



Local Governance for a New Century:

Challenges for Councils and Communities

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Challenges

- Changing communities
- Local government in the federal system
- Financing local government
- Implementing community governance
- Achieving 'political renewal'
- Re-designing local government



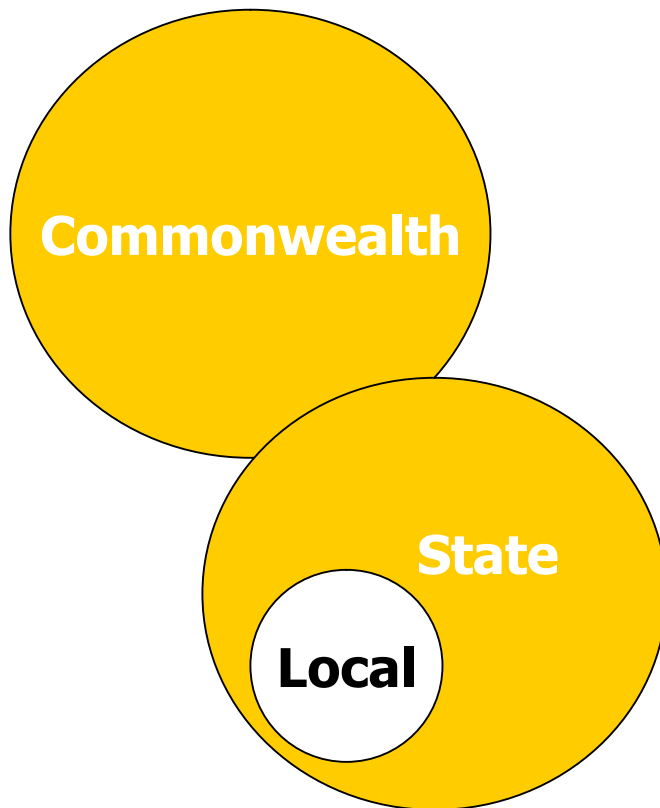
Changing communities

- A more anxious, less cohesive society?
- Sharpened concerns about future quality of life
 - **Especially in areas 'threatened' by development**
- Ageing and Seachange
- Increasing gap between rich and poor areas
- Structural adjustment in rural Australia
- Expectations of local government
 - **Protecting lifestyles**
 - **Broader range of activities**
 - **More responsive, participatory**

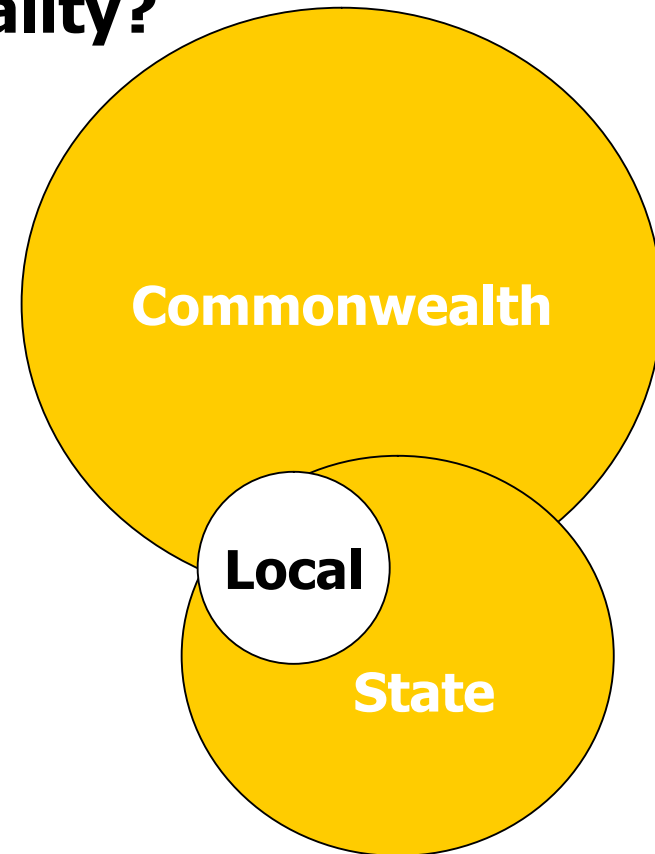


Federal context

Fiction?



Reality?

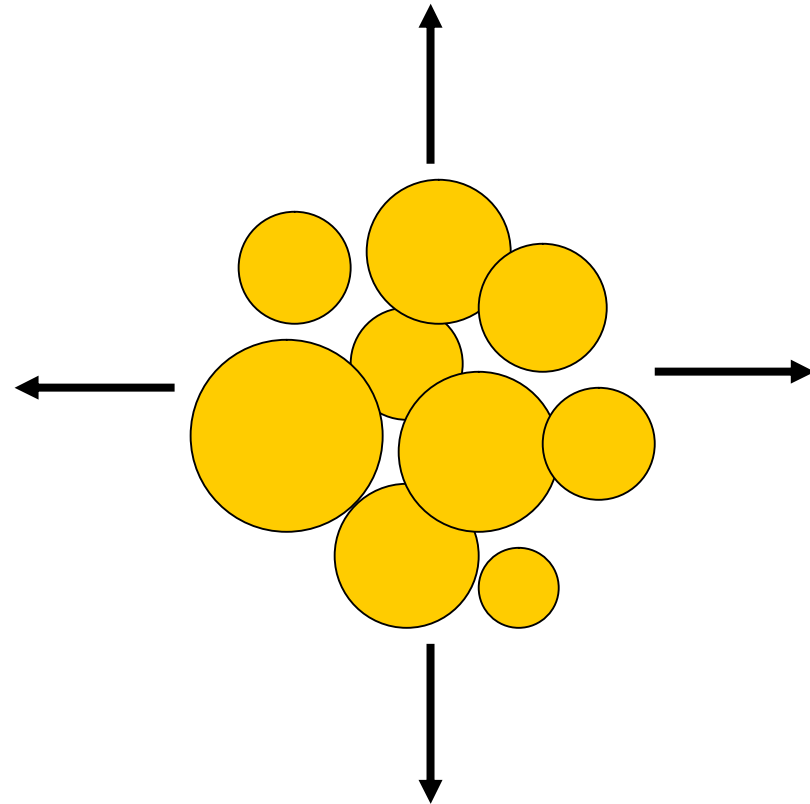
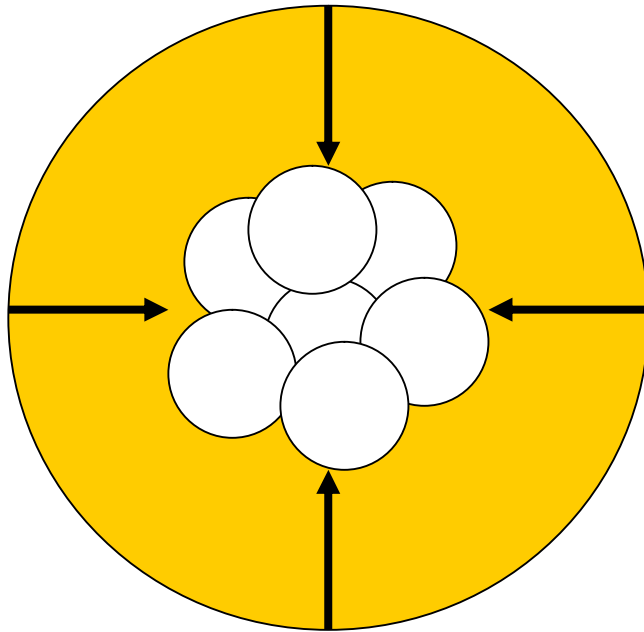




Local government on the national stage

- National policy frameworks matter:
 - **Opportunities and constraints for local action**
 - **Direct impact on local government operations**
- Communities want councils to be advocates on broader issues as well as local concerns
- Growing importance of the international dimension:
 - **Global pressures and opportunities**
 - **National presence is the essential springboard**

Asserting a local interest





...continued

- Growing need for a 'collective localism':
 - **Impact of globalisation**
 - **Risk of 're-centralisation'**
 - **Sometimes the sum of the parts *is* more important than the whole – primacy of community wellbeing**
- However:
 - **Councillors are elected to be *local***
 - **Short-term pressures and community demands often take precedence (finance, service needs, development control etc)**



Strengths and weaknesses

- **Place focus and integrated planning**
- **Informed localism and regionalism**
- **Larger councils and creative diversity**
- **Community support**
- **Financial autonomy**
- **Scattergun wish-lists**
- **Fragmented parochialism**
- **Whingers and basket cases**
- **Disengaged communities**
- **Mendicant mentality**



Finding the money

- Financial sustainability is fundamental to effective community governance and social justice
- Australian LG on average >80% self-sufficient, but:
 - **Growth in functions has outstripped revenue**
 - **Rates have failed to keep pace with State and federal taxes: the '\$3bn gap'**
 - **Infrastructure backlog severe**
 - **Special problems of rural and remote councils**
- Major increases in grants are unlikely/undesirable
- Need to re-balance tax mix (increase rates) and redistribute federal grants to most needy areas



Government to governance

- Stoker's five propositions:
 - **A complex set of institutions and actors drawn from but also beyond government**
 - **Blurring of boundaries and responsibilities for tackling social and economic issues**
 - **Power dependence amongst institutions involved in collective action**
 - **Autonomous self-governing networks of actors**
 - **Government uses new tools to steer and guide – not just power and authority**



Community governance

- Changing processes of governing
- Recognition of the limits of government
- **Community** governance:
 - "the process by which we collectively solve our problems and meet our society's needs"
 - **Government** is one of the instruments we use for governance
- Importance of leadership, partnerships and cooperative planning ('associational governance')



Management and governance*

AREA MANAGEMENT

- | | |
|----------------------------------|-------------------------------|
| ■ Corporate governance | + Community engagement |
| ■ Customers and clients | + Citizens |
| ■ Administration and regulation | + Leadership and partnerships |
| ■ Public opinion | + Public judgement |
| ■ Financial and physical capital | + Social capital |

= LOCAL GOVERNANCE

(* Based on Sproats, 1997)



Need for political renewal

- Managerialism is a dead end for local government:
 - **Community engagement, leadership and the wellbeing agenda are fundamental**
- Time to strengthen the political arm:
 - **Executive Mayors?**
- Equally a need to re-think council-community relationships:
 - **Balancing representative and participatory democracy (future role of councillors?)**
 - **'Mutual obligation' (accountability with respect)**
 - **New forms of community engagement, consultation**



Management and leadership*

MANAGEMENT

- Plans and budgets
- Organising and staffing
- Controlling and problem-solving
- Minimising risk

*promotes **ORDER** and
PREDICTABILITY*

LEADERSHIP

- Vision and strategy
- Communicating and aligning
- Motivating and inspiring
- Taking risks

*promotes **CHANGE***

(* Based on Stace and Dunphy, 1994)



Re-designing local government

- Structural imperatives:
 - **Financial sustainability**
 - **Fiscal equity**
 - **Political and management capacity**
- Stoker and Sproats highlight need for
 - **More strategic capacity**
 - **Better neighbourhood/suburb governance**
- New Zealand models:
 - **Community Boards and 'federations'**