such broad participation is built on the freedoms of expression, assembly and association.
- All voices, including those of the less privileged and most vulnerable, are heard and taken into account in decision-making, including over the allocation of resources.
- There is always an honest attempt to mediate between various legitimate interests and to reach a broad consensus on what is in the best interest of the whole community and on how this can be achieved.
- Decisions are taken according to the will of the many, while the rights and legitimate interests of the few are respected.

### Principle 2 - Responsiveness



- Objectives, rules, structures, and procedures are adapted to the legitimate expectations and needs of citizens.
  - Public services are delivered, and requests and complaints are responded to within a reasonable timeframe.

### Principle 3 - Efficiency and Effectiveness



- Results meet the agreed objectives.
- Best possible use is made of the resources available.
- Performance management systems make it possible to evaluate and enhance the efficiency and effectiveness of services.
- Audits are carried out at regular intervals to assess and improve performance.

### Principle 4 - Openness and Transparency



- Decisions are taken and enforced in accordance with rules and regulations.
- There is public access to all information which is not classified for well-specified reasons as provided for by law (such as the protection of privacy or ensuring the fairness of procurement procedures).
- Information on decisions, implementation of policies and results is made available to the public in such a way as to enable it to effectively follow and contribute to the work of the local authority.

### Principle 5 - Rule of Law



- The local authorities abide by the law and judicial decisions.
- Rules and regulations are adopted in accordance with procedures provided for by law and are enforced impartially.

## Principle 6 - Ethical Conduct



- The public good is placed before individual interests.
- There are effective measures to prevent and combat all forms of corruption.
- Conflicts of interest are declared in a timely manner and persons involved must abstain from taking part in relevant decisions.

## Principle 7 - Competence and Capacity



- The professional skills of those who deliver governance are continuously maintained and strengthened in order to improve their output and impact.
- Public officials are motivated to continuously improve their performance.
- Practical methods and procedures are created and used in order to transform skills into capacity and to produce better results.

## Principle 8 - Innovation and Openness to Change



- New and efficient solutions to problems are sought and advantage is taken of modern methods of service provision.
- There is readiness to pilot and experiment new programmes and to learn from the experience of others.
- A climate favourable to change is created in the interest of achieving better results.

## Principle 9 - Sustainability and Long-term Orientation



- The needs of future generations are taken into account in current policies.
- The sustainability of the community is constantly taken into account.
- Decisions strive to internalise all costs and not to transfer problems and tensions, be they environmental, structural, financial, economic or social, to future generations.
- There is a broad and long-term perspective on the future of the local community along with a sense of what is needed for such development.
- There is an understanding of the historical, cultural and social complexities in which this perspective is grounded.

## Principle 10 - Sound Financial Management



- Charges do not exceed the cost of services provided and do not reduce demand excessively, particularly in the case of important public services.
- Prudence is observed in financial management, including in the contracting and use of loans, in the estimation of resources, revenues and reserves, and in the use of exceptional revenue.
- Multi-annual budget plans are prepared, with consultation of the public.
- Risks are properly estimated and managed, including by the publication of consolidated accounts and, in the case of public-private partnerships, by sharing the risks realistically.
- The local authority takes part in arrangements for inter-municipal solidarity, fair sharing of burdens and benefits and reduction of risks (equalisation systems, inter-municipal co-operation, mutualisation of risks...).

## Principle 11 - Human rights, Cultural Diversity and Social Cohesion



- Within the local authority's sphere of influence, human rights are respected, protected and implemented, and discrimination on any grounds is combated.
- Cultural diversity is treated as an asset, and continuous efforts are made to ensure that all have a stake in the local community, identify with it and do not feel excluded.
- Social cohesion and the integration of disadvantaged areas are promoted.
- Access to essential services is preserved, in particular for the most disadvantaged sections of the population.

## Principle 12 - Accountability



- All decision-makers, collective and individual, take responsibility for their decisions.
- Decisions are reported on, explained and can be sanctioned.
  - There are effective remedies against maladministration and against actions of local authorities which infringe civil rights.

Adapted from Council of Europe (2014) *The 12 principles for good governance at local level, with tools for implementation* retrieved 17 October 2014 from [http://www.coe.int/t/dgap/localdemocracy/Strategy\\_Innovation/12principles\\_en.asp](http://www.coe.int/t/dgap/localdemocracy/Strategy_Innovation/12principles_en.asp)

## APPENDIX 7: BOUNDARIES OF CITY OF MELBOURNE

The boundaries of the City of Melbourne are shown below.



Source: Victorian Electoral Commission (2012)

## APPENDIX 8: MCC ANNUAL PLAN AND BUDGET 2014-2015 - EXTRACT

### 5.2. Operating Expenditure

	Budget	Budget	Variance
	2013-14	2014-15	
	\$000s	\$000s	\$000s
<b>Expenditure Type</b>			
Employee Costs	128,199	133,686	5,487
Materials & Services	146,944	146,978	34
Maintenance	10,399	12,238	1,839
Finance & Insurance Costs	10,188	10,249	61
Grants & Contributions	12,656	12,176	(480)
Government Taxes & Levies	1,335	1,545	210
Depreciation - Other Assets	55,332	57,323	1,991
<b>Total Operating Expenditure</b>	<b>365,053</b>	<b>374,195</b>	<b>9,142</b>

Source: City of Melbourne (2014)

The City of Melbourne continues to utilise Lean process improvement to ensure the highest possible quality of services within the budget and improve productivity.

#### 5.2.1. Employee costs (\$5.49 million increase)

The majority of Council services and programs are delivered through staff. As the City grows, so do the demands for these services and programs. Council must balance the demands that this places on staff with the need to contain costs.

The 2014-15 Annual Plan and Budget makes provision for additional staffing for new facilities coming online including Kathleen Syme Library and Community Centre and the Fitzroy Visitor Centre. It also includes staffing for the full year of operations for Docklands Library and Community Centre which opened at the end of the 2013-14 financial year.

The budgeted 2014-15 Full Time Equivalent (FTE) is 1309.33 compared to 1290.60 in 2013-14 an increase of 18.73 which includes 13.52 FTE related to new facilities.

The overall increase in employee costs (\$5.49 million) also provides for staff increases in accordance with the Melbourne City Council Enterprise Agreement (EA).

The 2014-15 budget is based on 1 FTE for every 72.14 rateable properties. This has increased from 1 FTE per 68.24 rateable properties in 2013-14 indicating increased efficiency to meet the demands of a growing municipality.

#### **5.2.2. Materials and Services (\$0.03 million increase)**

Materials and Services expenditure for 2014-15 is slightly higher by \$0.03 million or 0.02 per cent. Contractor costs represent \$100.10 million of the total materials and services.

Where there have been contracted price increases, savings have been found across the organisation to offset the overall costs of materials and services.

The most significant increases in materials and services expenditure are as follows:

- \$0.47 million in utilities primarily relating to anticipated higher water utility costs as result of expected price increases. Although this cost is up by 23 per cent the cost would have been up by more than 50 per cent without Council's 225,000 kilo litres in storm water harvesting capacity which saved \$0.61 million.
- \$0.18 million for an additional laneway compactor. The budget includes provision of four laneway compactors at a total operating cost of \$0.58 million.
- \$0.025 million for a trial taxi rank in Bourke Street.
- \$0.19 million in operating and \$0.15 million in capital to expand smoke free areas as a priority.
- \$0.66 million for stage 1 of the pay by phone rollout across the municipality.
- \$0.08 million for the preparation of West Melbourne Structure Plan for consultation.
- \$0.81 million in operating costs for Kathleen Syme Library and Community centre which will commence operations during the year.
- \$0.44 million in operating costs for the QVM engagement and renewal master plan.
- \$0.20 million for the biennial Dance Massive and going nowhere international and sustainable arts festival.
- \$0.15 million for community engagement on Council's 10 Year Financial Plan.
- \$0.17 million in operating costs for the Kensington Town Hall.
- \$0.82 million in operating costs reflecting a full year's operation of the Docklands Library and Community Centre.



Increased contract costs of \$2.5 million due to contract escalations and/or increased service demands in the following contracts:

- property maintenance
- aged and disability services
- waste management; and
- civil design

The increase in costs has been offset by identified productivity and savings through the budgeting process predominantly in professional services, contractors and administration costs. There is also a commitment to deliver further savings over the course of the financial year through continued process improvements made through our application of lean.

#### **5.2.3. Maintenance (\$1.84 million increase)**

Maintenance expenditure for 2014-15 is higher by \$1.84 million. The increase reflects a prioritisation of maintenance works and is offset by lower renewal works.

#### **5.2.4. Finance and Insurance Cost (\$0.06 million increase)**

Finance and insurance costs are budgeted to increase due to an increase in provision for insurance claims and merchant bank fees offset by lower provisioning for write offs associated with parking fines following a review of collection rates which have improved.

#### **5.2.5. Grants and Contributions (\$0.48 million decrease)**

The decrease in grants and contributions reflects several non-recurring grants funded in 2013-14 including the World AIDS conference \$0.40 million and “The Ring” festival \$0.20 million.

#### **5.2.6. Government Taxes and Levies (\$0.21 million increase)**

Government taxes and levies are budgeted to be \$0.21 million higher due to the expansion of the congestion levy boundary which now includes Council’s Elgin Street car park.

#### **5.2.7. Depreciation and amortisation (\$1.99 million increase)**

Infrastructure asset stock and replacement costs continue to increase as set out in the Capital Works program. The growing asset base leads to increasing depreciation and amortisation costs.



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## **LEGISLATION**

### **VICTORIA**

*City of Melbourne Act 2001* (Vic)  
*City of Melbourne (Electoral) Regulations 2012* (Vic)  
*Local Government Act 1989* (Vic)  
*Local Government (Municipal Council Elections) Act 1983*  
*Local Government (Further Amendment) Act 1995* (Vic)  
*Local Government (Electoral) Regulations 2005* (Vic)  
*Melbourne Corporation (Election of Council) Act 1982* (Vic)

### **NEW SOUTH WALES**

*City of Sydney Act 1988*  
*City of Sydney Amendment (Business Voting and Council Elections) Bill 2014*  
*City of Sydney Amendment (Elections) Bill 2014*  
*Local Government Act 1993*  
Local Government (General) Regulation 2005

### **QUEENSLAND**

*City of Brisbane Act 2010*  
*Local Government Act 2009*  
*Local Government Electoral Act 2011*  
Local Government Electoral Regulation 2012

### **WESTERN AUSTRALIA**

*Local Government Act 1995*  
Local Government (Constitution) Regulations 1998  
Local Government (Elections) Regulations 1997

### **SOUTH AUSTRALIA**

*City of Adelaide Act 1998*  
*Local Government Act 1999*  
*Local Government (Elections) Act 1999*  
City of Adelaide (Elections and Polls) Regulations 2010  
Local Government (Elections) Regulations 2010

## ***TASMANIA***

*Local Government Act 1993*

Local Government (Election of Mayors) Order 1998

Local Government (General) Regulations 2005

## ***NORTHERN TERRITORY***

*Local Government Act 2008*

Local Government (Electoral) Regulations 2008

## ***NEW ZEALAND***

*Local Electoral Act 2001*

*Local Government Act 2002*

Local Electoral Regulations 2001