

Changing Patterns of Governance in Metropolitan Regions: Australia & Canada

Speakers:

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Australia's Model of Metropolitan Governance: Time to Reset?

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Three Dominant Metro Areas:

- South-East Queensland (Brisbane/Sunshine Coast/Gold Coast) – population about 4m
- Sydney/Blue Mountains/ Newcastle/ Wollongong – 5-6m
- Melbourne/Geelong – 5-6m



'Australian Model' of Metro Governance

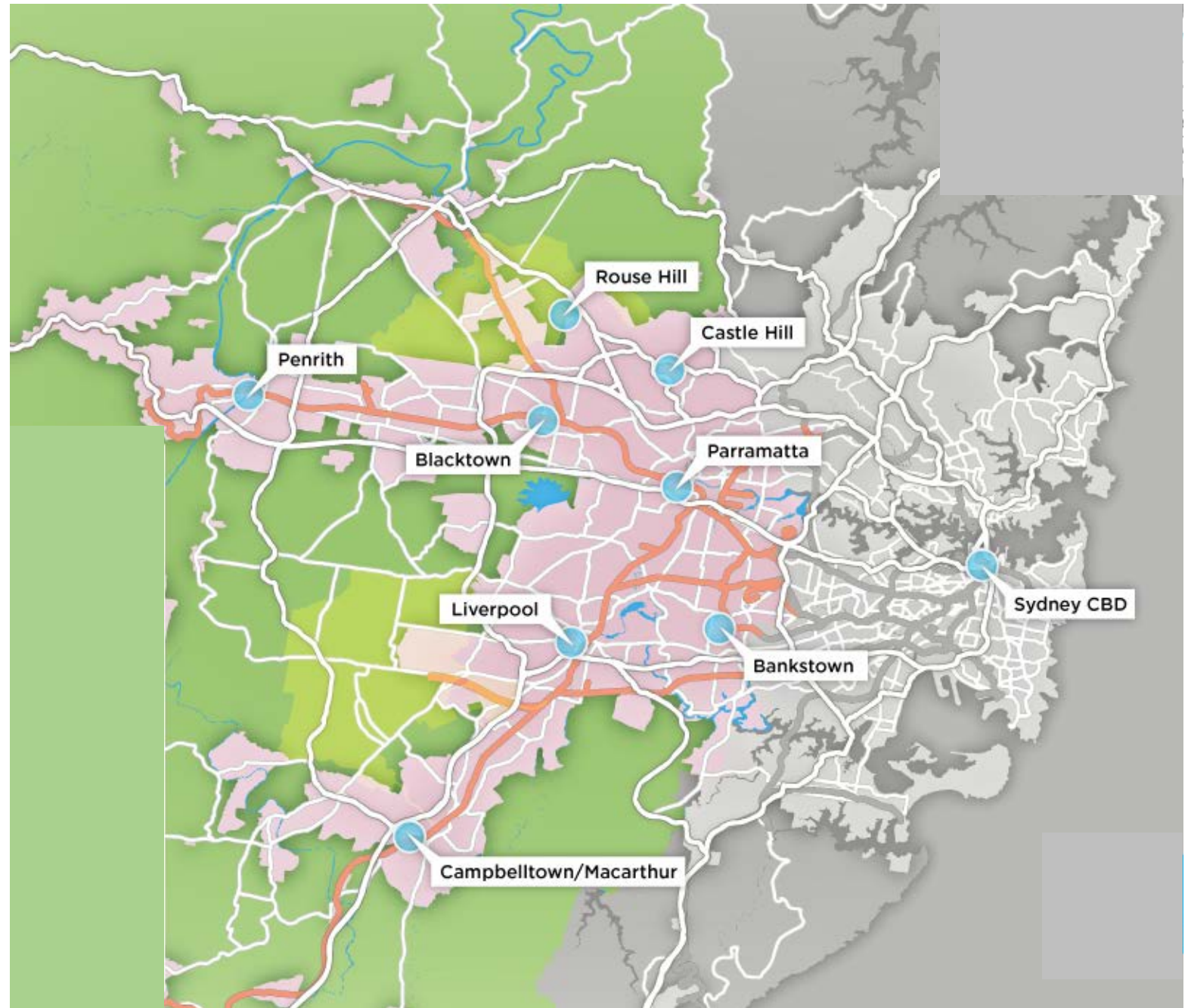
- State dominance of strategic and development planning, all major areas of policy, infrastructure provision, and service delivery
- States see local government largely as a 'support act' and 'line manager' for their policies and agencies; closely (and often aggressively) oversee municipalities
- Some exceptions – South Australia, Tasmania and notably the South-East Queensland metro area: dominant City of Brisbane (1.2M people, multi-billion budget); vast majority of population in seven municipalities led by Cities of Brisbane and Gold Coast; directly-elected mayors form an influential regional Council of Mayors to deal with state government
- Intermittent federal engagement* – tends to endorse/enable State priorities with big grants; and/or focus on constituency politics; works directly with local government when that is advantageous; recent 'City Deals' but federal interest seems to be waning
- Model is struggling with scale and complexity: disconnects/poor coordination amongst state agencies; continuing centralization; reluctance to partner/devolve; lack of sub-regional mechanisms for cooperation and joint planning
- Will the States confront and address their weaknesses?

**Limited constitutional role but uses fiscal dominance over states; City Deals introduced from 2017 – loosely based on UK model but no devolution of power, project rather than broader planning/governance focus, dominated by federal-state funding agreements with limited role for municipalities*

Sydney Plans pre-2017

- Pink shading shows 'Greater Western Sydney' and growth areas
- Since 1960s (Sydney Region Outline Plan) 'corridor' plans have focused on a 'second CBD' at Parramatta; emerging sub-regional centres and 'green wedges' in western Sydney
- Municipalities formed robust (but voluntary) Regional Organisations of Councils (ROCs) along west and south-west corridors
- Growth pressures started to break down 'strict' corridor limits in late 2000s (new development zones shown in lime green)

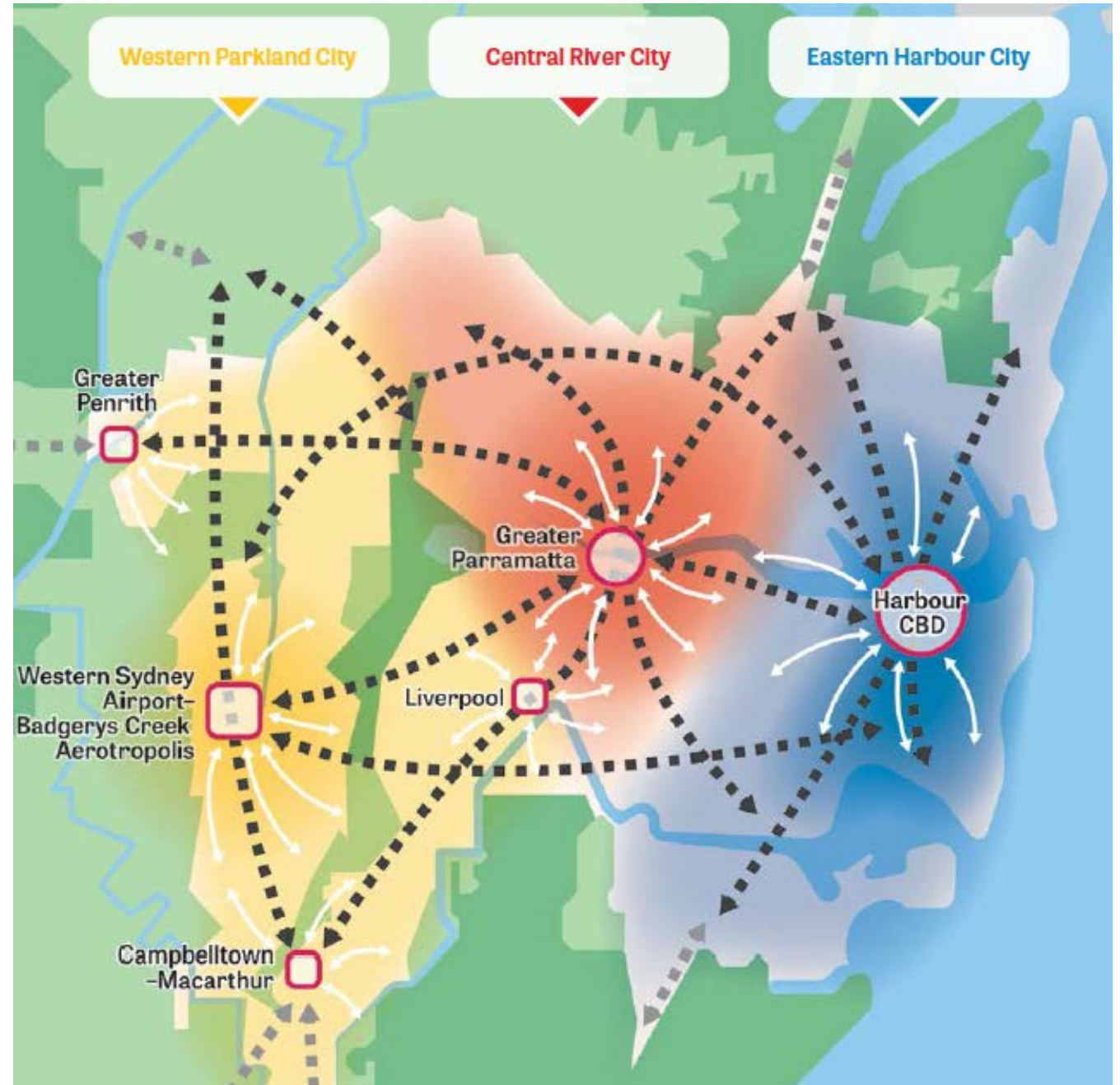
NB: >30 large and small municipalities operate as a single tier; no mandatory sub-regional cooperation



2018 'Metropolis of Three Cities'

- Greater Sydney Commission established in 2016; all state-appointed members, no direct municipal representation*
- Western Parkland City Authority created under 2017 federal-state 'City Deal' – somewhat closer links with councils
- New airport became key driver: 'Aerotropolis' dominates sub-regional centres – new north-south alignment
- Plan cuts across established growth patterns, diverts infrastructure investment, undercuts status of Parramatta: lack of funds for most of planned transport links
- Major environmental issues – loss of 'green wedges' (biodiversity), climate change (heat and floods)

**Likely reaction to 2015 'merger wars' when numerous municipalities defeated state's proposed amalgamations*



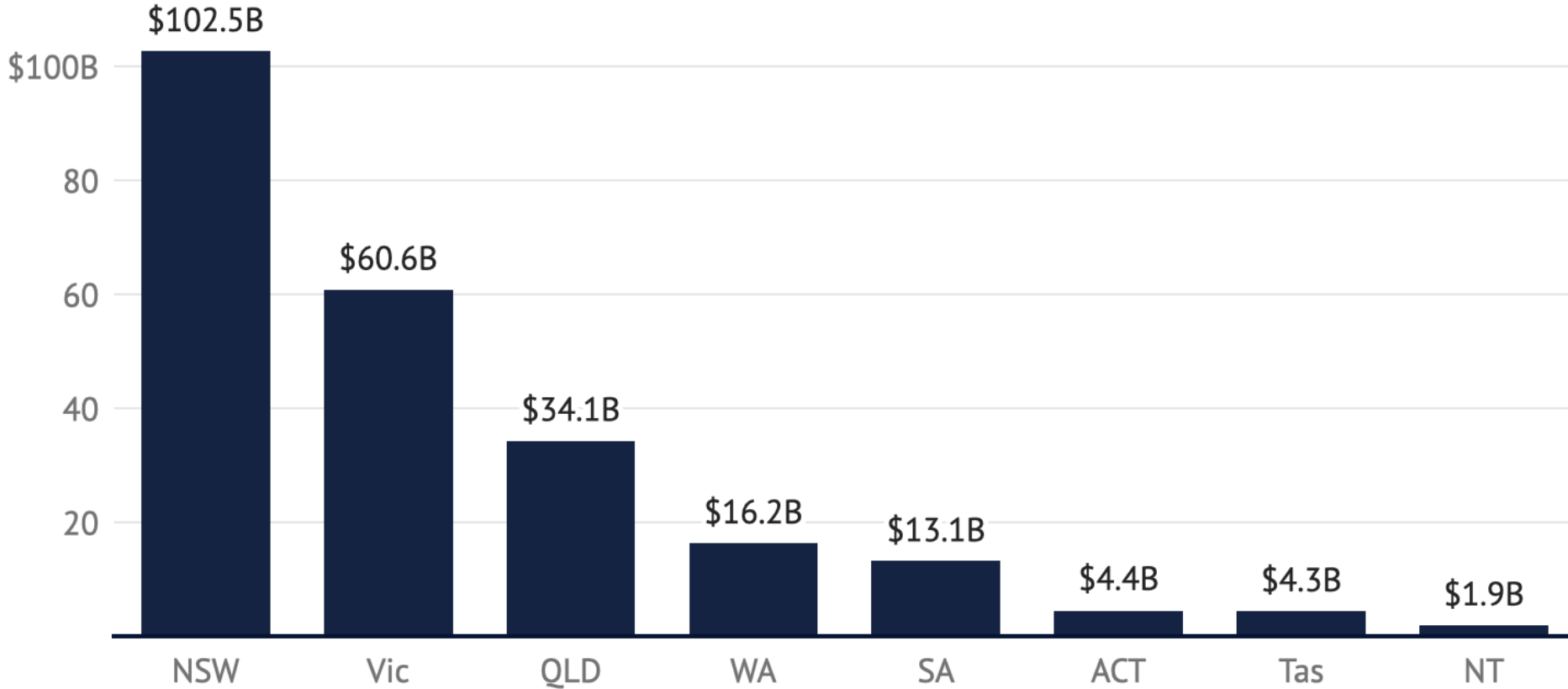
Megaprojects

- \$500M now seems to be an 'entry-level' project, with most costing much, much more
- Self-serving consensus amongst road and rail lobbies, construction industry, property interests, and financiers; plus politicians wish to be seen 'doing something'
- *Really big* additions to transport infrastructure are supposed to 'solve' congestion and enable essential development
- Approach also appeals to 'hubris of planners' – 'city shaping' projects
- Little or no thought given to finer-grained alternatives – evidently much harder to think through and state lacks mechanisms and capacity
- Essentially simplistic and static; failure to grasp impact of path dependency
- Audit and infrastructure planning/priority-setting agencies have expressed serious concerns about weak business cases
- Now the money appears to have run out and projects are being deferred or cut back: state budget deficits and record debt

NB: Contrary to 'Three Cities' plan, most of the recent public and private investment continues to focus on the Sydney CBD and neighbouring inner/middle suburbs

State and territory infrastructure pipeline over five years

Investment value from 2021-22 to 2025-26



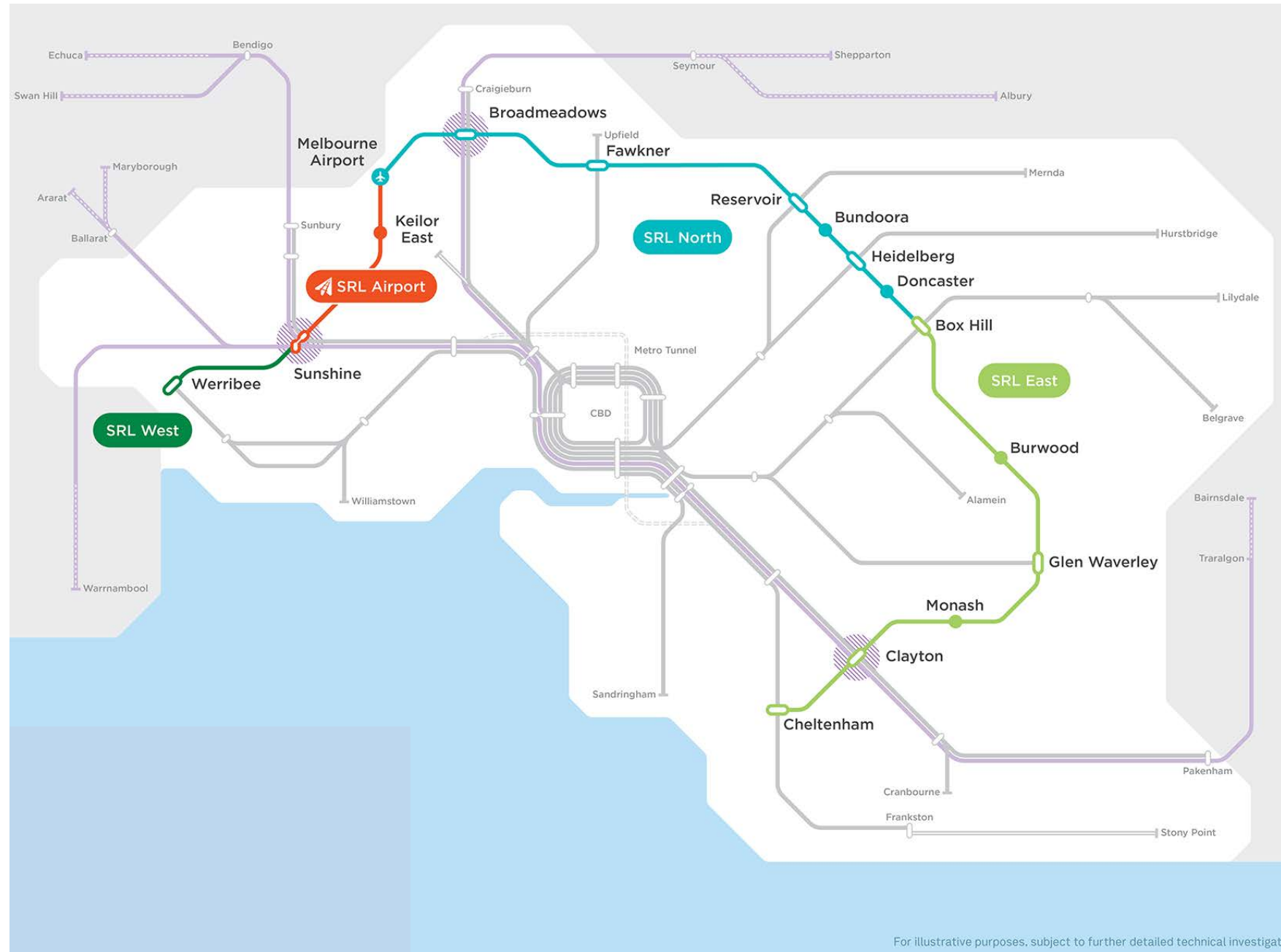
*NB: Victoria since added another \$60bn for beyond 2025-26;
Figures exclude latest cost blowouts (current estimate \$34bn) – much of
this proposed investment may prove unaffordable*

Victoria's 'Big Build' – Melbourne Suburban Rail Loop

- 90 km in total
- Concept of 'Transport super hubs' in suburbs and 'reshaping the city'

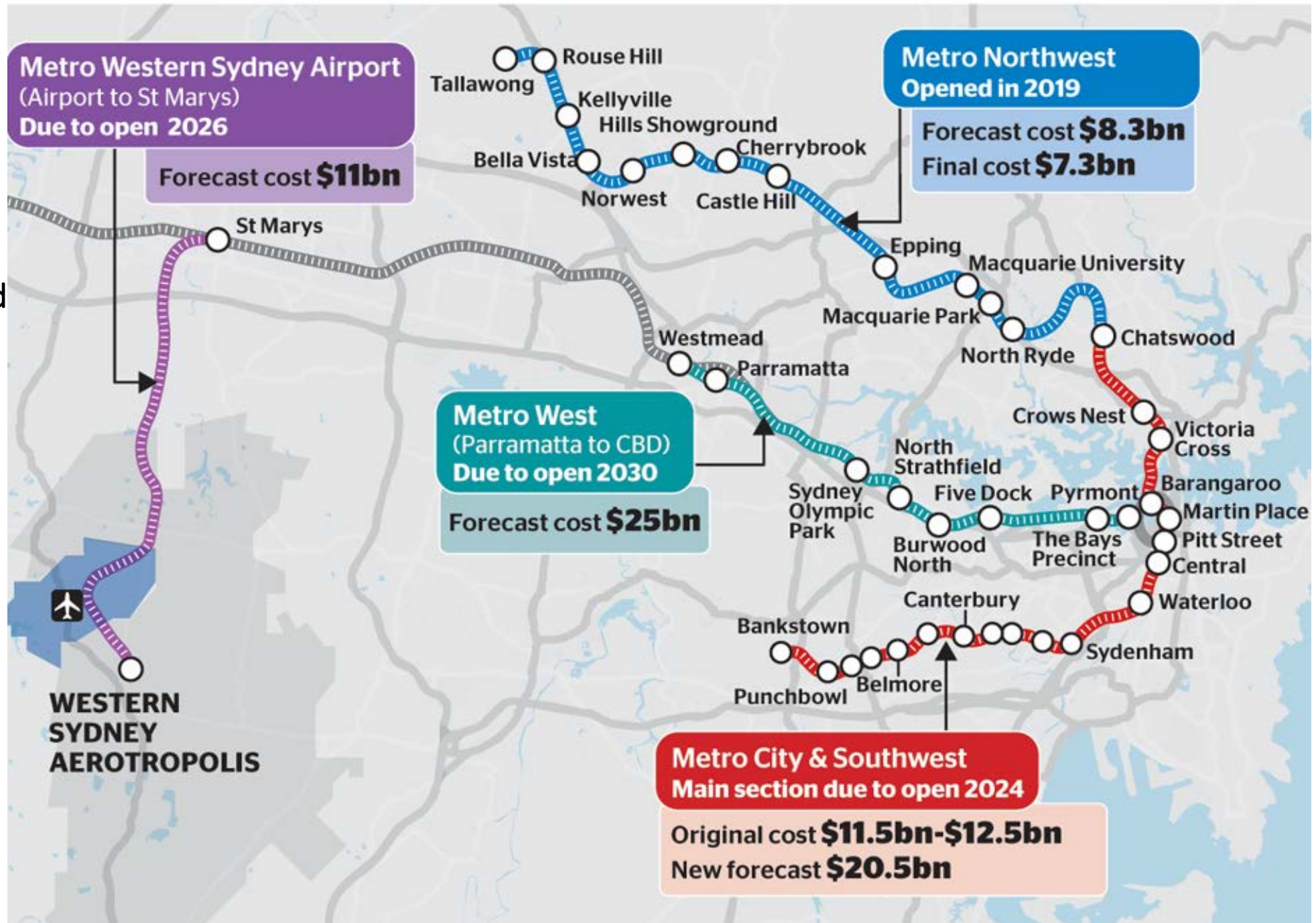
But

- No sound business case – Auditors' concerns ignored
- Cost has already doubled to >\$100bn
- Melbourne is very mono-centric
- City will likely re-shape itself before the loop is completed (if ever)



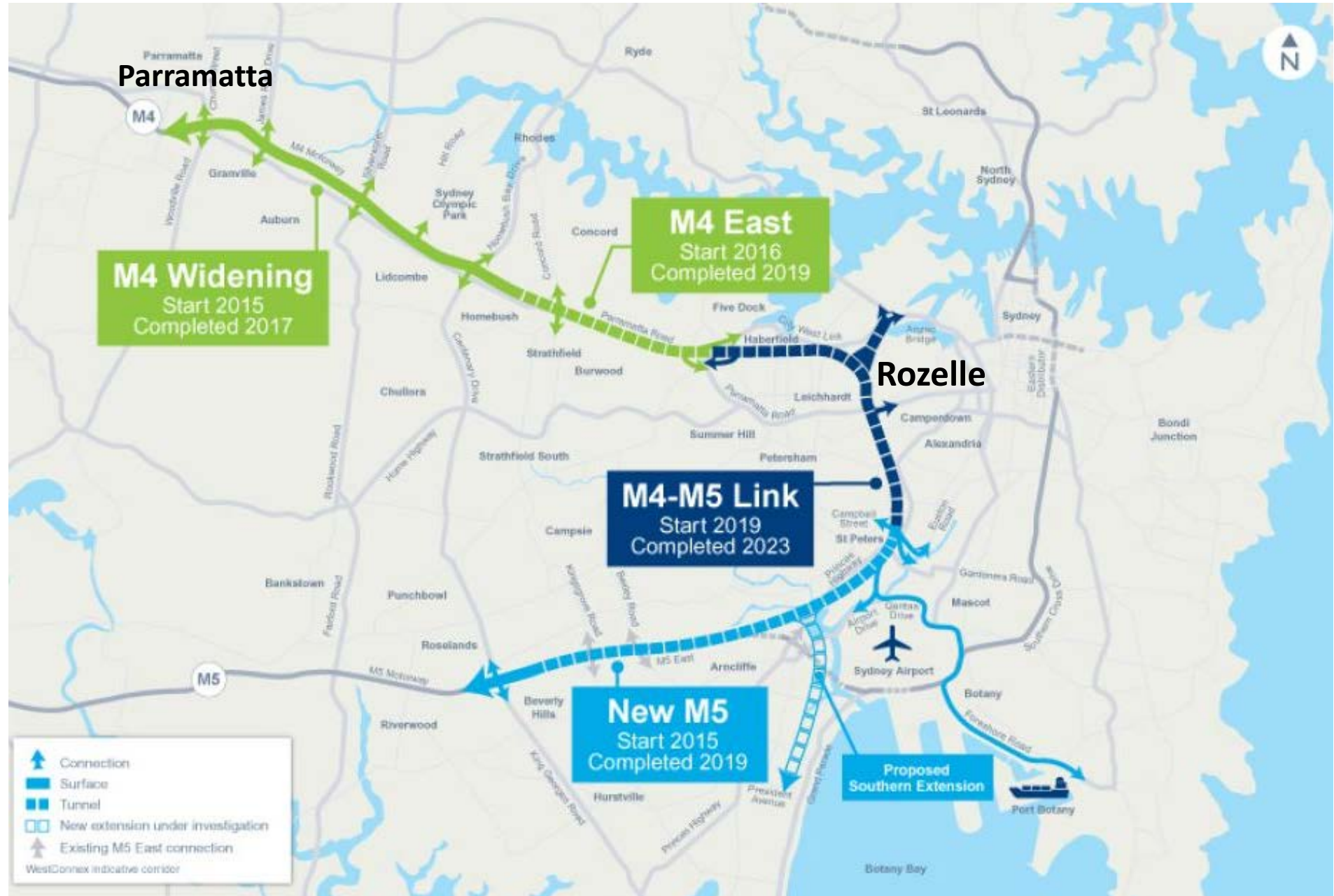
Sydney's 'Metros'

- Ideology: anti-union, private build/operate, off-budget finance, competition
- Separate contracts and different technologies
- Driverless robot trains plus deliberate separation from existing suburban rail system
- Airport link built against advice of Infrastructure Australia
- No money to extend 'network' in near term

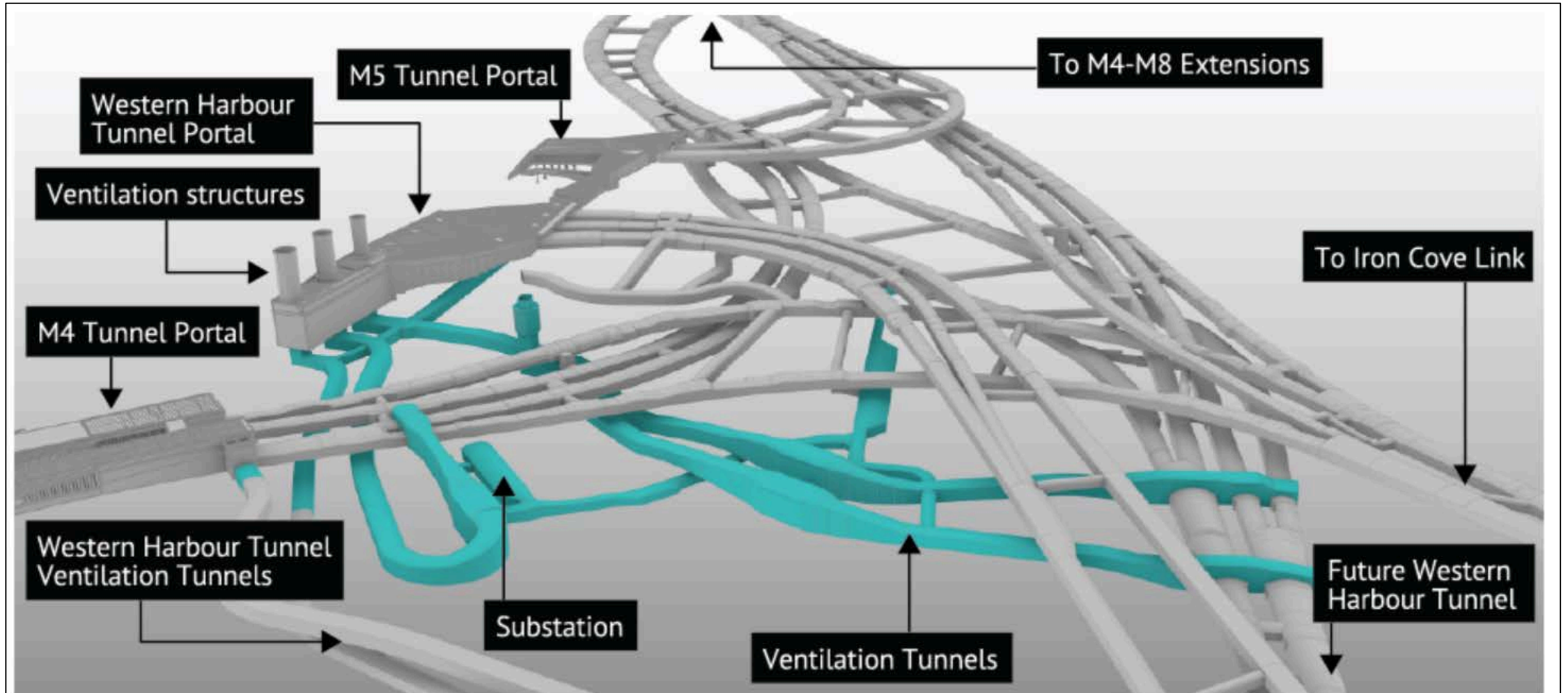


'WestConnex'

- Tenacity of road builders: 1960s plans revisited
- Tunnel vision!
- PPPs – all are expensive toll roads under single operator
- Sydney CBD focus: despite name, little new investment west of Parramatta except airport links
- Plans for yet more tunnels to the east



Rozelle *Underground* Interchange

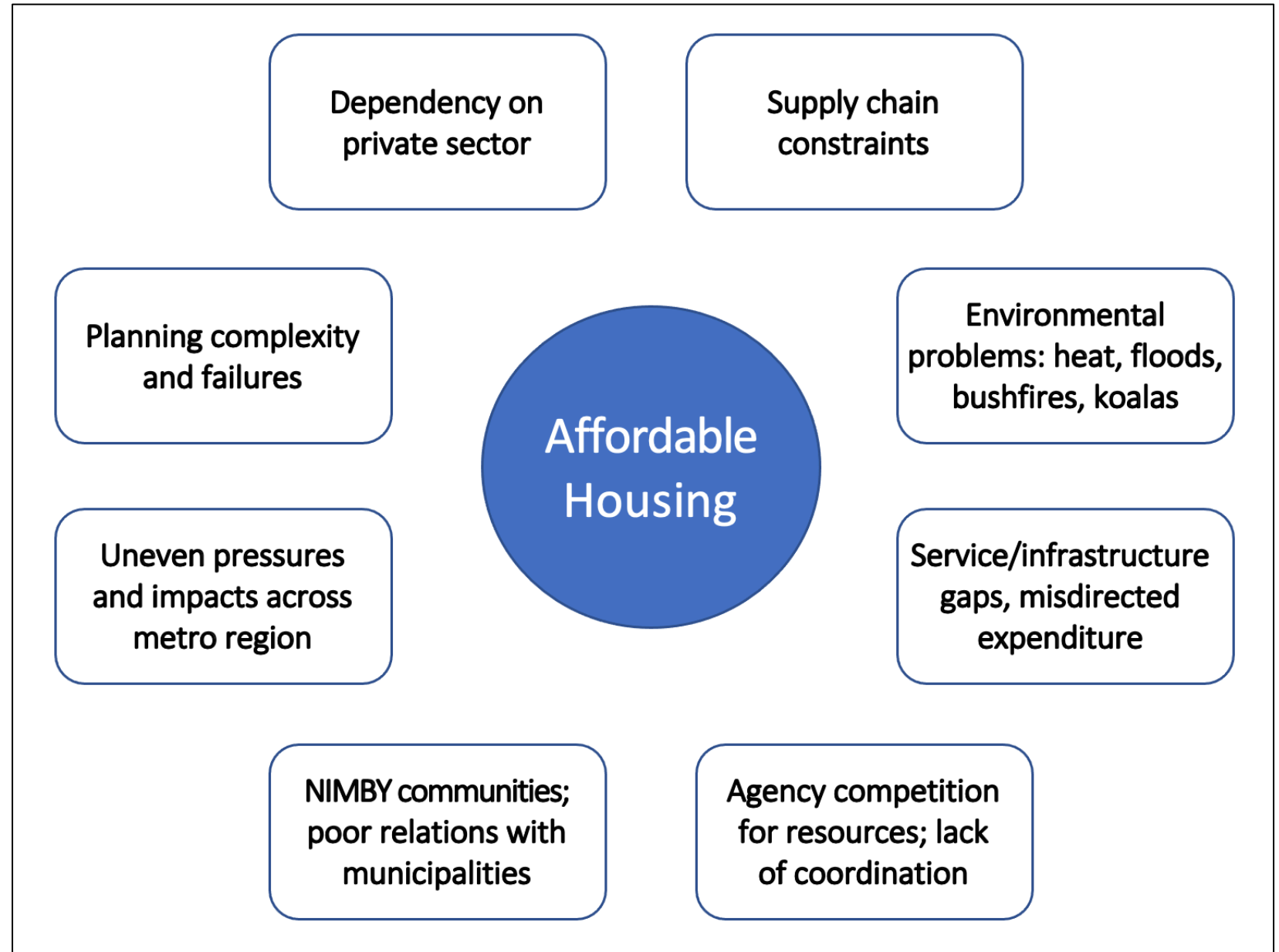


Source: NSW Department of Transport

Increasingly 'Wicked' Problems

But governments tend to seek 'easy' answers – in the case of housing:

- Focus is on *total* supply, little real action on affordability
- Municipalities and NIMBY communities blamed for shortages
- Sweeping changes to planning rules to favour development (almost at any cost), plus more centralized decision-making
- Avoid tackling private sector behaviour (e.g. manipulating market to maximise profits)



Impacts on Local Governance

- State views challenges through narrow lenses of housing 'crisis', urban planning, major infrastructure and services rather than broader *governance*; and maintains belief in its own capacity
- Local governance and planning downgraded and disrespected when they needed to be enhanced – damaging impacts on democracy and overall capacity of government
- No regular mechanisms for *productive* exchanges of views and cooperation between governments at all levels and key stakeholders
- Local government itself partly to blame: lack of sector-wide strategic/political leadership, acceptance of entrenched 'techno-managerialism', self-inflicted image of incapacity, insufficient community engagement/empowerment to strengthen local voice
- Longstanding arrangements for sub-regional cooperation amongst Western Sydney municipalities were disrupted by the 'City Deal' (itself now effectively terminated by federal government) and 'Aerotropolis' planning (will it proceed?) – new inter-municipal rivalries have arisen and need to be resolved
- More broadly, will the Labor federal government honour its 2022 election pledge to promote more inclusive inter-governmental partnerships and will this strengthen the hand of municipalities in advancing community needs and concerns? And will local government do more to help itself navigate the complexities of metro governance?

THE DISSOLUTION OF PEEL



IMFG OCTOBER 25, 2023

PRESENTED BY:
Janice Baker

**MAYOR
HAZEL
MCCALLION**

**A K A
HURRICANE
HAZEL**



TIMELINE



1974

A number of Regional Governments created, including Region of Peel

1995

NDP government commissions the Golden Report

1996

Harris government appoints “Who Does What” Panel

1998

City of Toronto is amalgamated

2001

A number of other amalgamations take effect

TIMELINE



2002

Mississauga appoints 18-member citizen's task force to review regional governance

2004

Mississauga launches **One City, One Voice** campaign

2005

Justice Adams review initiated by Province resulting in changes to representation

2019

Province appoints Fenn and Seiling to review regional government

2022

Regional facilitation process announced

THE 2019 FENN-SEILING REVIEW

Michael Fenn and Ken Seiling were appointed in January 2019 to review eight regional municipalities, including Peel.

They were looking for:

- *Opportunities to make it easier for residents and businesses to access municipal services;*
 - *Processes to deliver efficient and effective local services that respect taxpayers' money;*
 - *Methods to make municipalities open for business; and,*
 - *Possibilities to cut red tape and duplication, and save costs.*
- The report was never made public or acted on.

THE POST ELECTION DELUGE...

- In 2022, the Province passed several pieces of legislation aimed at building 1.5 million new homes:
 - Bill 3, Strong Mayors, Building Homes Act (November 2022)
 - Bill 23, More Homes Built Faster Act (November 2022)
 - Bill 39, Better Municipal Governance Act (December 2022)
- Bill 39 contained provisions for the appointment of regional facilitators:
 - *“These facilitators will work with local governments to assess the best mix of roles and responsibilities between upper and lower-tier municipalities and ensure they are equipped to deliver on the government’s commitment to tackle the housing supply crisis.”*

BILL 112 THE HAZEL MCCALLION ACT

On May 18, 2023, the Province introduced Bill 112, an Act to dissolve the Regional Municipality of Peel and make Brampton, Caledon, and Mississauga single-tier municipalities, effective January 1, 2025.

“The proposed legislation honours the legacy of Peel Region’s longest-serving mayor, the late Hazel McCallion, who was central to the region’s remarkable growth during her 36 years as Mayor of Mississauga and a long-time advocate for greater autonomy for her city.”

BILL 112 (CONT'D)

- *"Our government is working with our municipal partners to provide the tools and autonomy required to deliver on our shared commitments to the people of Ontario, including addressing the housing supply crisis," said Steve Clark, then-Minister of Municipal Affairs and Housing. "...Our government is supporting this growth by cutting red tape and improving efficiency while maintaining and improving the high level of local services Mississauga, Brampton, and Caledon residents rightly expect."*
- A five-person Transition Board has been appointed to provide recommendations to the Minister of Municipal Affairs and Housing about the changes to the municipalities. It is unclear whether these recommendations will be made public.

PEEL TODAY

Magnitude, Scale, Integration of Services & Complexity of Peel



\$1.5 Million

is Peel's population, which is larger than six of Canada's provinces



1 in 10

Ontarians live in Peel



69% of residents

identify with a racialized group, the highest percentage in the GTA



2nd

largest water and wastewater system in Ontario and 4th largest in Canada



30%

lower utility rates than other GTA municipalities



3rd

largest community housing provider in Ontario



21%

of all goods movement GDP in Ontario carried on Peel Region roads



\$1.8 Billion

worth in goods travel to, from and through Peel every day



2nd

largest police service in Ontario and 3rd largest in Canada



2nd

largest in paramedic service in Ontario



2nd

largest in waste management program in Ontario and 4th largest in Canada



2nd

largest public health service in Ontario by population size and one of the largest in Canada



\$10.3 Million

annual funding to over 150 community agencies in the non-profit sector



\$3.1 Billion

Annual Operating Budget and **\$1.9 Billion** Annual Capital Budget



800km+

fibre network co-owned by Peel, Brampton, Mississauga and Caledon

THE DREAM VS REALITY

- There are services that cannot be split, i.e. water/wastewater
- Peel Regional Police have declared they will remain an integrated service
- Creating three Public Health Units from one seems at odds with the province incenting integration
- No one has ever attempted a dissolution at this scale
- Significant transition costs will likely be incurred

HOW CAN WE DO BETTER?

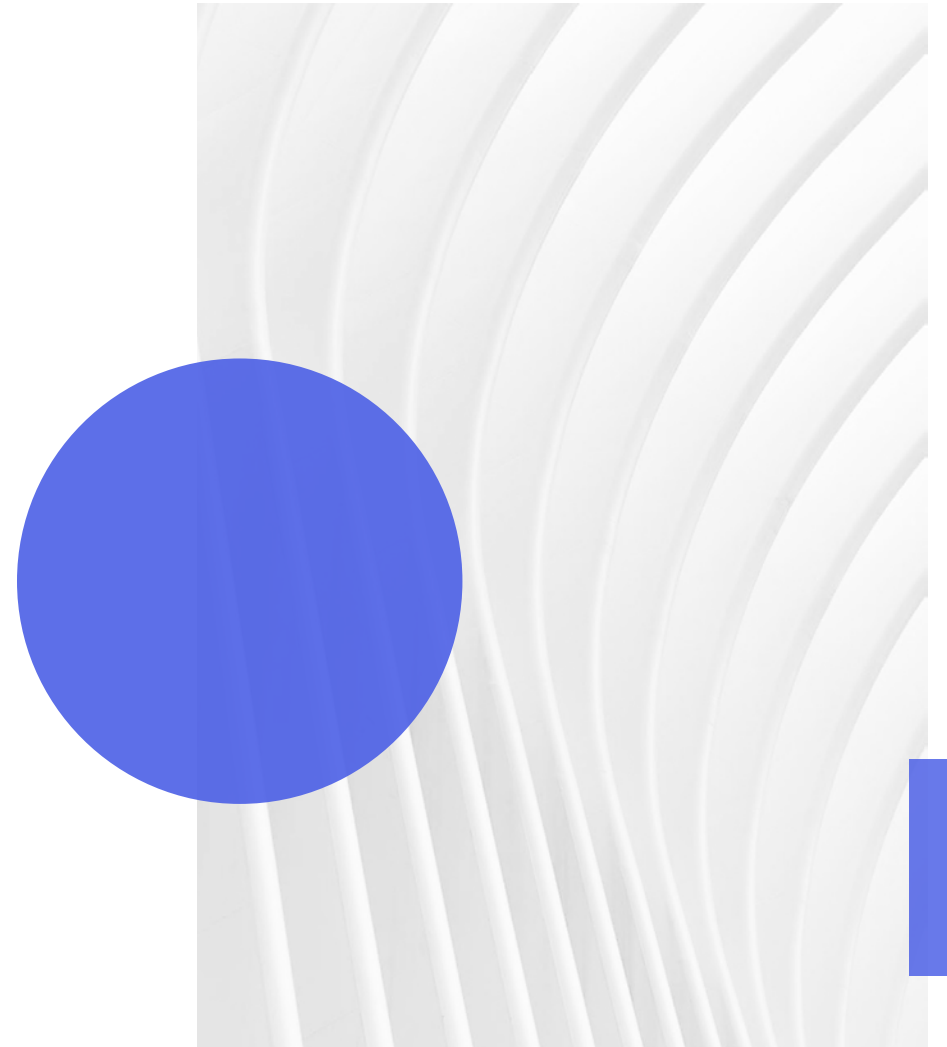
- What is the problem we are trying to solve? Be clear about our goals
- Change on a smaller scale is easier to manage
- Do our homework!
- Respect communities

IN CLOSING...

The Province has taken a gamble on Peel. No one has tried to disentangle a multi-billion-dollar municipal entity before.

The uncertainty for regional governments continues.

Until we have a clear agreed on tri-party strategy and framework for who does what and who pays for what, we are likely to keep seeing ad hoc changes with questionable outcomes.



“ DO YOUR HOMEWORK! ”

Mayor Hazel McCallion



THANK YOU

Janice Baker

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<https://www.peelregion.ca/transition/>

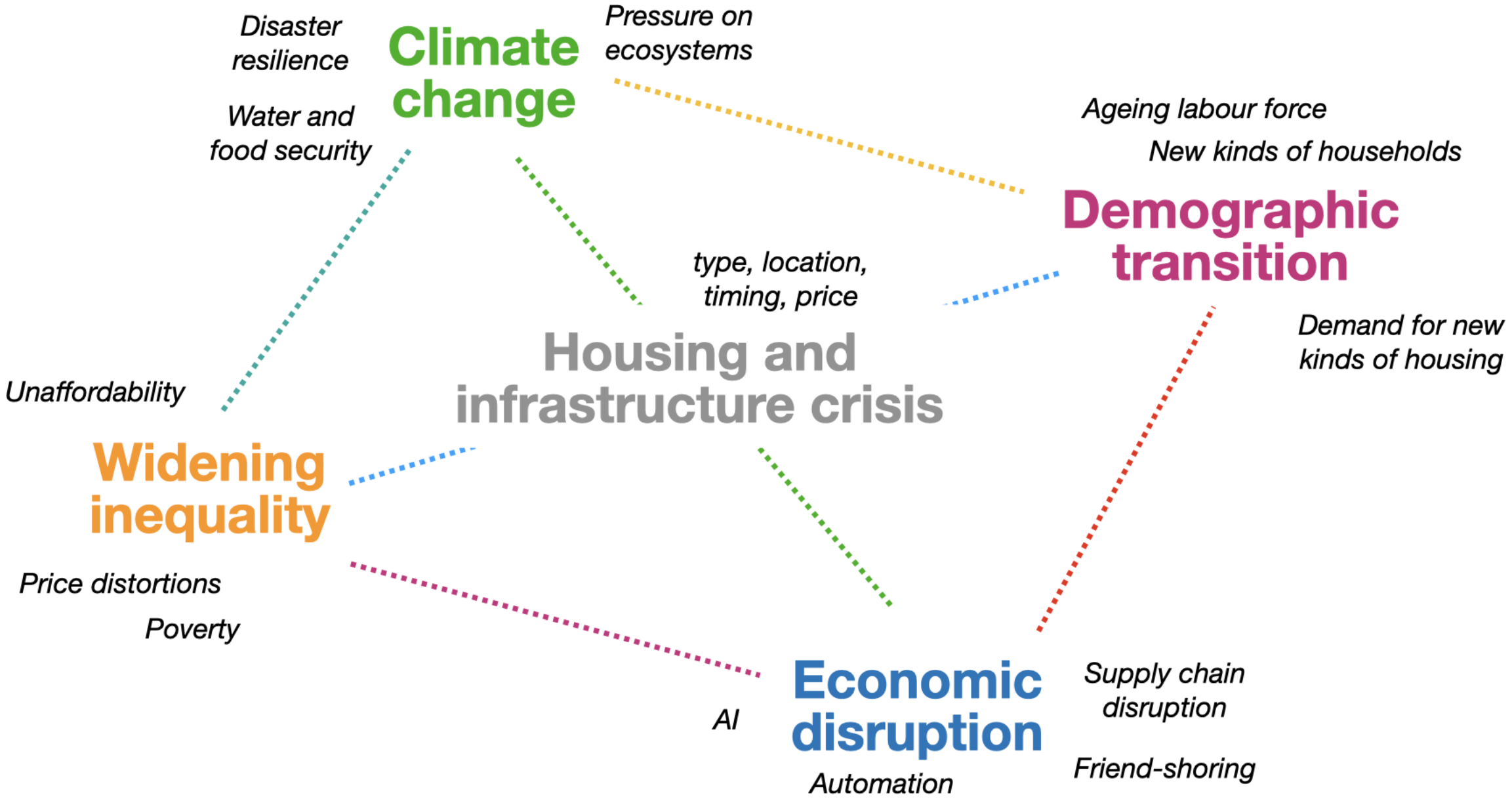
An abstract painting with thick, expressive brushstrokes in various colors including white, grey, black, red, yellow, and green. The background is a complex, layered composition of these colors.

**Zack Taylor, Dept. of Political Science
University of Western Ontario, Canada**

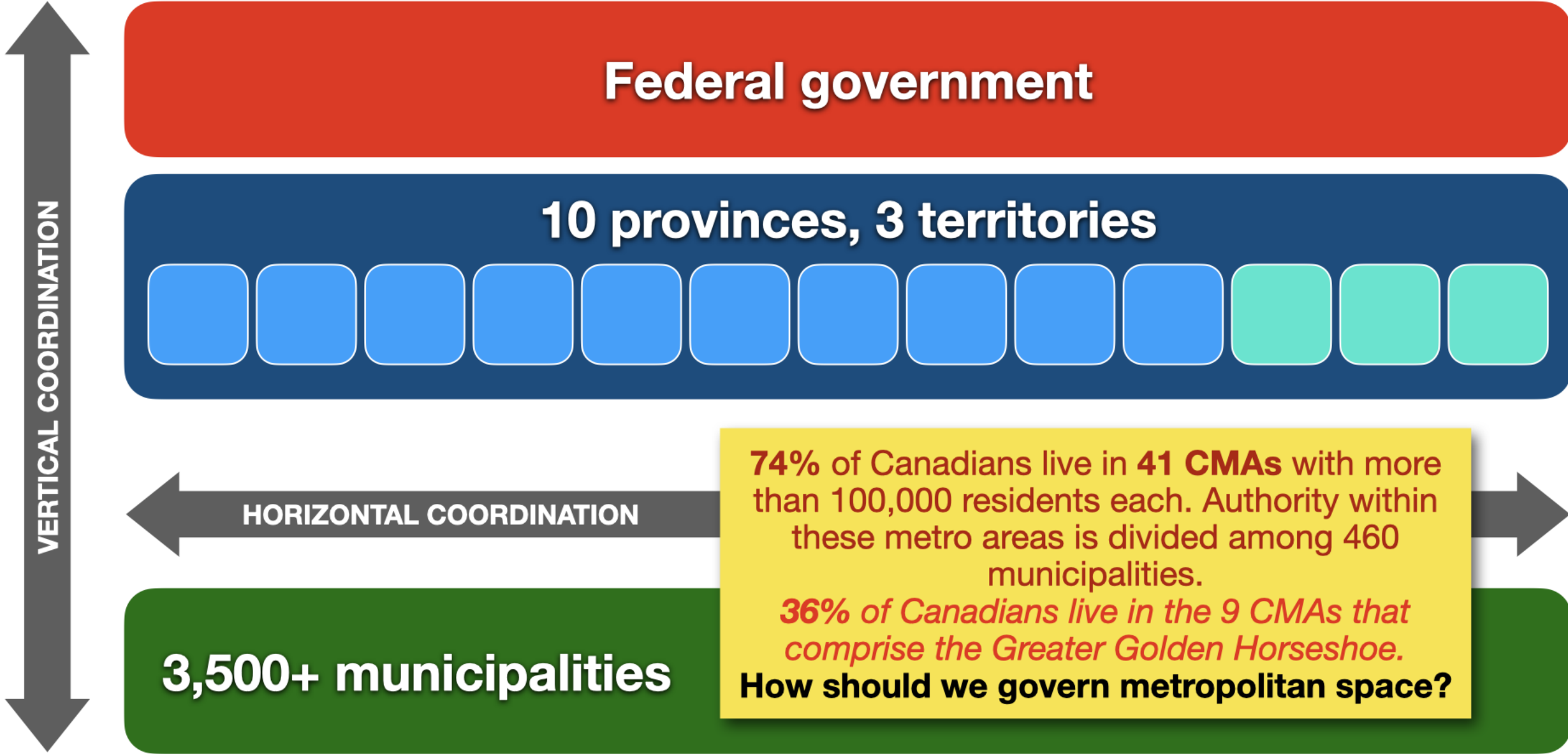
**Institute on Municipal Finance and Governance
October 25, 2023**

Regional Governance Futures

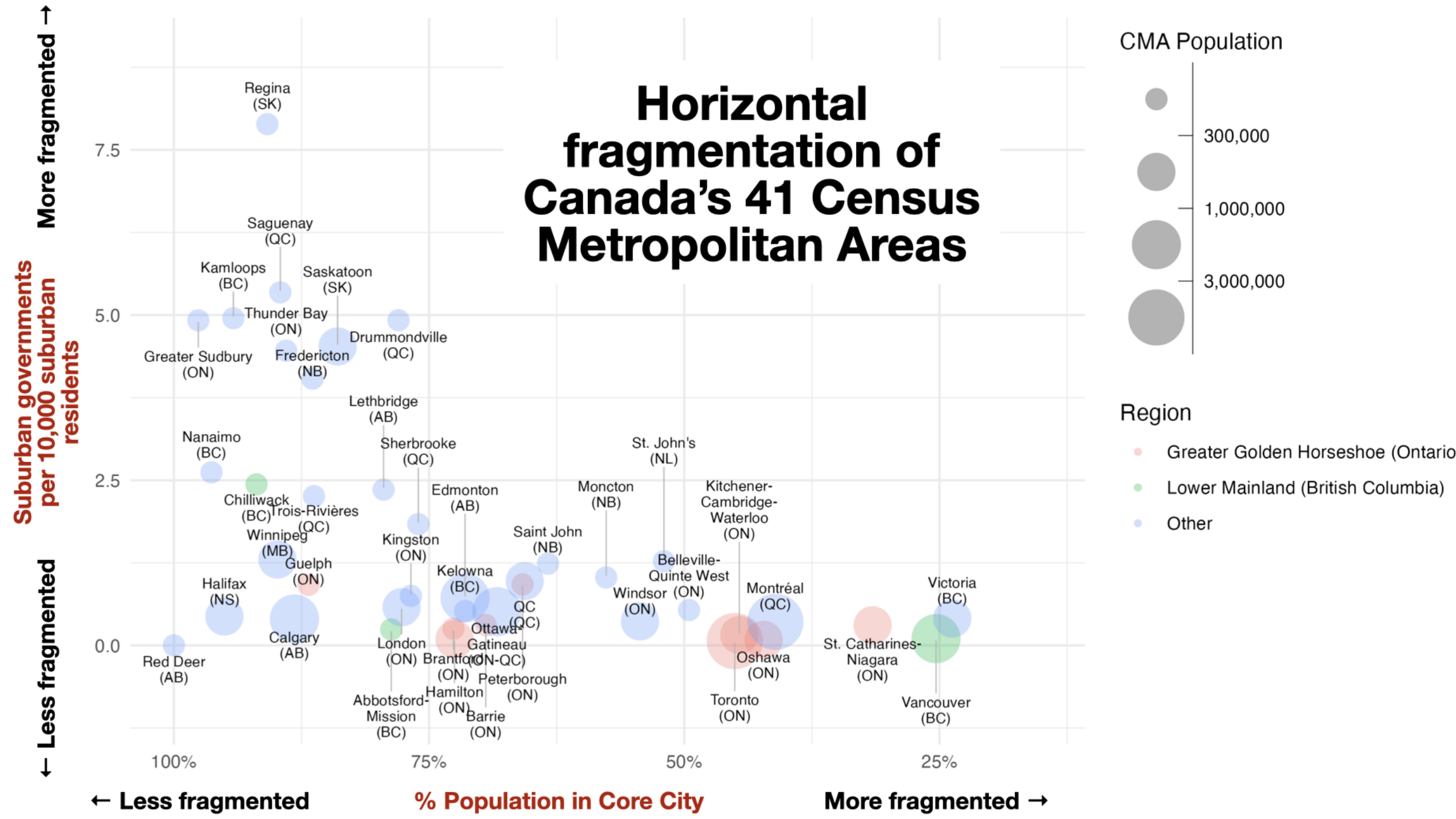
Global forces, regional challenges



Vertical and horizontal coordination



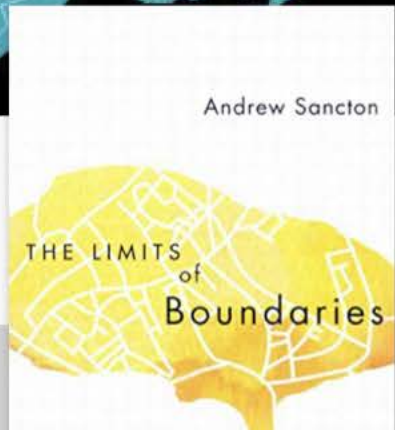
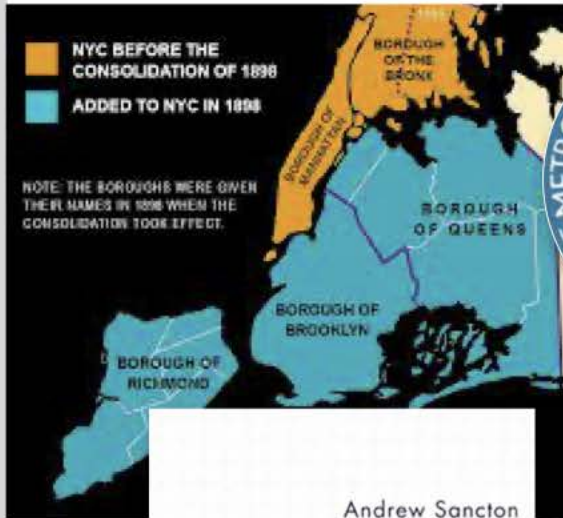
Horizontal fragmentation of Canada's 41 Census Metropolitan Areas



Models of regional governance

Local Consolidation

HALIFAX



Multi-Purpose Regional Authority

metrovancover

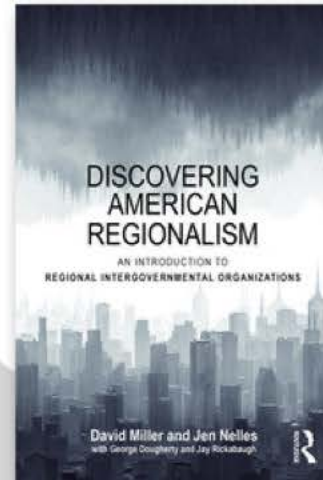
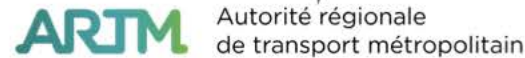


Edmonton Metropolitan Region Board

WINNIPEG METROPOLITAN REGION



Single-Purpose Regional Authority



Direct Action by Higher-Level Governments

