

**Evolution in community governance: building
on what works**

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1. Introduction

My brief for this presentation began with a request that it should draw on findings from the project 'Evolution in community governance: building on what works'. The focus of this project¹ is on current trends in community governance within Australian local government. It draws both on a quite extensive literature review and on a series of case studies. As well, it is also looking at a parallel process in the evolution of community governance: the developing role of the community banking network of the Bendigo and Adelaide Bank.

As the work on the presentation firmed up, I was invited to address an additional dimension:

What can local government do, or start to do, to position itself for a future where it has the best opportunity for self-determination, that is where it is respected by other levels of government which have confidence that local government can manage itself. Over the past 50-100 years almost all major decisions about local government have been taken by other levels of government. Is it a realistic possibility that if local government genuinely engaged with and spoke for the community, and had a reform roadmap for itself, that other levels of government would be much more reluctant to become involved?

The connection is obvious; effective community governance does require a measure of self-determination within the local government family (councils and the communities with which they work).

But the connection goes wider. Whether looking at the emergence of community governance as it is now evolving, or at who sets the direction for local government, there are a number of different influences which need to be taken into account. They include:

- Changes in the way in which citizens wish to engage with local government.
- The shift from government to governance.
- The potential for local government to become a mediator between higher tiers of government, and local government's communities, both in ensuring the more effective design, targeting and delivery of significant services, and in helping develop the mandate needed for governments to implement effective solutions for a number of the major policy challenges they now face (for

¹ The project is being led by the Australian Centre of excellence for Local Government in partnership with McKinlay Douglas Ltd (the public policy consultancy for which I work in New Zealand), and with the support of the Municipal Association of Victoria, Local Government Managers Australia and the community banking network of the Bendigo and Adelaide Bank

example climate change, the ageing population, the more effective use of public resources in areas such as infrastructure and the management of water and wastewater).

- The impact of globalisation and the gradual breaking down of barriers to trade not just in goods and services, but in ideas, as well as the increasing mobility of capital.

Some of these portend a much more important and central role for local government within the overall government process – a potential return to the situation a century ago when local government was possibly the most significant level of government. Others carry with them the possibility of local government being seen as much more part of the problem rather than part of the solution with the risk of being sidelined from any real influence.

This presentation will first briefly consider each of these influences and what they mean for local government, then provide an overview of findings so far from the evolution in community governance project and finally address the question of what can local government do, or start to do, to position itself for a future where it has the best opportunity for self-determination.

2. Background: The Changing Context for Local Government

Apart from a number of restructurings, with a focus on amalgamations to create larger councils, and a number of changes in the accountability and reporting requirements for local government, it's hard to argue that a great deal has changed over the past 20-30 years. Most of us probably think about Australian local government in much the same way as we have always done; it's a subsidiary tier of government with a range of local service delivery and advocacy roles which are undertaken within a long established and seldom questioned understanding about the 'proper role of local government'.

This understanding has persisted despite dramatic changes in the context within which local government functions. Here we consider the four which were previewed in the introduction section.

Changes in the way in which citizens wish to engage with local government

Traditional understandings of local government are based on the concept of representative democracy; that elected members are elected to take decisions on behalf of their constituencies, and that the electoral process is the principal means by which people engage with elected members, and send them signals about what their expectations are.

However, looking back over more than 20 years, it is clear that we are in a long-term secular decline in the proportion of those eligible to vote who actually vote, especially in states where voting is not compulsory. This has given rise to a number of initiatives designed to encourage greater participation and some occasional (but normally temporary) successes, for example, with the introduction of postal ballots (Russell, 2004).

Some recent European research (Haus & Sweeting, 2006; Schaap et al, 2009) suggests that what is really happening is a shift in the way in which citizens wish to engage with local government from the single focus on representative democracy to a variety of different means. Schaap et al were considering general trends and innovations in sub-national government in Europe. They note that despite quite different formal systems of governance, there is a gradual coming together in practice. The importance of traditional representative democracy is declining creating a tension between representative democracy and trust in an elected body on the one hand, and public input and participation on the other.

They identify four strategies, some which they describe as more interventionist than others, which are being deployed to address these trends.

The first strategy aims to *strengthen the existing model of representation* by, for example, reforming the electoral system, simplifying the voting procedures, improving the performance of the municipal councils, establishing district councils, or reinforcing the role of the executive by a power separation between executives and councils. The second attempts to *broaden the concept of representation* by inviting people to participate in dialogue while maintaining representation as the only source of legitimate authority. Many countries have thus created non-binding mechanisms of citizen consultation such as opinion polls, panel discussions and advisory boards.

The third strategy sees the *citizen as customer*. In this vision the core concept is 'customer democracy', it is sometimes put into practice by defining the quality of services that citizens are entitled to expect, and sometimes by allowing citizens a say in the decisions on services. The fourth strategy likewise adds *another form of democracy* to electoral representation: direct and participatory democracy, which embraces referenda, elected mayors, co-produced policy, and self-governance by citizens. In this strategy, the power to make binding decisions moves, in part, from the representative council to civil society or even to individuals or groups of ordinary citizens.

These four strategies reflect different views of the nature of local democracy, and the role of the citizen. Citizen as customer can be seen as a market based concept with councils acting in much the same way as private corporations in the way in which they manage the development and delivery of the services they offer, and the customer relationship management strategies they pursue. For some, this approach is quite at odds with concepts of local democracy and citizen engagement. The well-known management guru Peter Drucker, for example, once famously told his local authority that he was a citizen not a customer.

Direct or participatory democracy involves a quite different approach - potentially leading to the citizen having equal influence with elected members in determining what the council should do and how.

In practice, it seems logical that each of these different approaches should have its own role in the evolution of the relationship between citizens and local government. There will be some matters where most citizens are perfectly content to be treated as customers, and have a focus on quality, timeliness and cost of service. At the same time there will be other matters, especially those which intrude into the citizen's sense of quality of space, where the citizen will want direct involvement in decision-making. These different modes of engagement are simply a reflection of the different nature of the relationship and what is at stake for the citizen. They also reflect the fact that the conventional representative process is simply inadequate as a means of conveying to elected members the preferences individual electors actually have across a wide range of services, and from a wide range of different value sets.

Government or governance?

This theme is another reflection of the increasing complexity of the world in which local government now operates. In parallel with traditional notions of representative democracy, it has been common to regard local authorities (and higher tiers of government) as having the power to take and implement decisions within their areas of competency. As (local) government's responsibilities have become more complex, and councils have increasingly become involved with matters which require the active collaboration of a number of different interests and stakeholders (for example economic development), the nature of the role has changed. For many of the matters for which local government now has apparent decision-making authority, it can no longer go it alone. Instead it requires the active engagement of a number of other parties. The shift is from government in the sense of the power to decide and implement, to governance in the sense of leading a collaborative approach. This difference has been well described by Hambleton (2004) in a now widely used passage drawing the distinction between the two roles:

Government refers to the formal institutions of the state. Government makes decisions within specific administrative and legal frameworks and uses public resources in a financially accountable way. Most important, government decisions are backed up by the legitimate hierarchical power of the state.

Governance, on the other hand, involves government *plus* the looser processes of influencing and negotiating with a range of public and private sector agencies to achieve desired outcomes. A governance perspective encourages collaboration between the public, private and non-profit sectors to achieve mutual goals. Whilst the hierarchical power of the state does not vanish, the emphasis in governance is on steering, influencing and co-ordinating the actions of others. There is recognition here that government can't go it alone. In governance relationships no one organisation can exercise hierarchical power over the others. The process is interactive because no single agency, public or private, has the knowledge and resource capacity to tackle the key problems unilaterally.

Local government as mediator between higher tiers of government and its communities

Two recent developments are highlighting the potential role of local government as a mediator between higher tiers of government and the communities which local government represents. They are respectively the consequence of fiscal stress post the global financial crisis, and the need for higher tiers of government to develop a mandate in order to implement the policies required to deal with a number of the major challenges they are now seeking to manage.

Fiscal stress

Traditionally, because higher tiers of government have 'owned' the major tax bases within their societies, they have also enjoyed a virtual monopoly on decisions about how major social services should be designed, targeted and delivered. Even in

societies where local government has played a significant role in delivery, it has been common for higher tiers of government to insist on the establishment of universal standards (hence the common reference, in England, to the 'postcode lottery' as something to avoid).

With the growth in fiscal deficits in a number of developed economies post the global financial crisis, and the related awareness of the upward pressures coming to bear on government finances, especially as a consequence of an ageing population, a shift in thinking has been taking place. A number of governments are now recognising that the optimal response to a failed policy is no longer to design another policy and throw another cheque at the problem.

Instead, governments are now looking for new means of designing, delivering and targeting major policies, and drawing on research evidence which has highlighted some of the difficulties with the traditional approach. Specifically, governments have become more aware that the 'top-down' approach is both relatively expensive and less efficient than more devolved alternatives.

As an example, *Public Sector Paradox*, a report exploring the effectiveness of social service delivery in the north-east of England (Commission on Public Sector Reform in the North East. 2009) found that per capita expenditure on public services was higher than the average for England, public services in the north-east performed better than public services generally in terms of their formal KPIs, but outcomes were poor. One reason was the relative lack of engagement at a local level. The clear inference was the need for public services to be delivered through means which were much more directly connected to the local communities in which they were intended to have their impact.

This argument for greater devolution has also been taken up by London Councils, the body representing London's Boroughs, in *Manifesto for Londoners* which proposed significant devolution from central government to local government and further down, making the argument that this shift would result in better outcomes for communities and lower costs to government.

This was developed in the context of the then Labour Government's 'total place' initiative which was intended to promote greater integration between central government, local government and other entities engaged in the delivery of services at a local level. That initiative has been largely superseded by the coalition government's 'Big Society' initiative which is premised on devolving to the community level – local government and through local government to community organisations (Cabinet Office 2010a).

This initiative has included the introduction of a new Localism Bill which is now going through its final stages in the House of Commons. The Bill proposes:

- Granting local government a power of general competence. Among other things this will enable councils to form companies through which to carry on activity.
- Providing for what is known as a community right to challenge under which a community organisation can seek the right to deliver a specific service or services. The process which the council is then required to follow includes an appeal right to ensure that challenges are treated on their merits and that the council cannot determine a challenge purely in its own interests.

The Big Society initiative is also part of a broader policy programme intended to reduce, significantly, the level of public sector expenditure. As part of this, local government revenue is being cut, over the next three years, by approximately 28% forcing a very rigorous approach to weeding out low priority or low value services, and finding new ways of delivering services which are intended to remain. As part of this, the government has been encouraging local authorities to look at the use of new delivery means such as employee or community owned entities. In order to facilitate this, it has engaged a number of leading UK-based cooperatives, and cooperative advisory groups, to work with a number of Pathfinder projects (Cabinet Office 2010b).

This has sparked a number of creative responses from local government, most particularly a move by the Borough of Lambeth to reposition itself as the 'Cooperative Council'. This is an initiative under which the Council is actively exploring the potential across all of its services for community engagement in different forms including the use of community controlled trusts and other entities (Cooperative Council Citizens' Commission 2011). It is an initiative of real interest for local authorities not just throughout England and Wales, but in other jurisdictions because of its potential to demonstrate how to draw on skills and other resources within the community.

The UK government, amongst developed economy governments, is the one which is most directly focused on the potential for devolution to a community level to achieve what could amount to a win-win outcome:

- Better outcomes at a lower cost from government policies.
- A greater measure of community control and choice over the delivery of services.

The argument has been made by councils in other jurisdictions, notably in Australia and New Zealand, that the same situation does not apply for them because they do not have an equivalent role to that of English local government in the delivery of major social services. This is an argument which misunderstands what is really going on. The importance of devolution to a local level in order to engage local knowledge and networks is a function of the nature of the social services themselves, not of

which level of government has the formal responsibility for the funding and delivery of those services.

Looked at in this way, it can be seen as a pointer to the way in which local government in Australian states may eventually evolve in terms of working with its communities to improve both access to services, and the outcomes they provide.

Policies Which Require Behaviour Change

One of the things which has changed quite dramatically in recent years is the nature of the major policy challenges which confront governments. We have moved on from the days in which the principal challenges could be handled within a 'command and control' approach to government. Today our major policy challenges typically require a willingness on the part of both firms and individuals to embrace significant behaviour changes. Examples include climate change, energy efficiency, the prudent use and pricing of water and wastewater services, road pricing, managing the response to an ageing population and much more.

Typically, in all of these areas, we already have much of the knowledge needed to tell us the direction and magnitude of change, and who needs to do what in order to get the outcomes being sought. What we do not have is the commitment on the part of those who need to change that they should do so.

Australia provides a good recent example. In 2005, at a time when its conventional water supply was close to running out, the city of Toowoomba held a referendum on whether to use recycled wastewater. The evidence was that the recycled wastewater would be of at least equivalent quality to the city's normal potable water supply. The referendum was defeated.

In the lead up to the referendum social scientists from the CSIRO had undertaken an in-depth study on public attitudes to the use of recycled wastewater (Po et al 2005). They found that just giving people information was not sufficient in order to gain public support. In the specific case of recycled wastewater, it did not overcome the 'yuck' factor.

A key conclusion was that governments need to engage rather than persuade the community. A genuine partnership with the community needs to be developed over time if changes in expectations and behaviour are to be brought about consensually. It's a finding that places a very strong emphasis on the importance of working through structures which have the ability, over time, to engage with communities and manage the 'community conversations' needed to build a consensus around major behaviour change issues.

More recent evidence comes from a just published research paper looking at the role of behaviour change in managing expenditure especially within local government

(Keohane 2011). This also supports the proposition that you need to do more than simply give people information:

Although a common characteristic of successful behaviour change schemes is the level of intelligence possessed by the authority about the client group, there have been criticisms that current behaviour change programmes often simply present information to the public. They therefore make assumptions about what information is likely to influence people; may make the problem appear impossibly big and distant from the individual; or assume falsely that information can fill the motivation gap. As a Cabinet Office paper has previously acknowledged, 'several decades of research have conclusively shown that knowledge alone often fails to change behaviour.' Conversely, academic research has indicated that where behaviour change schemes are attuned to the needs and circumstances of citizens themselves that they are likely to be well-received.

The potential gains are significant. The executive summary for the paper notes:

By re-designing services in ways that fit with citizen motivations, local government can significantly reduce the costs of services – cost reductions emerging from projects detailed in this report are yielding 15-20 percent.

The Impact of Globalisation

In some respects, globalisation is not a new phenomenon - Easton (2007) in the following characterisation of Globalisation notes that the phenomenon is almost 2 centuries old:

1. Globalisation is the economic integration of economies – regional and national economies.
2. Globalisation is caused by the falling cost of distance.
3. Globalisation has exceptionally powerful effects when the reduced costs of distance combine with economies of scale.
4. Globalisation became important in the early nineteenth century, so the phenomenon is almost two centuries old.
5. Globalisation is not solely an economic phenomenon in a historical and geographical context. It has political and social consequences. In particular
 - it impacts on, but does not eliminate, cultural differences, and
 - it reduces, but does not eliminate, the policy discretion of nation-states.

Where globalisation today is different from experience in the late 19th and early 20th century is in the shift of economic power towards emerging economies and the growing dominance of China. The impact has been dramatic both in terms of the

shift in manufacturing power, and in the increasing reliance of Western economies on China in particular as a principal source for consumer goods.

Globalisation has also been associated with the rise of metropolitan centres and their increasing significance as major players in cross-border relationships so that city to city relationships are beginning to replace country to country relationships as the dominant relationships in economic, social and cultural spheres.

From a policy perspective globalisation has seen a growing concern with economic development and in particular how to replace the manufacturing and other jobs which have been seen as 'disappearing' to China and other relatively low-cost economies (some would argue that this concern has been rather overstated as Western economies still dominate at the high-tech end of manufacturing and the high skill end of the services sector).

What has received less attention has been the implications for local government. The main focus in terms of local government has been on the emergence of metropolitan centres and the growing interest which national governments have been taking in urban policy (see the Federal Government's 2011 budget statement *Our Cities, Our Future - A National Urban Policy for a Productive, Sustainable and Liveable Future*).

The implications of globalisation for local government go well beyond the governance of metropolitan centres, or indeed issues of economic development, important as they are. Globalisation by opening up national economies to international competition, and encouraging the mobility of people (especially skilled people) and capital has profound implications for local government's operating environment.

Local government plays a major role in creating and sustaining the operating environment for the country's businesses, both domestic and export oriented. It is local government which has the primary responsibility for quality of place - what Sir Michael Lyons (Lyons 2007) famously termed place-shaping - the role of creating the nature and quality of place which would attract and retain the locality's preferred mix of people and skills.

This makes the quality and performance of local government far more significant for stakeholders such as the business community especially firms in the trade or export sector than was the case when the local economy was largely protected from international competition. In a protected economy, the costs associated with an underperforming local government sector can be passed on to businesses's customers. In an open economy this is no longer possible. Underperformance becomes a direct cost to business and flows through to the bottom line.

Broadly the same applies to local government's performance in place shaping. Firms which place importance on attracting and retaining mobile staff want to know that the place where they are located is attractive for the kind of staff they want.

These factors mean that stakeholders, especially business, have a much stronger interest in the quality of local government's performance than was the case 20 or 30 years ago. I will return to this theme below in the discussion of what can local government do, or start to do, to position itself for a future where it has the best opportunity for self-determination.

3. Evolution in Community Governance

In jurisdictions like Australia and New Zealand, we take it for granted that local government in some form will always be part of our governmental arrangements - despite, I would suggest, the occasional anxiety within Australian local government about its lack of constitutional recognition.

However, we also know that local government's exact role, structure and status itself can never be taken for granted. Higher tiers of government have shown a readiness to intervene if they believe that local government is not properly discharging what they expect of it. In Australia compulsory reorganisations such as those in Queensland and Victoria are relatively recent examples as is the just completed restructuring of Auckland, and the 1989 restructuring of New Zealand local government.

These have all proceeded on the unspoken but clearly agreed understanding that statutorily based local government in some form will remain part of our governing arrangements. Is it prudent to take this for granted?

The world's most active laboratory for local governance is the United States of America. It's partly the country's size, partly the large number of states each of which is responsible for the structure of local government within its own jurisdiction, and partly the nature of the American commitment to local democracy.

In some states this includes what amounts to a right to secede and establish your own local authority, something which helps account for the very large number of small local governments. California provides an example with the contract cities movement (www.contractcities.org). This comprises more than one hundred small local councils each of which contracts in virtually all of its services, some from local authorities, others from the private sector or NGOs. In statutory form contract cities are local authorities but in practice many of them look more like local clubs which have taken advantage of the local government statutory framework - in essence, they represent a form of 'escape' from traditional local government.

Another development, larger in scale than the contract cities movement, is the growth of homeowner associations (see http://en.wikipedia.org/wiki/Homeowner_association). These are typically not regulated by state law but depend on private contract law instead. They vary significantly in the range of services and amenities they provide from something which would look not unlike the body corporate for an apartment block to much more comprehensive services with some homeowner associations being in essence the equivalent of self-contained towns. At the moment most homeowner associations

involve their residents both in paying levies to the association, and in paying at least some of the property taxes which they would be liable for if their property were not part of the association.

The rapid growth of homeowner associations as a preferred approach to property development has meant that the structure and arrangements have been dictated substantially by the interest of developers. However, as existing estates mature, and the developer interest disappears there is the potential that could change. More to the point, it provides a practical example of an alternative approach to the provision of services which could become a challenge to local government in jurisdictions such as Australia and New Zealand if there were sufficient dissatisfaction with the performance of local authorities themselves.

Considering both the contract cities example, and the growth of homeowner associations, it seems clear that at least in concept, local government does have potential competitors, especially if it is unable to satisfy groups who want to take a more holistic approach to the governance of their communities.

Current developments in Australia

Local Government Managers Australia , the Australian Centre of Excellence for Local Government, and the Municipal Association of Victoria are jointly supporting a project on the theme of Evolution in Community Governance: Building on What Works.

It is partly a literature review based exploration of recent international experience in the development of community governance (some of which has been drawn on in earlier parts of this paper), and partly a case study based examination of current trends in Australian local government.

Victoria's experience with community planning is undoubtedly Australia's most comprehensive approach so far with practice which resembles community governance. First, rather than being based around the entire district of a local authority, community planning has quite deliberately been focused on identifying areas which recognise themselves as distinct communities within the boundary of the local authority - a task which has proved much easier in more rural authorities because they tend to have geographically distinct townships/areas which are easily recognisable as separate communities in the sense that people identify with them. Second, the underlying premise has been that community plans belong to their communities, rather than to the local authority whose role is seen as being much more in the nature of facilitation than ownership.

The implementation of the Integrated Planning and Reporting Framework in New South Wales is still in its early stages; although group 1 and group 2 councils have completed their community strategic plans no comprehensive independent assessments had yet been undertaken of them, or of the processes which individual councils went through. It should be noted though that one of the strengths of the

New South Wales approach is that councils have a significant amount of discretion in terms of how they go about engaging with their communities.

Specifically, it seems still too early to make a judgement about whether New South Wales councils have been genuinely taking a community governance approach in the development of their community strategic plans - which moves closer towards co-determination - or whether they have been operating in a more conventional consultation mindset. Anecdotal evidence so far suggests something of a mix.

The Queensland Local Government Act 2009 created an obligation for Queensland local authorities to prepare long-term community plans covering a period of at least 10 years. The State government's community engagement guide describes the role of community planning as "Community planning involves developing medium to long range plans to achieve a stated vision and work towards preferred outcomes. Community plans typically respond to a diverse range of economic, environmental, social and governance issues and can include capital, land use, transportation, heritage conservation, health, learning and cultural visions and outcomes."

The focus of the Evolution in Community Governance project in terms of council practice is on how approaches to community governance have been evolving within Australian local government, rather than specifically on how councils have been responding to statutory requirements for greater community engagement. There is an obvious overlap, especially as one of the principal drivers in a shift towards more of a community governance approach has been statutory requirements for a different approach to planning but the project has been primarily concerned with innovation in community governance rather than specifically with compliance.

Two roughly parallel approaches are being explored through the project; one is local authority initiated or supported community governance and the other community governance as it can be seen emerging through elements of the community banking network of the Bendigo and Adelaide Bank. Case studies have been selected through discussion with informed observers, and amongst the project sponsors - we have been quite deliberate that the objective is not to produce some kind of statistically valid sample survey, but rather to bring out a series of experiences which contain within them worthwhile learnings for others interested in community governance.

Before considering some of the preliminary findings, it may be worth outlining why practice within the community banking network was seen within the context of the evolution of community governance. Very briefly, the community banking network² is made up of a little over 200 individual branches each independently owned by a community company structured to ensure widespread ownership within the

² For a recent overview of the performance of the community banking network *Business Update: Why Bendigo Banks on the Community* go to <http://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=BEN&timeframe=D&period=M>

community served by the branch (with community being defined broadly in terms of the branch's expected catchment area). Each branch operates under a franchise which provides, among other things, for the sharing of branch revenue between the bank itself and the community company which owns the branch.

Profits, once earned, go partly to providing for a return to the branch's shareholders, partly to build up reserves, and partly as distributions to the community within the branch's catchment. It is the distribution of a share of profits to the local community which is resulting in a number of community banks gradually moving towards a community governance mode. This is happening because, in order to distribute a share of profits to the community, the branch's directors need to have at least some understanding of the community's own priorities.

The approaches taken vary considerably from branch to branch. Some still rely entirely on the personal networks and knowledge of directors on the basis that, especially in smaller communities, their collective wisdom is a very good proxy for the community's preferences. Others have developed quite formal plans through an extensive consultative process designed so that the community can tell the branch what its priorities are.

One individual who has had some years of experience working with the community banking network described the priorities for deciding on the distribution of profits in terms of evolution from a relatively simple sponsor approach through to a much more sophisticated planner and initiator role in terms of the steps which he expected to see community banks pass through as they matured, and their funds available for distribution increased. The steps he identified are:

1. Sponsor – sponsor local clubs/events with minimal proactivity.
2. Supporter – ongoing systematic grants process with some proactivity.
3. Consulter – starting to proactively identify project/support opportunities via conversations with community.
4. Funder – putting some larger \$ in to community projects, usually with leveraged outcomes. Sometimes identified proactively.
5. Partner – ongoing relationship with community bodies (could be local government) and forward commitment on project funding. Active ongoing future-focused conversations.
6. Coordinator – actively involved in projects, both in funding and managing the process.
7. Planner – ongoing and vital role in identifying and building plans for, the future of their community. Closely aligned and have input to formal planning structures (government).
8. Driver – is a vital part of future discussions and plans on community. Initiator of activity and well connected at all levels (community, local and state government).

Some Preliminary Findings

The project itself is still work in progress, with a final report expected around August 2011. It has however already produced some very interesting preliminary findings both in terms of local government practice and in respect of the role of community banks in community governance.

Local government

Three themes have emerged which look to be of particular interest for people involved with local government management. They are evolution versus 'grand plan', the role of elected members and management in community governance, and accountability of council officers.

◇ Evolution

One of the things which we have been looking at is how council approaches to community governance have been changing and why - have councils adopted a 'grand plan' to becoming more engaged with community governance, or is it more in the nature of serendipity?

We have found a consistent theme in all the case studies; councils are taking a step by step approach, addressing issues as they arise, rather than having a long-term objective of achieving some particular degree of community governance within some defined timeframe. One chief executive made the insightful point that if you did take a 'grand plan' approach there was a real risk that the objective of achieving the 'grand plan' could displace the real purpose of building meaningful community governance.

An example from one case study will illustrate the point. The Shire the subject of this case study was one of the early participants in the Victorian State government's community planning initiative. Over time it has found that the process has evolved from an initial focus on the 'nuts and bolts' of very local detail issues - perhaps the location of a pedestrian crossing - to a more strategic focus.

As this Shire's communities have become more experienced, the themes expressed through community planning have become more strategic. For a specific example, a number of community plans picked up on the issue of community transport. This provided the information base which allowed the Shire itself to put forward a successful proposal to the State Government for community transport funding.

As the Shire has gained in confidence with the community planning process and its outcomes, it has decided to allocate some funding for individual communities which they can commit to one or more of the objectives in their community plan. At the moment the amount is only \$A5000 for each community but most communities are approaching this as a sum which they can use to obtain funding from other sources.

This is a first step in what could well become a shift to participatory budgeting, with communities gradually taking over responsibility for decisions on how council expenditure within their area should be allocated.

◇ The Role of Elected Members and Management

All of the case studies, in different ways, have identified the common theme of the role of the elected member. Is it still the conventional role of representative government - I was elected to make decisions? Is it more in the nature of a facilitator role working with communities to understand their priorities and how best the council may be able to realise those, something which requires an acceptance that the community itself has a right to share in making the decisions which determine its future?

The nature of this challenge was expressed by one case study council, in the executive summary for an earlier case study on its community planning activity, as:

However recognising the enormous cultural change required to reach agreement that communities actually do have a right and capacity to influence and determine their own future...

Most case study councils report mixed attitudes amongst their elected members ranging from the conventional representative view to a willingness to embrace the facilitator/community governance role. They also report that taking an evolutionary approach, rather than adopting a 'grand plan' strategy for developing community governance, is a much better way of working with elected members as it allows their understanding to evolve as the process does, rather than commit at the beginning of a shift to community governance to endorsing the end point.

Coupled with this, a number of case study councils also noted that moving to a community governance approach was seen by a number of elected members as a threat to their political role. Reasons included a sense that this could be undermining their decision right, to a concern that building the capability for a community governance approach could be training people who might then themselves seek to be elected to the council. The general view was that these issues need to be recognised and managed, especially by executive management and council leadership, rather than swept under the carpet. This is especially the case as so much of what happens through a community governance approach is political in the sense of being focused on choices which are significant for the community.

There is another and perhaps more subtle challenge for councils as well; the time intensive nature of community governance processes inevitably means that much of the work of community engagement will be undertaken by officers rather than elected members. This raises very real questions about the scope of authority which officers may have when working with different community groups, and how to ensure

that they continue to have elected members support not just for the way they are working, but for the outcomes from their work.

This places a particular responsibility on chief executives and senior management to understand the different roles which council officers are now being expected to undertake, and to ensure that a community governance approach is not seen as undermining the prerogative of elected members.

◇ Accountability

Inevitably, working with communities in a community governance mode will require quite significant support from councils - some of this may be technical in the sense of providing advice for community groups on the financial, technical and operational feasibility of different options. Some of that may involve working on capability development as not all community members will necessarily have the skill sets and experience required.

If the issue or issues being addressed through a community governance approach are significant in scale, or in terms of the need for building community capability or managing dialogue with and within the community, it's likely that the council will need to make someone available on a full or part-time basis to work with the community. One matter which needs careful consideration is to whom and for what that person (or people) should be accountable?

One case study provides a practical example. This council was working with one of its communities to develop a plan for a range of services which were geographically contained within the community but significant in technical, funding and operational terms. It had facilitated the establishment of a community group through nomination from a number of existing community organisations. That group needed support, particularly in terms of access to and understanding of a range of technical, funding and operational matters. The council seconded an officer to work with the group.

There is a real potential for an accountability conflict which the council has recognised; the process of developing the plan may result in the community setting different priorities or wanting different outcomes than are consistent with current council policy. The officer's role with the community group will virtually require the officer to work on the group's behalf even if its objectives conflict with those of the council - the alternative of seeking to limit the group's consideration of different options would quickly undermine trust, and sabotage the community governance process.

How does the officer, and the council, manage the conflict if one arises? The officer is accountable to the council as employer. It's highly likely elected members will expect the officer to support the council position.

It's a situation which is likely to become very common as councils' use of a community governance approach increases. It requires clarity of understanding about the nature of role, and support both from the chief executive and senior management, and from elected members.

Other case studies suggest that there is a different and potentially more appropriate approach; of providing the support not through seconding a council officer, but through contracting an independent facilitator.

Community banking

Case study work suggests that most community bank branches are still operating at levels one through four of the various steps set out at page 14 above.

It is clear from case study interviews one reason for this is that many community bank branches prefer to work closely with their local council, rather than necessarily undertake their own in-depth community planning/governance activities themselves. In taking this approach, they are recognising that most councils now have a statutory obligation to go through a comprehensive community planning process which amongst other things should identify the community's priorities.

From the community bank branch perspective this avoids reinventing the wheel, and makes it easier to work in partnership with the council.

Some community branches, especially larger and longer established ones, are functioning more in a community governance mode, working with their communities to determine what their priorities are. One case study branch has a formal structure of community committees and holds major project forums in different parts of the city, inviting 'strategic' community players to provide input. They will include leaders from various community organisations and senior politicians (federal, state and local). Through these forums the bank believes it gathers enough information to identify the real priorities.

The forums are independently facilitated. As an example from one forum the facilitator was able to make it clear that the bank would fund key projects that it could be involved in. The bank was looking for the 'ten' (or so) major issues it could work towards in the future; also ones where it might be a conduit for obtaining support from other parties. An example that came up was youth suicide which was topical and close to home (a local girl had recently committed suicide). When the issue was explored a bit further, it was found that there were a lot of organisations already tackling youth suicide but that the information was not flowing back, so rather than creating another programme it was decided to work on setting up better communication. A website is being developed that will be focused on communication.

They have had past experience of trying to drive projects themselves, to support community initiatives where there were capacity limitations. This just got them

embroiled in “throwing money at things and putting band-aids on wounds, not solving anything”. They have had a few “deep breath” moments. Their approach now is to try to be more collaborative in the way they get involved and to give their time in a “community service sense”.

Implications

The case studies raise a number of important implications for local government concerning both its function and the respective roles of elected members and executive management and the relationship between them:

- Is a community governance approach compatible with our conventional representative government model?
- What does a community governance approach imply for the roles of elected members and council officers? How do our relatively low numbers of part time elected members cope with the shift to a model which may demand ongoing and quite intensive engagement with a large number of different communities? Do elected members shift to more of a macro level role, setting the general direction for the council as a whole but standing back from involvement in local decisions which don't impact on the council as a whole? Should we be making greater use of delegation to committees at a community level (akin to Victoria's 'Section 86' committees or New Zealand's community boards)?
- Is it time to revisit the efficiency driven assumption which has favoured fewer elected members and rethink the importance of local democracy and the role elected members should play in helping build their communities' preparedness to embrace the major changes our society needs to make but which require active community acceptance if they are to happen?
- How will or should accountabilities, especially those of council officers, change under a community governance approach? What is the responsibility on executive management to ensure that the shift to a community governance approach is not experienced by elected members as undermining their role?
- What should be the relationship between councils and other entities with a possible role in community governance – including but by no means restricted to community banks?

4. Positioning for Self-Determination

A strong case can be made that local government is on the verge of a real resurgence as the most significant level of government for most Australians. Developments such as the changing nature of the way in which people want to engage with government at all levels, but with a focus on how government decisions impact on their communities, reinforce the unique role of local government. This is part of the newly recognised role of place shaping as a critical element in how governments meet the aspirations of their communities.

Associated with this is the growing recognition of the need which higher tiers of government have, in developing and implementing solutions to major policy challenges (the so-called 'wicked issues') to gain community acceptance of the solutions they propose. Again, there is a unique role for local government in acting as the mediator between higher tiers of government, and the communities whose acceptance is essential. Those of you who attended the LGMA National Congress in Cairns will have heard Michael Deegan from Infrastructure Australia tell delegates that the federal government was simply too far distant from communities to get the mandates needed for much of what it was seeking to do, and that developing the necessary mandates was an important role for local government.

At the same time the perception remains that local government is not in control of its own destiny, lacks the confidence of higher tiers of government, and all too often is subject to major interventions which significantly change the structure and occasionally the function of local government at the apparent whim of state governments. We now look at some of the underlying factors which have led to intervention in the past and are likely to encourage continuing intervention in the future.

Local government as a monopoly provider

There is one major issue which local government needs to resolve if it is to build on the opportunities now open to it; this is how it manages the risk associated with the fact that councils are monopoly providers of local government services.

It's not just that they are statutory monopolies (citizens and businesses do not have the opportunity of selecting an alternative provider of local government services - and moving out of the jurisdiction simply means moving into the jurisdiction of another monopoly provider); councils are also monopolies with the statutory power to extract payment regardless of whether or not the citizen or business wants the service. There is thus very little pressure on councils to ensure that the services they provide for their communities are genuinely meeting community needs, and are delivered in the most efficient and effective ways. The point being made here is not necessarily that councils act as self-serving monopolists consciously delivering substandard services. Rather it is that the nature of the environment in which councils function means that there is little in the way of incentive for councils

themselves, or their 'customers', to explore alternatives, especially if these would mean significant change in the way councils actually deliver services.

As indicated above, the impact of globalisation has magnified the significance of this situation for people and organisations who use or are subject to local government services (including both services in the conventional sense of the term, and regulatory services). In an open economy, it is users who bear the excess cost of services which are provided at less than optimal cost, or with less than optimal efficiency or effectiveness.

The pervasiveness of local government's impact on economic activity needs to be recognised in order to fully understand this issue. It ranges from the impact of delays in providing consents for which local government is responsible, to the cost of congestion if local roads (and complementary transport options) do not adequately meet the needs of users, to the effect on the ability of firms to attract and retain staff if local recreational, cultural and other facilities are not up to standard.

This makes local government performance an important issue both for business competitiveness and for the location decisions which individuals and families take. There's something of an irony about the effort which many local authorities put into economic development, and the promotion of their district or region, if they have not put in place all the reasonably feasible steps they can take to lift their own performance.

If the provision of local government services was genuinely contestable in a normal market sense, then individual councils would face very different pressures. They could not, for example, accept the logic of doing things the way they have always done them or for that matter continue with a number of the industrial practices which characterise the sector without doing all within their power to seek better value for their end users.

Consider for example the rather patchy record of attempts to establish shared services.

There have been some successes with shared services, notably with a few of the regional organisations of councils, but generally resistance has been strong.

This problem is not confined to Australia. Even the most successful approaches to shared services can encounter problems of resistance from individual councils, or difficulties in working together. The longest running approach to shared services within Westminster-tradition jurisdictions is the regional districts structure in British Columbia (regional districts are statutorily-enabled voluntary arrangements amongst territorial councils to facilitate shared services). *Enhancing the Tools for Problem Solving in Regions*, the report of the Regional District Task force (UBCM 2010), whilst recognising the achievements of the regional district system, also notes:

As well, frictions among governments – whether municipal, regional or provincial – can turn healthy debate based on different perspectives into a barrier to effective functioning at some board tables.

There is a very extensive body of literature which highlights the potential for shared services of one kind or another emphasising not just the potential for 'doing more with less', but also the benefits which a shared services approach can have over amalgamation as a way of improving local government performance (Bish 2001; Dollery et al 2007; Dollery et al 2008). This serves principally to highlight the gap between potential and performance.

A recent English report (Deloitte 2010) acknowledges the progress which has been made with shared services but also notes that "despite a history of tactical collaboration between local authorities shared services have rarely succeeded at scale." Based on its considerable experience of working with local government in developing shared services initiatives, Deloitte identifies a number of obstacles which still stand in the way of making the degree of progress it believes is both possible and desirable:

"There are also behavioural and political obstacles, linked to individuals' careers or the risks of reducing headcount that have also delayed progress. The urge to protect local authority autonomy is understandably strong. This can manifest itself in a desire by elected members to maintain self-determination over frontline services (outputs) and back office support functions (input). For some, the concept of sharing infrastructure or management functions with another local authority is an anathema. Furthermore, the idea of relocating staff outside a political boundary is difficult to agree, as is sharing control of support services or buying them from a neighbouring authority, even at a lower cost."

The obstacles which the Deloitte report identifies are well known to business and other stakeholders for whom local government's performance and cost structures result in an important impact on their activities. They know that they confront monopoly providers and that the normal market-based response of seeking an alternative provider is seldom available. The consequence is not acceptance of an inevitable reality, but a search for solutions through other means, principally the political marketplace.

Now for something which to the reasonably informed observer remains an ongoing curiosity; the apparent lack of awareness within local government of the political risk associated with the failure to address these sorts of concerns. There seems to be an almost perverse blindness to the reality that higher tiers of government especially in today's globalised world do have a strong interest in the competitiveness of the environment within which businesses and other stakeholders function. Not surprisingly this is coupled with an openness to dealing with perceived problems if those more immediately involved fail to do so.

A number of major local government restructurings in recent years provide evidence that the political marketplace actually works. In New Zealand, the major restructuring of local government in the Auckland region followed on from years of representations by the business community that local government inefficiency, and

inability to take necessary decisions on infrastructure planning and development, was imposing significant avoidable costs on business. The Royal Commission which reported on the future structure of government for the region explicitly stated its lack of faith in the existing local authority structure to use shared services options to gain the substantial savings the Commission believed were achievable - hence its recommendation for a single Council across the region with sole responsibility for local government service delivery.

The major restructurings of Toronto and Ottawa at the end of the last century, driven by the then Conservative led provincial government were also at least in part a response to business representations about the need to improve local government performance and reduce costs.

Finally, the decision by the Queensland government to abandon the Size Shape and Sustainability process and establish a Local Government Reform Commission to restructure local government was clearly the result of a lack of faith in local government's ability to reform itself.

An immediate local government response to this approach, supported by well-known researchers such as Brian Dollery, and Bob Bish (the doyen of North American researchers in this area) is to argue that the evidence suggests that forced amalgamations seldom if ever achieve their objectives and typically increase rather than reduce the cost of delivering local government services.

The argument is both perfectly correct and almost completely irrelevant. What it fails to understand is the political imperative faced by higher tiers of government. In the face of persistent local government failure to take the tough decisions about improving performance, and under pressure from stakeholders who incur the consequent costs, it is hardly surprising that higher tiers of government resort to the kind of measures which they understand and can relatively easily implement.

If local government genuinely wishes to enjoy the respect of higher tiers of government (and other key stakeholders for that matter), and improve its chances of self-determination, then it needs to understand the preconditions for doing so. First and foremost local government needs to understand that it will not do so unless it can demonstrate unequivocally that it is taking all possible steps to improve its performance, including utilising shared services and other alternative options for service delivery where ever it is feasible to do so. Fortunately, there is now good research evidence demonstrating that a comprehensive shared services approach can complement rather than compromise local democracy and local autonomy.

Next, local government needs to accept that it does operate in a contestable market; it simply happens to be a political market rather than a conventional economic market but it is just as powerful. If local government fails to deliver for its stakeholders, others will do so at its cost.

And this will not just be in areas such as service delivery. The 21st-century is being recognised as the century of the city, with international relations increasingly being

metropolitan centre to metropolitan centre, rather than nation state to nation state. In Australia this raises a unique set of challenges to which I now turn.

Metropolitan centres/regions

Earlier in this paper (page 10) I identified the rise of metropolitan centres as one of the factors combining to promote a new understanding of the potential of local government.

Much of the discussion so far has focused on the community level - implicitly discussing local government and local governance as inherently local. Metropolitan centres are fundamentally different in scale. At one level metropolitan centres themselves are made up of a series of communities for whom local governance and service delivery remains important regardless of the scale of the metropolitan centre itself. At another level there are obviously crucial issues that have a much larger scale and go far beyond the local community - indeed the key defining element for a metropolitan centre is the functional extent of the regional economy. Adopting Richard Florida's approach to mega-regions (Florida 2007), and applying that in an Australian context, the Sydney metropolitan region would extend from at least Newcastle to Wollongong.

Australia is not only one of the world's most urbanised nations: as a federal country, it is also one whose metropolitan centres are most dominant in its constituent states. The following table shows the population of the main metropolitan centres as a percentage of the state or territory population.

Metropolitan centre population as percentage of state or territory population	
Metropolitan centre	Percentage
Adelaide	75%
Brisbane	52.3%
Darwin	55.7%
Hobart	42.6%
Melbourne	74%
Perth	77.3%
Sydney	63.4%

The Federal government's decision to establish the Major Cities Unit is a clear recognition of the significance of metropolitan centres. The fact that it is located within Infrastructure Australia suggests that the primary emphasis, for the moment, is on the development of infrastructure and, associated with that, strong and legitimate decision-making arrangements to cope with things like integrated planning, including public transport and land use.

This recognition has been emphasised by the 2011 budget statement, *Our Cities, Our Future* which can be seen as a clear signal to local government that the federal government as the tier of government with primary responsibility for Australia's overall economic performance cannot overlook the performance of the country's major metropolitan centres. This is especially the case as Australia becomes more

and more a two track economy, with the resources sector driving the value of the Australian dollar, and substantially increasing the cost pressures on the export businesses based largely in Australia's metropolitan centres.

International experience

International experience suggests that for initiatives such as integrated transport planning you need a single local government entity empowered to deal with them: even in a world of good will, and free from political interference or agendas, the possible combinations and permutations which comprise an acceptable integrated plan risk an unacceptably long process for arriving at an agreed outcome if you go through the standard approach of trying to reach agreement among a wide range of competing interests, councils etc. This was the rationale for the establishment of the Greater London Authority, and the role of Mayor of London - the need to have a single publicly accountable decision maker for major region-wide strategic matters, albeit embedded in a nest of constraints and accountability requirements designed to put some reasonable constraints around the decision-making process.

Toronto provides an alternative example, with the boundary of the City of Toronto covering somewhat less than a third of the metropolitan region (the so-called Golden Horseshoe). It has been described as too big for effective local governance, and too small for metropolitan governance – it simply does not have the coverage to implement integrated planning across the entire metropolitan region (Slack 2009).

A challenge

The governance of metropolitan centres is extraordinarily challenging not just for local government, but for higher tiers of government as well. First, there is the clear recognition that establishing a single governing authority to take responsibility for all of the governance needs of an entire metropolitan region simply does not make sense - too much of what necessarily requires a local governance approach needs to take place at a smaller scale (as has been demonstrated in earlier parts of this paper). Next, the logic of establishing a single authority to be responsible for major region-wide matters is clear (see Gleeson et al 2010 in relation to integrated planning whilst noting that metropolitan governance is much more than just planning). However, this can present major challenges to higher tiers of government in terms of distribution of effective political power.

Expect this to be a particular dilemma for Australia where major metropolitan centres hold between a half and three quarters of the total population of individual states.

Australia: regional governance?

Speaking as a non-Australian, I find it striking but entirely understandable that state governments act as de facto Regional Councils for the metropolitan regions of state capitals. The scale and significance of the principal metropolitan regions is such that we almost need to ask the question "if the state governments were not acting as de

facto Regional Councils, what would their role actually be, and would there be a good rationale for their continuing existence?"

This is especially the case when the arguments in favour of a 'total place' style of collaboration/devolution in the delivery of public sector services are considered. If Australia wants to set the necessary context for the kind of service delivery represented by the total place vision, it will not only need to get effective collaborative mechanisms at the very local level, but will also need well integrated regional governance that is grounded in local government, not state government.

First, the structure and responsibilities of state governments do not properly equip them to act as genuine regional governments of Australia's metropolitan regions - there are just too many difficulties, ranging from the nature of the democratic mandate required, to the relationship between the metropolitan region and the remainder of the state, to the inherent structure of state government, for this to be effective³ (on this point I entirely agree with Gleeson et al).

Next, the case for strong regional governance is not just better community outcomes and the cost of service delivery. It is also and crucially a matter of enhancing the ability of Australia's metropolitan centres to compete internationally in a world which is increasingly a world of cities. In this world, Sydney, Melbourne, Brisbane, Perth and Adelaide need to be able to speak with a clear voice and local democratic mandate to their peers internationally if they are to realise their potential, and Australia is to enjoy the benefits which come from strong well performing metropolitan regions.

None of this is inconsistent with strong local governance. Indeed, strong regional governance paradoxically is an important precondition for strong and effective local governance.

So what is the nature of the service which strong regional governance would deliver? The obvious one, which always springs to mind, is the need for integrated land use and transport planning. Of greater significance is the ability to develop and deliver on a long-term vision for the region, addressing matters such as education (and its integration with economic, social and community development), strategic economic development, and the impact of an ageing population.

We are used to thinking of these services as primarily the prerogative of state or federal governments. In practice, their effective delivery requires not just an integrated approach at the regional level, but strong support from within the region of the kind which requires visionary regional leadership - another argument for considering the case for strong regional governance.

Finally, perhaps both the most problematic issue for higher tiers of government, and one of the most important for Australia's continuing economic growth, is the role that

³ A particular issue is the nature of the political process at the state level which is not compatible with the need to set long-term strategic directions in areas such as integrated planning, transport, and economic and community development across metropolitan regions.

strong mayors, with clear mayoral leadership, should play in a world in which cross-border relationships are increasingly city to city and Mayor to Mayor.

All of this is to suggest that the new emphasis on metropolitan governance is both a significant opportunity for local government, and a very major threat. The importance for Australia of well performing metropolitan centres able to compete with their peers internationally is simply too great for the federal government, or state governments, to stand back and wait for local government to take its time to sort out what form metropolitan governance should take. In this area of the challenge for local government, and one which will largely determine its future within Australia's governing arrangements, is whether it can find and implement the governance arrangements needed to underpin the performance of its metropolitan centres. It is literally the case that if local government doesn't do it, then higher tiers of government will.

5. Conclusion

Australian local government faces both great opportunities to enhance its role as a critical component in Australia's government arrangements, and very real risks to the potential for a much greater measure of self-determination.

The opportunities come from local government's unique relationship with the communities it serves; neither state nor federal governments have the networks, knowledge or capability required to work effectively with communities in determining their preferred options, and developing the mandate for initiatives which directly affect people where they live and work.

The changing ways in which people want to engage with the decision-making processes which affect them demand new means of working with communities. Increasingly, people now want to be part of the decisions which shape the places where they live and work. The opportunity for local government is to complement the traditional representative democracy model with more participatory means including community governance as is currently evolving within a number of Australian councils. As this paper has discussed, there are a number of issues which will need to be resolved, including what this means for the respective roles of elected members and management.

At the same time the need for higher tiers of government to obtain mandates to develop and implement solutions in areas which require significant attitudinal and behavioural change is also highlighting local government's role in working with its communities. It is local government, not higher tiers of government, which has the direct relationships and ability to engage which are essential in order to develop community buy-in for the initiatives needed to address effectively challenges in areas such as climate change, the more rational use and management of public resources in services such as water, waste water and roading, the impact of Australia's ageing population (including what this means for decisions in areas such as health care) and much more. Increasingly, higher tiers of government will need to partner with local government in developing solutions to the so-called 'wicked issues' which are now the major challenges facing Australian society.

These trends suggest a bright future for local government sector which has the capability to understand and respond to these opportunities.

On the other hand, and as a contrasting trend, the continuing role of local government is also under threat. Changes in local government's operating environment resulting from globalisation, including the consequence of more open economies, and the rise of metropolitan centres as major players in cross-border relationships are raising the bar for local government performance. The sector plays a critical role in creating and maintaining the competitive environment in which much of Australia's export sector functions. Local government needs to understand the implications of these changes, and the importance for its own future of ensuring that

despite its monopoly status it acts as though it were in a highly competitive marketplace. Unless it does so the incentives which higher tiers of government, and stakeholders such as business, have to ensure a favourable operating environment virtually guarantee continuing intervention in the role, function and structure of local government to make good on what will be seen as local government's failure to respond.

As evidence from experiences such as attempts over the years to create a shared services culture demonstrates, there are significant attitudinal and other barriers which stand in the way of local government itself acting to create the competitive environment which many of its stakeholders require. The choice though is a stark one. Either local government acts to take the lead itself, and secure the confidence of higher tiers of government and other stakeholders that it can genuinely reform itself, or it will be reformed from outside and largely by reformers who do not truly understand local government's unique role.

The question for this audience, and the rest of local government, is whether the holy grail of self-determination is worth the changes that will require.

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