



Corporate Governance

Clarity of Concept

Corporate governance refers to the ethical responsibility of an organisation in relation to its conduct, operations and results. The fundamental elements of corporate governance encompass how an organisation is managed, its corporate structure, its culture, its policies, its procedures, its strategies and the manner in which it deals with its stakeholders.

Logan City Council's responsibility to corporate governance is bound by legislation and the jurisdiction of the local government area it covers. In exercising its jurisdiction, Council has a law-making role for local laws and an executive role for adoption and implementation of policy, administration of local government and the enforcement of local laws.

Where are we now?

Logan City Council is an established body corporate under the Local Government Act 1993. The elected Council (Mayor and 10 Councillors) is the law making body and makes decisions based on community's views, researched facts, consultation, its own views and advice from professional officers and consultants. Regional, State and Commonwealth matters are also given due consideration in any decision making process. Legislatively, and in practice, the Chief Executive Officer is responsible for the administration of Council.

The local government framework under which Council operates is largely an autonomous system. When the Local Government Act 1993 was introduced, the basic thrust was to shift most of the autonomy for local governance to councils, with State intervention or reserve powers limited to fairly narrow State interest criteria. Accountability was also shifted to the local government arena by requiring full public notification by a council of its planning intentions and open and public reporting of its decisions and outcomes, thereby giving the public a more informed decision making capacity at election times. There has been some recent argument regarding jurisdiction of council powers and a shifting of the burden of responsibility without the financial support. However, progress has been made in making local government more financially sustainable when taking on the provision of new services or functions not previously dealt with or handed down.

Public interest generally focuses more on individual Council decisions rather than the overarching strategic direction. Planning intentions of Council continue to cause some confusion with the public, particularly where Council decisions are seen as being inconsistent with local and corporate plans. Concerns regarding administration practices of council are referred to the Ombudsman. Official

misconduct or corruption issues are referred to the Crime and Misconduct Commission.

These solutions have not always been well understood by a public who may have had little involvement in such issues until they encounter a particular problem with local government. Hopefully with appropriate public and council education programmes, the relationship between publicly elected representation, planning practices and informed decision making may achieve its full potential. In the short term, these barriers to clarity will continue to be problematic for council.

As the population of SEQ steadily increases, the long term major planning practices of council has now come under the guidance and closer scrutiny of the State. With the introduction of the SEQ Regional Plan, council can no longer be seen as operating independently, but must look at its planning intentions from a regional and even broader perspective to ensure a sustainable future. It is fair to say that Council has seamlessly moved beyond the antiquated traditions of roads, rates and rubbish, the 3 R's, and is now emerging into the realm of globalisation through technology advancement. As businesses look towards a global audience, the internet places Council and the region on the world stage and the economic opportunities that are emerging through use of this immense medium.

Economic gains however will not be productive if the projected population increase has detrimental effects on the overall wellbeing of the community and the surrounding environment. Social responsibility, environmental responsiveness and economic returns are the new 3 R's for Council and the region.

Duplication and triplication of services within the three levels of Government within Australia occurs frequently - primarily in the Federal and State levels. For example health, education, training and local government all have Commonwealth and State counterparts, with departments in each level often sharing the same name. A decision was made by the States under the Australian Constitution to establish the Commonwealth Government, however no mention was made about local and regional governments. Such a move today seems stalled as the issue appears too difficult to manage or too complex for functions to switch and for the conceptual initiative to move in favour of innovative clear governance. Increasingly the State level is being seen as superfluous especially when combined with a 'regional government' concept of stronger combined local governments matched to a much smaller policy coordinating Federal government.

Forces of Change

Self Regulation

Councils continue to manage and serve their community within the legislative guidelines, but would DIY local government or mega local laws be more suited to governance in the future. The issue here is one of direction of intention in local law and regulation, i.e. policing or facilitation. Both are necessary in balance and it is this balance that is now being called into question. Will it be 80/20 in favour

of regulation - the stick, or 20/80 in favour of facilitation and self-management - the carrot?

Access to Information

Powerful internet based information technologies, combined with ever-present customer access, now offers unparalleled opportunities for e-commerce and e-democracy. However, the shift towards IT based services does pose some special challenges. How would council meet consumer demand for 'speed' whilst still honouring 'due process' as a public value, for example? How does council lower its IT security walls to include ratepayers in designing and delivering services, when some of those walls were created to avoid or to reduce the risk of ethical, legal and media conflicts of interest and abuses of the public trust? How does council commit to vertical integration without having its IT or other policies dictated by the State or Federal Governments?

Seamless Governance

Seamless governance is just part of the emerging and enabling technologies that we are starting to see evolve around us. In a world of overwhelming options, Council must be clear and focussed with the technology portfolio it chooses to apply and the speed at which it wishes to adopt them. It is critical that Council starts to view technology as an intrinsic part of its strategic planning processes. This reinforces the importance of strategically managing our emerging and enabling technologies, especially in light of the undesirable impacts that unmanaged and unplanned technologies might have.

Accountability and Transparency

As demands for open and transparent government intensify, the community's expectations about the efficiency and value for money provided by government to them as customers have also increased. Supporting this is a growing expectation of community participation in governance. The evolution of environmental and social activism over the last few decades has fostered expectations of community participation beyond voting. This includes the right to be consulted by government on major issues and that government will demonstrate responsiveness to community opinion.

Effective Governance

Effective local governance and streamlined and responsive service delivery at the local level will be demanded of Council in the future. Local government leadership will need to place a greater emphasis on strategic issues such as community leadership and determining the public interest on significant issues at a city-wide and regional level over and above the details of local operational issues.

To accomplish this, it will be necessary to focus on the tasks required to lead the community in debate on emerging issues, develop effective participatory mechanisms for determining community attitudes and values, and develop structures for devolved decision making on local issues.

Trends and Assumptions

- Greater community awareness and participation on emerging issues will lead to the devolving of decision making on local issues.
- City's boundaries will be reviewed on a 'regional needs' basis
- Planning intentions will be more balanced under a sustainable development philosophy
- E-government will enable community's to have a greater say
- Technology no longer seen as specific purpose systems, but rather an integrated knowledge base supporting working and learning
- Globalisation through emerging technologies sees international relations become international partners
- Customer service transforms to customer relationship management and is supported by a flexible and adaptable organisational structure

Where might we be in 2026?

The significance of Logan City's location in South East Queensland has seen its boundaries change to enable a more regional approach to local government. Delivery of services and infrastructure to the region is now managed satisfactorily. However fully integrated and coordinated planning for services and infrastructure still proves to be too difficult due the constant demand from the growing population, the shifting focus of priorities from a changing demography and the varying roles and responsibilities being taken on or being enforced by the different levels of government.

In terms of governance, engaging the community still remains a challenge as the regional approach to planning has now created a higher level of competing interests. However through community empowerment and principled leadership, we now have a revitalised democratic system of government. There are increased levels of accountability on our leaders through good quality disclosure mechanisms, a stronger media culture and informed public debates.

The e-government revolution continues to play a major role in shaping 21st century government and delivering services to the maximum benefit of citizens and communities. However there still exist a small number of citizens who are 'switched off' which is causing some disparity with the majority who are 'wired'. Many citizens are unaware which tier of government is responsible for the services and decisions which affect their lives as e-government has created partnerships with other levels of government and the private sector and repackages these services, through branded 'gateways' so that services are provided more efficiently.

Local governance is shaped by social, economic, political, environmental, global and technological changes which influence all spheres of government and decision making. Emphasis is now on partnerships, with Council exercising influence solely on the basis of its powers, contribution to community leadership, policy making and service delivery.

Sources

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