AUSTRALIA IN A CENTURY OF TRANSFORMATIVE GOVERNANCE:
A Federation for Communities and Places
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Local Government Professionals Australia

Australia in a Century of Transformative Governance:
A Federation for Communities and Places

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Preface

This paper has been commissioned by Local Government Professionals Australia (National Office) partly as a contribution to debate on the future of the Australian federation and partly as a response to the National Innovation and Science agenda. It seeks to provide an evidence-based and non-partisan perspective on the scope for local government to play a stronger role in the federation, add further value to the governance of Australia and enhance economic growth and community wellbeing.

Australian local government is far from perfect and Local Government Professionals accepts the need for improvement. Nevertheless it is disappointing that so far current moves to reform the federation, including the recently issued Discussion Paper, have given very little consideration to the contribution local government could make. Whilst not recognized in the Australian constitution, local government has been involved for many years in federal councils and inter-government programs: given the right policy settings it could do much more and take some of the load off the Commonwealth and the States. It is equally disappointing that the recently launched National Innovation and Science Agenda makes no reference to the potential role of local government as a partner in innovation. The strategy observes that ‘Government has consistently lagged behind the private sector in innovation. We must back new ways of ‘doing business’ and learn from mistakes. We will lead by example by becoming more innovative in how we deliver services and make data openly available to the public and make it easier for startups and innovative small businesses to sell technology services to government’ (Commonwealth of Australia, DPM&C 2016, p. 5). It is difficult to see how this vision can be achieved without a localist perspective.

This is not a simplistic bid to give more prominence to local government. Around the world countries have accepted the need for cooperative governance at a local and regional scale. They are looking to partnerships between all levels of government, business and communities to advance economic, social and environment wellbeing, and to address the emerging challenges of governing in the 21st Century. Australia should follow suit.

The Prime Minister’s appointment of Ministers for Local Government and Cities suggests that the time has come for a refreshed national dialogue on these issues. Local Government Professionals believes that, together with its partners in local government, it can offer valuable knowledge and insights.

This paper presents a practical, professional point of view. It was prepared by Professors Mark Evans¹ and Graham Sansom², with extensive input from Local Government Professionals Divisions and members across Australia, and guidance from its national leadership. The paper marks the first step in a two-year program of Local Government Professionals research and events aimed at increasing awareness of what local government does, the

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resources it can bring to the table, and the expanded role it could – and should – pursue. We look forward to the conversation.

Dr Shayne Silcox
National President, Local Government Professionals
1. The Value Proposition

Current moves to reform the Australian federation are a tacit recognition that our system of government is failing to deliver the style and quality of government needed in the modern world. At this point, however, discussions have narrowed to a limited agenda around how Commonwealth-State relations – chiefly financial – impact on a few key areas of service delivery.

Much more consideration should be given to underlying questions about whether the architecture of the federation needs to be updated and strengthened, including at local and regional levels. This is not to argue for constitutional change. Rather, the more significant question is whether new thinking needs to be applied to the sub-national structures and mechanisms by which collaborative efforts could be enhanced in order to address current and emerging challenges. These include, for example, the issues raised in the Commonwealth Government’s 2015 Intergenerational Report – Australia in 2055, which forecasts a range of significant public policy problems that arise from shifts in demography, workforce participation, challenges to productivity and managing environmental change.

Commonwealth-State relations are critical, but are by no means the whole picture. Elsewhere in the world, far more attention is being focused on the problem-solving capability that new approaches to local and regional governance can bring to addressing these problems. Conventional international wisdom suggests that this requires the forging of new creative partnerships between all levels of government, business and civil society. This reflects in part the challenge of fiscal austerity that faces governments throughout the world and will beset Australia too for at least another decade.

Yet in Australia local government continues to be treated as the government of last resort, and frameworks for governance (NOT a ‘fourth tier of government’) at the regional level are very poorly developed. This paper therefore offers and explains a new value proposition for Australian local government that is in keeping with the aspirations of citizens, international trends in the design of democratic systems, and the need to meet 21st Century challenges.

More than 90% of Australian citizens think it desirable that ‘different levels of government be able to collaborate on solutions to problems’ and 50% believe that Australian governments do not do this ‘at all well’ (Griffith Constitutional Values Survey 2014, p.9). The future requires governments to work together to do better with less, and to regain public confidence in the political process.

Local government’s strengths are that it is place-based, multi-functional and in touch with communities. It commands substantial resources and offers in situ administrative capacity across nearly all settled districts of Australia. Groups of local councils can provide a solid platform for effective governance at a regional scale.

High performing local government will add strength, resilience and responsiveness to a revitalized federation. It can support and collaborate with the Commonwealth, States and Territories to ensure that the government of Australia is truly fit for the 21st Century.
1.1 The scope of federation reform

COAG’s goal for federation reform is to improve the standard of living and wellbeing of Australians through the delivery of better services. It is seeking an allocation of responsibilities between governments that will:

- Deliver better services, recognising diversity as a strength of Federation, and ensure that all Australians have access to the services they need.
- Make it clear which level of government is primarily responsible for particular services and should be held to account.
- Encourage a productive and efficient economy.
- Be durable, adaptable and flexible enough to accommodate changing needs and circumstances.

A simple ‘layer cake’ division of roles and functions between different levels of government is unlikely. Hence there is a need not only to clarify responsibilities and reduce unnecessary duplication, but also to establish mechanisms that facilitate collaboration where roles overlap and governments must work together to meet citizens’ needs.

The recent Discussion Paper Reform of the Federation highlighted the importance of:

- Policy co-design and analysis – recognizing that governments with a stake in a policy area should be engaged early in the policy development process, and that non-government players should also be involved where appropriate.
- Availability of and access to data that will inform policy co-design and analysis, as well as service users.
- Valuing consumers’ voice and choice – governments should enhance consumers’ capacity to influence the way services are delivered, and empower them to choose from a diverse range of service providers.

Pursuing these directions for reform of the Federation demands a more ‘localist’ perspective – tapping into community views and resources, and fostering collaboration at local and regional levels.

There are four features of the Australian governance landscape that bolster the case for this approach:

1) the changing role of Commonwealth government
2) the shift in the style of governing from government to governance
3) the expanding space for social and economic problem-solving at the regional and local levels reflected in international processes of decentralization and subsidiarity
4) the heightened importance of community and place for tackling disadvantage, building social cohesion and enhancing economic productivity.
1.2 The changing role of Commonwealth government

The Commonwealth’s Discussion Paper on reform of the federation observes that:

*Australia’s Federation has great strengths but duplication and overlap between different levels of government results in waste and inefficiency. The Federation has stood strong for 114 years, but Australia today is a very different nation, facing new challenges. We need to reduce and, if possible, end duplication and make interacting with government simpler. We need to clarify roles and responsibilities for States and Territories so that they are, as far as possible sovereign in their own sphere. The Commonwealth will continue to take a leadership role on issues of genuine national and strategic importance but there should be less Commonwealth intervention in areas where States have primary responsibility.*

An emphasis is placed in the terms of reference on reducing waste and duplication, allocating clear roles and responsibilities to different levels of government, and clarifying their areas of autonomy and political accountability. The Commonwealth has indicated an agenda to hollow-out the service delivery functions of central government, and to focus on providing strategic policy and regulatory capability, national standards, international benchmarking and the diffusion of better practice.

But a retreating Commonwealth requires active communities, a growing realm of social action and local governance. The review thus offers a tacit invitation to local citizens and by implication their most immediate level of representative government to join the government of Australia. The question is: does local government have the capacity and the legitimacy to facilitate more effective local and regional governance, and thus become a true partner of the Commonwealth and States?

Although local government is not recognized in the Australian Constitution, all State constitutions establish systems of local government and the federal parliament has acknowledged its importance (Box 1).

**Box 1: 2006 Resolution of the Federal Parliament**

The Parliament:
- recognizes that local government is part of the governance of Australia, serving communities through locally elected councils
- values the rich diversity of councils around Australia, reflecting the varied communities they serve
- acknowledges the role of local government in governance, advocacy, the provision of infrastructure, service delivery, planning, community development, and regulation
- acknowledges the importance of co-operating with and consulting with local government on the priorities of their local communities
- acknowledges the significant Australian Government funding that is provided to local government to spend on locally determined priorities, such as roads, and other local government services
- commends local government elected officials who give their time to serve their communities.
Local government has long been a partner in cooperative efforts to address national issues such as regional infrastructure and economic development, community wellbeing and cohesion, climate change and environmental management. This is reflected in its membership of COAG and several ministerial councils, as well as the working relationships between the Commonwealth and local government that have emerged over the past five decades. The recent appointment of federal Ministers for Local Government and Cities underlines the need to refresh local and regional dimensions within the Federation.

1.3 From government to governance

Public service delivery can never be a matter for governments alone. Working in partnership with non-government organisations and the private sector has become the norm. The additional resources and expertise that such partners can offer are especially important at a time of fiscal austerity.

So reform of the Australian federation must also reflect the shift in thinking from government to governance. In this context the concept of governance:

... 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... the emphasis in governance is on steering, influencing and co-ordinating the actions of others.3

There are two critical implications:

• Governments must be more open and responsive to external influences and fresh ideas: information sharing and co-design with a wide range of current and potential partners must become the norm; consumers must be able to exercise real influence.
• Collaboration with partners and engagement with citizens needs to be place-based and community-based. It is best facilitated at local and regional levels.

1.4 The internationalization of devolved problem-solving

Around the world, governments of different ideologies are acting to strengthen local and regional governance. This reflects:

• Recent thinking about the merits of applying the subsidiarity principle and various forms of decentralization
• A realization that durable solutions to most economic, social and environmental problems can only be found by engaging local communities or through collaboration between governments – often at a regional level.

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3 Robin Hambleton, ‘Place-based leadership in a global era.’ Commonwealth e-Journal of Local Governance, No. 8/9, 2011 pp.8-32
Very few countries have failed to grasp subsidiarity and decentralization as guiding agendas. A graphic example is the United Kingdom, where Scotland, Wales and Northern Ireland have become virtual States in a quasi-federation, and where devolution of functions, authority and resources to regional ‘combined authorities’ of local governments is now gathering pace. Collaborative service delivery with community-based organisations is also widespread and expanding.

**Box 2: Subsidiarity and Decentralization**

**Subsidiarity** is based on the notion that a central authority should only perform those tasks that cannot be performed effectively at a more immediate or local level. The closer you are to the service user, the more efficient and effective the delivery of the service is likely to be. Moreover, the deliverer of the service should have a better understanding of local needs and this should make interacting with government simpler for citizens. The concept is most widely applied in the European Union. Whilst subsidiarity has been canvassed in issues papers prepared for the reform of the Australian federation, this has been in terms of devolving certain functions to the States rather than to regions or communities, which is at odds with how it is understood elsewhere.

**Decentralization** is a key component of contemporary theories of governance, based on the presumption of a positive relationship between decentralization reforms, good governance and economic and social development. It therefore forms an important element of the value proposition for regions and local government. Decentralized governance is seen to build local capacity and enhance service delivery through increased responsiveness, efficiency, effectiveness and accountability. It reduces the likelihood of unwarranted concentration of power and diseconomies of scale.

### 1.5 The importance of community and place

Global trends highlight the growing importance of cities and regions in economic development and governance. The international profiles of Sydney, Melbourne, the Gold Coast, the Pilbara and others are crucial to Australia’s place in the world. More broadly, the quality of *places and communities* – their character and quality of life and environment – is a key building block of global competitiveness. First-class places and communities attract people with first-class knowledge and skills – the scarcest of resources.

The Commonwealth and States will always have an interest in outcomes at local and regional levels, but as governments they are not designed to be *place-based*. For the most part, they are obliged to focus on high-level issues and programs affecting disparate communities across large and diverse geographical areas. They are organized in functional silos and find it difficult to address complex, multi-faceted challenges facing particular regions or localities.

Local governments, working with partners in government, business and civil society, can shape and manage communities and places to unleash their potential and enhance social and economic wellbeing. In the UK, fiscal austerity has led to a new emphasis on local and

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regional partnerships, pooled agency budgets, and collaborative problem-solving through community development. Local government is playing a leadership role.

Around the world, innovations in governance at the regional level feature prominently. In Australia, Commonwealth and State programs have promoted regional planning and economic development, and local government itself has established a range of regional organisations. But so far these efforts have fallen short of a more rounded effort to advance regional collaboration across a broader range of issues and programs. They need to be taken to a new level, recognizing the value of a localist perspective.

1.6 Creating public value – a leading role for local government

It is therefore time for local government to capture the Australian political imagination. *The citizenry is on its side.* Attitudinal survey data consistently tells us (in significant numbers) that Australians want to live in a democracy that is more open, local, and digital; where politicians can be held to account through their communities; and where citizens have greater say over the nature of service provision (see Box 3).

**Box 3: Australians’ Preference for Local Democracy**

- Nearly 60% of Australians have trust and confidence in local government’s ability to carry out its responsibilities – significantly more than the figures for federal and state governments (Griffith, 2014).6
- 52% believe that as many decisions as possible should be made at the lowest possible level of government.7
- The majority does not participate in politics because it is seen as too centralized (IG, 2013).8
- 40% would participate if there was greater openness in the political system and more participatory politics.).9
- The reform options that offer most hope involve building on citizens’ interests in linking representative with more participative localised political practices10
- 75% of Australians favour greater use of direct democracy (IG, 2014).11
- 83% believe that there should be more voice for local communities over their services (ANU, 2014).12

People generally believe that smaller-scale government is best. Most Australians like local government because they think and act locally – it expresses their identity, provides

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6 Griffith University (2014), *Australian Constitutional Values Survey 2014*, Centre for Governance and Public Policy, Griffith University.
7 Ibid.
9 Ibid.
10 Ibid.
employment, education and leisure opportunities, supports them with local services and facilities, and generally enhances their quality of life.

The role of local government leaders is to create and deliver public value – that is, to generate direct social and economic benefits for local citizens. The problems confronting local and regional Australia are now too complex to be dealt with through command and control leadership and traditional government administration; they require ‘soft power’ – adaptive leadership based on the power of persuasion and inclusion. This is why localism is more attuned to problem-solving in the 21st century.

Effective local and regional governance depends on innovation, facilitation and coordination and local government is uniquely placed to play this role. At the beginning of the 21st century we should therefore imagine local government as the engine room of a broader system of local and regional governance which gives expression to local identity, needs and aspirations; advances social and economic wellbeing; and represents community interests in forging regional deals that help maximise national productivity.
‘New Look’ Local Government

Australian local government is being transformed. There are now many more large, well-resourced councils; many more highly-skilled professionals; and many more functions performed.

Local councils across Australia collectively spend around $33 billion per annum and employ about 170,000 people. Especially in regional, rural and remote areas their operations and very existence are of fundamental importance to local economies and community life.

What makes local government different is that it is multi-functional and place-based. A local council has the capacity to draw together the full range of issues that affect its area, and to assemble diverse skills and resources to tackle the challenges involved – all in the one administrative and political unit.

It is now many years since local government’s role expanded far beyond ‘Roads, Rates and Rubbish’. Its’ reach has extended in two ways:

- **Councils have been required under State and Territory laws** to do much more in fields such as planning, environmental management, public health, emergency services and local regulations
- **Responding to community needs**, councils have used their discretionary funding, resources and authority to deliver services and work with business and community partners across an extremely broad range of new functional areas such as economic development, social wellbeing and cohesion, child care and early childhood education, life-long learning, apprenticeship schemes, programs for the unemployed, housing and homelessness, climate change and energy efficiency, public safety, community and aged services, refugee settlement, domestic violence, recreation and tourism, airports, public transport, aspects of international trade and relations – and many others.

This means that local government now touches all facets of everyday life – and assists people through all stages of life. Whether it’s childcare or preschool, the trip to school or work, the job itself, after-school care, visits (frequently online) to the library, sport and recreation for all the family, community events, or housing and activities for the elderly, councils provide essential support.

A growing number of councils are also heavily involved in important national and international agendas, notably around economic development, digital futures, urban growth management, environmental sustainability and climate change. Traditional Sister City links are being transformed into economic relationships, especially where large Australian city councils have longstanding ties with counterparts in China and Asia, or partner local business and universities to secure trade opportunities.

Increasingly, councils are working together in regional or special-interest groups to improve their efficiency, undertake major projects, and address ‘big picture’ challenges. This is further enhancing local government’s capacity to contribute to national life.
Part 2. Local Action and the Federal Agenda

2.1 The potential of local government

There is no shortage of evidence that local action can make a big difference when it comes to tackling big issues – but that evidence is often overlooked in the workings of the Australian federation. This Part considers the current and potential capacity of local government, and how it is already contributing to a wide range of federal agendas.

Australian local government spends around $33bn\(^{13}\) per annum and employs about 170,000 people, many of them highly-skilled professionals and technicians. It owns and manages over $300bn worth of public assets. It raises $15bn annually through local property taxes (rates), and much more again in service charges. Property rates have been recognized as a particularly efficient form of taxation with the potential to raise considerably more revenue (‘Henry’ 2009 tax review\(^{14}\)).

Whilst Australia inevitably has many small (in population) councils in rural and remote areas, there is a growing sector of large, high capacity, high performing cities, towns and shires that are adding real value to economic, social and environmental outcomes. Across Australia, these efforts involve annual expenditures of billions of dollars, and with the right policy settings there is scope for local government to do much more.

Effective local and regional governance can make a real difference in most key areas of national concern, including those identified in the federation reform process and the 2015 Inter-generational Report.\(^{15}\) Local government makes its contributions in varied ways. It works to:

- **Strengthen civic identity** and build social capital and cohesion
- **Engage communities and other stakeholders** in a conversation about future aspirations and opportunities
- **Inform policy and program development** by providing local and regional data on community characteristics, needs and trends
- **Capture and disseminate innovative ways of working** from hundreds of diverse localities across Australia.
- **Undertake and promote place-based integrated planning** and development across economic, social and environmental agendas
- **Facilitate collaborative arrangements** to deliver packages of services that address individual needs and advance community wellbeing
- **Unlock additional local resources** to provide essential services and infrastructure
- **Support new frameworks** for regional governance.

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The following sections provide examples of how local government is already applying these roles to a number of critical national issues.

2.2 Strengthening democracy

Recent polling by the Lowy Institute\(^\text{16}\) suggests a significant loss of confidence in Australia’s system of democratic government. Less than two-thirds of the voting age population, and less than half of those aged 18-29 years, agreed with the statement: "democracy is preferable to any other kind of government". And just over a quarter of younger voters agreed that: "it doesn't matter what kind of government we have".

Many councils across the country have recognized the vital importance of enhancing community engagement in local governance and building trust in government. To do so, they are applying a range of new approaches to consultation and active involvement of citizens in decision-making processes. Simply inviting written submissions on almost-finished plans, and holding public meetings or hearings, can be seen by communities as half-hearted and manipulative. People expect more and local government is best placed to facilitate meaningful community engagement both in pursuit of its own responsibilities and acting on behalf of – or together with – Commonwealth, State and Territory governments.

### Case Study: Community Attitudes in Pittwater

“What has surprised the Council about the survey results is the fact that residents appear to be less concerned about what I would call the 'traditional' activities of local government - and much more interested in what could loosely be termed 'participatory democracy'. The survey findings go on to say that out of ten drivers of satisfaction - what residents really want - the top two were access to Council information and support and community involvement in decision-making. Managing development came third, domestic waste fourth and perhaps most surprising of all, maintaining local roads seventh.

A definition of 'participatory democracy' is a process emphasizing the broad participation of constituents in the direction and operation of political systems. From this it could be inferred that citizens in a participatory democracy play a much more active role in government than just participating in voting and leaving governance to politicians.

The survey findings seem to suggest that Pittwater residents want to be much more involved in Council than just voting for their elected representatives every four years. The challenge for us as an organisation is to give our residents more mechanisms to get more information about what we're doing and to become more involved in helping us make decisions about Pittwater.”


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\(^{16}\) Stephen Bartos, *Our jaded country’s lost faith in democracy, and how to fix it*, Sydney Morning Herald, August 3, 2015.
Case Study: Noosa Community Jury

Noosa Council established its first Community Jury early in 2015. This followed the council’s re-establishment following de-amalgamation from Sunshine coast. During the de-amalgamation debate in 2013, it became apparent that the Noosa community was focused on finding its ‘local voice’. One of the key reasons why 82% of voters supported de-amalgamation was that local people wanted a local say on local issues. The de-amalgamation vote was successful despite a concerted campaign by opponents to focus on the projected high costs involved in re-creating a separate council.

The Jury works is as follows:

- 3,000 community members are selected randomly from the electoral roll using a random number generator. They are invited to register online if they are interested in being on the Community Jury
- After registration, an independent third party (NewDemocracy Foundation) invites 24 of those registered to form the Jury. The Jury is representative of the community demographic taking into account gender, age, location (urban or rural) and ratepayer/tenant
- Jury members are paid a small meeting fee and meet initially for a full day briefing and then meet once a month to deliberate; an independent person facilitates the deliberations
- The 24 selected jurors have about 6 months to work through the topic gathering information, reviewing community submissions, receiving presentations from experts they wish to hear from etc. The Jury itself works out what information they need to be able to come to a conclusion and who do they want to get that information from;
- At the end of the process, the Community Jury presents its findings to the council which then makes its determination based on that advice.

Issues considered to date include: “What is the best option for minimising organic waste sent to the landfill? And “How can we manage the Noosa River better? What role should Council play and what resources should Council apply?


2.3 Building an inclusive society

Local government is at the forefront of building social capital and cohesion. This is particularly important at a time when there is a critical need to encourage a positive response to social and economic challenges. Action by local government is wide-ranging. Many councils are demonstrating strong leadership on the critical issue of responding to the global refugee crisis and concerns about relationships with the AustralianMuslim community. Others are exploring new ways to strengthen social cohesion across the board by tackling underlying social and economic problems.
Case Study: Councils Welcome Syrian Refugees
In the wake of the recent announcement that Australia will take 12,000 extra refugees from war-torn Syria, a number of Australia’s local government authorities have expressed interest in receiving them into their communities. East Fremantle Mayor Jim O’Neil and Fremantle Mayor Brad Pettitt have called on the Federal Government to consider using Leeuwin Barracks, located in East Fremantle, to house refugees from Syria. The barracks previously housed 370 refugees from Kosovo in 1999.

Adelaide Hills has made a similar request, with Mayor Bill Spragg supporting a recent call from South Australian Premier Jay Weatherill calling for the reopening of the Inverbrackie detention centre in Woodside as emergency refugee housing. The facility has 80 houses and a medical centre.

Nearly a quarter of Australia’s local governments are now Refugee Welcome Zones, an initiative of the Refugee Council of Australia (RCOA). As well as Fremantle, East Fremantle and Adelaide Hills, they include the Cities of Sydney, Melbourne and Brisbane. By joining the Welcome Zone program councils recognize the many benefits refugees can bring to local communities, uphold their human rights and enhance cultural and religious diversity in the community.

Case Study: Logan – City of Choice
Logan City found itself in the national (and international) spotlight in January 2013, as the result of a high profile neighbourhood disturbance that drew widespread media attention. In response, the City Council convened a three-day community summit attended by all levels of government and a wide range of community, business, government and non-government representatives. The aim was to identify key challenges and underlying issues facing Logan City, and find ways to promote community cohesion along with opportunities for the city to grow and prosper. More than 1,000 people took part over three days.

The Summit led to the development of a two-year action plan, which identified priorities under five key themes: Education, Employment, Housing, Safety and Social Infrastructure (incorporating sub-themes of Communication and Community Involvement, Cultures and Transport).

An Independent Leadership Team was then formed comprising representatives of the council, the Prime Minister and the Premier, business and the community, with an independent chair and subject matter experts. Members have a direct role in specific initiatives and a lead role in identifying, advocating and negotiating partnership opportunities with government and other major stakeholders. They work in partnership with Councillor Portfolio Champions and relevant council staff, as well as Queensland and federal government personnel.

2.4 Renewing the economy
Local and regional communities are all too aware of the pace of economic change and the need to find innovative and cooperative ways of renewing Australia’s economic and employment base. For many years councils and their regional organisations have been at the forefront of promoting local and regional development, and have established partnerships with business and State and Commonwealth agencies through mechanisms such as Regional Development Australia committees. Clearly there is a pressing need to expand these activities and councils are rising to that challenge. Local government is also working to support and/or create international links focused on economic development.
Case Study: Dandenong’s South East Business Network and Social Enterprises

The South East Business Network is an initiative of Greater Dandenong Council. Its focus is on building the knowledge and capability of its manufacturing sector by facilitating a diverse range of networks and programs; supporting and enhancing the role of women in business; and leveraging relationships to create a community dividend.

SEBN has a responsibility for ‘horizon’ thinking and understanding global trends, so that issues arising that will impact on the region’s business community can be addressed. Building a strong business community also depends on having a capable and resilient residential community that can take advantage of the business and employment opportunities that present themselves. In turn, this involves addressing the considerable social challenges facing Melbourne’s south-eastern suburbs.

Leveraging its connection with business, SEBN has initiated the Greater Dandenong Employment Taskforce to collectively find local solutions to local issues. The Taskforce is initially a ‘think tank’ of key government and local organisations, including Commonwealth and State agencies, employer groups and educational institutes. It wants to tackle key underlying issues such as language and literacy, and find new ways to address longstanding concerns.

These are also the goals of the council’s Social Enterprises Program. Almost two-thirds of Dandenong’s population is born overseas, 14% have difficulties with English, and the city is the first home to one-third of Victoria’s humanitarian migrants. Recognising that social enterprises service those in most need, the council researched the size and scale of the sector to understand the future business direction of local enterprises, industry best practice, and how to assist them with information sharing. This led to support for a Social Enterprises Network with mentoring programs, start up assistance, promotion to raise the sector’s profile and building connections between social enterprises and local businesses.

Case Study: Burnie Works

The Burnie Works initiative is applying a Collective Impact Framework to create positive economic and social change. Burnie has a legacy of long-term intergenerational unemployment that needs to be targeted from multiple perspectives including education, health and social disadvantage.

Collective Impact involves agencies and community organisations working collaboratively to address complex problems. It has proved successful in areas such as education, health and juvenile justice. The aim is to shift from individual, short-term interventions that may produce immediate results but rarely bring about lasting change, towards innovative, longer-term programs that address multiple underlying issues.

Burnie Works is therefore built on five core principles: a common agenda; shared measurement systems; mutually reinforcing activities; continuous communication; and ‘backbone’ support organisations. The strong focus on data and measurement enables participants to identify gaps in service provision and areas for improvement; share knowledge; and co-design solutions.

Burnie City Council is sponsoring Burnie Works and resources the Local Enabling Group (currently chaired by the Mayor) to provide independent support for working groups tackling various aspects of the overall initiative. The Group will be incorporated as a cooperative. It is now undertaking planning, systems mapping, and complex issues analysis.
Case Study: South Australia’s Local Government Links with China

Recently mayors from across South Australia welcomed over 100 business and government delegates from its sister-state Shandong. The mayors had taken part in the Premier’s mission to Shandong in May 2015. Their guests included business people looking for trade and investment opportunities as well as economic development officials from a number of Shandong cities. This was the largest inbound Chinese mission to Australia in 2015 and was Shandong’s largest outbound mission to any country that year. Local government plays a very important role in China’s governance.

During the visit, memoranda of understanding were signed between the City of Charles Sturt and the Yantai Municipal Bureau of Commerce, and between the City of Onkaparinga and the Shandong Ronghui Guantong Company Limited. Previously, The Local Government Association of SA had partnered with the Australia-China Business Council to develop an Economic Development Cooperation Platform, and signed an umbrella agreement between local governments in South Australia and Shandong during the May mission.

The Platform will create a pathway for businesses in South Australia and Shandong to exchange information directly on trade and investment opportunities. It clears a path to ensure South Australian SMEs are introduced to pre-qualified, high-value Chinese trading companies and investors. The platform is supported by the Local Government Association’s China Engagement Strategy and Guide, which helps councils determine how best to support local businesses wishing to engage with China.

There is mounting evidence of the important role that councils can play in opening up the China market for local businesses. Councils have detailed knowledge of their areas and their economic potential. At a forum held recently in Adelaide, presentations were made by Adelaide businesses that have successfully developed trade relations with China. Each noted that they simply would not have been able to make connections in China without the relationships developed by their respective councils.

2.5 Embracing the digital future

Local government has accepted the need to do more to embrace the digital future as a means both to improve communications and services, and also to underpin economic and social development. There has been justifiable criticism that many councils – like their federal and state counterparts – were initially slow to meet this challenge, but the picture is now changing rapidly.

Case Study: Queensland Councils and the Digital Future

The Digital Productivity Report 2015 commissioned by the Local Government Association of Queensland shows councils generally have a good understanding of the benefits of technology in engaging and serving their communities.

- 92% of councils are optimistic towards transitioning to a digital way of working.
- More than half of councils use data and information to make better decisions.
- Councils are investing in mobile applications to assist their workers to have access to real-time information on the go.
- 69% of councils see technology as a driver of increased productivity.
There is a high level of commitment to using information technology to provide better services to the community, with 84% of councils committed to that goal.

**Case Study: Victor Harbour’s Online Services**

The City of Victor Harbour is using a large federal grant, coupled with its own resources, to capitalize on the NBN rollout as a means of bringing customer support services into the 21st Century, as well as expanding online access and collaboration across the council itself, the local community and its region.

Through secure, online video-conferencing, immediate access will be provided for residents and visitors to council meetings, subject experts, interactive library programs, community service groups and tourism offices. Victor Harbour residents are now able to make video calls to council staff, making it far more accessible for people (such as growing numbers of the elderly) who may find it difficult to visit the council office. Video-conferences and live streaming of events and forums will also facilitate much greater levels of community engagement and awareness of local issues.

Video-conferencing is also being used for regular discussions with the neighbouring Alexandrina Council, resulting in some significant time and cost savings. These gains will steadily increase as more staff become familiar with the technology and see more application for it within their duties.

### 2.6 Lifelong education and workforce skills

Local government’s significant and expanding role in education is often overlooked. As well as providing essential infrastructure and services to support educational facilities at all levels, councils contribute directly to Australia’s educational outcomes by providing or supporting early childhood centres and lifelong learning opportunities that enhance workforce skills and quality of life for older people. Both pre-school education and learning outside the formal education system will become increasingly important to Australia’s changing society in the 21st Century.

**Case Study: Devonport’s Live and Learn Strategy**

The *Live and Learn* strategy has been developed by Devonport’s Learning Communities Special Interest Group and aims to provide innovative ways of inspiring and supporting partnerships between individuals, families, education providers, community groups and government agencies which encourage and support lifelong learning.

The strategy identifies actions that may be taken to improve community life though improved and increased learning opportunities and outcomes. These actions are designed to facilitate improvements in both formal and informal learning outcomes for the Devonport community.

Investment in learning by individuals, families and communities brings a wide range of benefits from the tangible, such as increased participation rates at schools, employment opportunities and economic prosperity, to those that are difficult to measure, such as increased community interactions and a sense of common purpose.

Implementation of *Live and Learn* will be a whole of community effort, and its success will depend critically on support from all relevant stakeholders. However, Devonport City Council is playing a leadership role and accepts the need for an ongoing commitment. *Live and Learn* links to the
council’s strategic goals and will facilitate new partnerships to achieve positive cultural, social and economic development.

2.7 Wellbeing, health and ageing

Local government has demonstrated capacity to deliver facilities and services that support community wellbeing and healthy communities. This role has become particularly salient in the context of an ageing society. Through the provision of open space and affordable recreation opportunities, facilities to enjoy the arts and culture, town planning, waste management, animal control, children’s and community services and facilities, public libraries and economic development, local governments lay the foundations for community wellbeing in a place-based framework.

These activities and services reflect the World Health Organisation’s *Social Determinants of Health*, the social and economic factors which are now known to be the most powerful determinants of population health in modern societies, including Australian society.

**Case Study: Monitoring Community Wellbeing in Melville**

Like many Australian councils the City of Melville has prepared a long-term Strategic Community Plan to guide service delivery and decision-making. The current plan *People, Places, Participation 2012-2022* was based on detailed research and consultation to establish community aspirations, and reflects the council’s commitment to societal wellbeing.

The plan is complemented by a biennial Community Wellbeing Survey and Scorecard. The latest survey consisted of a random sample of 401 residents interviewed by telephone. It found six key determinants of happiness amongst Melville residents that applied consistently across the city: safety and security, lifestyle factors, infrastructure, personal wellbeing factors, community governance, and sense of belonging. More than 9 in 10 residents were satisfied with their quality of life. Also, those aged 55 or above were somewhat happier with their lives than younger people, apparently reflecting a better work-life balance.

Local surveys such as this can provide a mass of valuable information to assist all levels of government in planning and decisions about service delivery.

**Case Study: Brewarrina Mobile Dental Services**

Brewarrina Shire is a remote area in the north-west of New South Wales with a predominantly Indigenous population. In December 2006, the Shire Council approached Griffith University to develop a program that would place final year dental students undertaking practical experience in the town of Brewarrina. This would provide an essential service and hopefully lead to some students starting their careers in rural Australia. The community had been without dental services for five years.

A partnership was formed between the council, Griffith University, Ochre Health and the Greater Western Area Health Service (GWAHS). In 2009 it built a dental surgery with four chairs that can operate concurrently. This allows for families who have to travel to be booked together. Groups of up to eight Griffith University dental students, accompanied by a qualified dental supervisor visit Brewarrina for blocks of three weeks at a time.
The service also includes educational outreach to school students and outlying settlements, aiming to reduce secondary illnesses caused by poor oral hygiene. It has attracted funding to provide remote client transport and state-of-the-art mobile dental facilities.

Oral health care would not normally be viewed as ‘core’ council business. However, the council saw this as a priority and demonstrated considerable foresight by identifying a partnership opportunity that would be a ‘win-win’ for both itself and the university. This is a telling example of local government creating and delivering public value outside its normal organisational boundaries.

**Case Study: Marrickville Active and Connected Seniors Program**

Marrickville Council provides an Active and Connected Seniors Program to encourage participation in preventive health activities that promote healthy ageing. The program is based on ‘whole of council’ and ‘whole of community’ partnerships that focus on both the needs of individuals and benefits for the wider community.

The program seeks to:
- Build social connections between seniors and across the generations
- Increase motivation to engage in physical and creative activities on a regular basis
- Raise awareness of the factors critical to maintaining and improving health and wellbeing.

Activities include arts, music and dance, gentle exercise, Men’s and Women’s Sheds, intellectual fitness, and a ‘Dementia Café’. The response from participants has been exceptionally positive: they appreciate the opportunities to take up locally-based activities, get to know others living in their neighbourhood, and refresh or learn new skills.

### 2.8 Housing and homelessness

Councils are in the front line in dealing with Australia’s challenges of providing sufficient, affordable housing and tackling various forms of homelessness. Often the debate around affordable housing focuses on purported delays in approving developments and supposedly excessive developer contributions for essential infrastructure and services. In reality these are issues that go to questions about State government policies and planning controls, plus the extent to which existing residents and service users should cross-subsidise newcomers.

On a more positive note, a substantial number of councils are taking direct action on housing provision by investing in local developments, partnering with developers and social housing organisations to include a component of affordable housing in new projects, and supporting or running programs for the homeless (including refuges for women and children escaping domestic violence).

**Case Study: Affordable Housing in the City of Salisbury**

This case study demonstrates a new way of being ‘local government’. It underscores the importance of leadership, evidence-based policy making and risk-taking, and sharing risk through partnerships. In 2007, research showed that it was increasingly difficult for essential workers to both live and work in the City of Salisbury due to high property prices relative to incomes. Yet one of the criteria
employers rate highly in their decisions about location is a good supply of labour within a reasonable commuting distance.

At the same time, the council was seeking to rationalize its landholdings to redirect resources and reduce maintenance costs. It therefore sought to determine the extent of the housing problem and how it could intervene, potentially by utilising council-owned land. Its analysis indicated the amount middle-income earners could afford to pay for a home without experiencing significant mortgage stress. On this basis, the council endorsed a pilot housing development and launched further investigations into an equity mortgage (shared appreciation) model for prospective home-buyers. It partnered with HomeStart Finance, a South Australian government housing finance agency focused on low-moderate income households, and the State’s Affordable Housing Innovation Unit.

The council wanted a development that would not require a subsidy from ratepayers, and that was environmentally sustainable. Both outcomes were achieved. Modelling indicates that the shared equity loan (mortgage) product will ensure a satisfactory return to the City.

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**Case Study: Addressing homelessness in Australia’s Capital Cities**

The Council of Capital City Lord Mayors has identified central city homelessness as one its primary areas of concern. Australia’s capital city councils have all put considerable effort and resources into assisting homeless people and dealing with related issues. Action taken includes street counts, advice and direct support, provision of emergency accommodation, grants for community organisations, and liaison with other government agencies.

The City of Sydney has perhaps the most comprehensive program, but many of its elements listed below are matched in other cities.

- Establishment of a Homelessness Unit and provision of $1.4 million annually for three years to the NSW Department of Family and Community Services for the provision of assertive outreach services, service and housing supply coordination for young people, and support services for people at risk of homelessness or experiencing homelessness in the inner city.
- Conducting street counts of people sleeping rough twice each year (summer and winter).
- Employment of four Public Space Liaison Officers to work with a diverse range of stakeholders to reduce homelessness and its impact in Sydney. PSLOs link people occupying public spaces with services and pathways to exit homelessness.
- An emergency response protocol with the NSW Department of Family and Community Services.
- Cooperative arrangements with voluntary mobile services that provide direct services such as food, clothing and blankets to the homeless, plus a map of established services of food van locations.
- Provision of communal storage bins in some key areas in the city for rough sleepers.
- Local area-based action plans in three locations implemented in partnership with government agencies, police and other services to assist people experiencing homelessness with pathways into housing.
- Quarterly interagency events.
2.9 Climate change and disaster management

Local government has been involved in ‘direct action’ on climate change and the related area of disaster management. In the 1990s, many councils became strong supporters of Australia’s then Greenhouse Strategy, including community education, local programs to cut energy usage and waste, and involvement in the global Cities for Climate Protection campaign run by the International Council for Local Environmental Initiatives. These efforts received substantial Commonwealth support and achieved significant reductions in emissions. Councils have also responded enthusiastically to more recent initiatives, including ongoing action to reduce their own emissions and schemes to encourage owners of city buildings to undertake modifications to improve energy efficiency. There is also growing international cooperation amongst major cities and other local governments to address climate change.

Similarly, local councils are at the forefront of disaster management through their roles in infrastructure provision, land use planning, floodplain and catchment management, and financial and/or logistical support for fire and emergency services. These activities cost local government many millions of dollars every year.

### Case Study: C40 Cities Climate Leadership Group

In 2015, leaders from 13 cities representing almost 100 million people visited Sydney to workshop ways to improve energy efficiency, reduce emissions and tackle climate change globally. Experts from cities including Tokyo, New York, London, Singapore, Johannesburg and Shenzhen joined forces as members of the C40 Private Building Efficiency Network at Sydney Town Hall.

C40 connects more than 80 global cities committed to taking significant action on climate change. It represents more than 550 million people and one quarter of the global economy. The Cities of Sydney and Melbourne are prominent members.

Created and led by cities, C40 is focused on tackling climate change and driving urban action that reduces greenhouse gas emissions and climate risks, while increasing the health, wellbeing and economic opportunities of urban citizens.

### Case Study: Crisis Mitigation and Social Media in Brisbane City

Innovations in online technologies, mobile devices and social media enable information to be delivered to anyone, anywhere, at any time. This also means that members of the community can help in the delivery of vital information.

Brisbane City Council used new information technologies and social media as a critical tool in managing the City’s flood crisis in January 2011. As telephone lines and mobile phones were cut, the council’s normal communication channels failed, and its website crumbled under the pressure of unprecedented numbers of people desperate for information about flood maps and evacuation centres. Moreover, the council’s offices had been evacuated and staff sent home.

Faced with this situation, the Council turned to social media. Prior to the flood peak, the council and the Bureau of Meteorology had to deliver critical information to 40,000 homes and businesses likely to be affected, as well as the broader community. Working from their homes, the council’s Digital Communication Team developed a social media campaign to ensure that the correct information was delivered – and that it was shared quickly. They also set up a public Twitter account #QLDfloods to
share trusted information with other authorities, major news outlets and individuals. Social media was also used to gather intelligence that could be fed immediately to the Local Disaster Communication Centre. The Team worked around the clock. The council had established the Digital Communication Team more than a year prior to the flood. It had already gained a reputation for delivering timely and trustworthy information. This investment enabled the council to innovate in a time of crisis. The results were outstanding.

2.10 Facilitating regional governance

As discussed earlier, governments around the world have recognized the value of new approaches to local and regional governance as a means of tackling complex, place-based issues. In England, local government has played a key role in convening and supporting Local Enterprise (formerly Strategic) Partnerships. Councils are now working with central government to create sub-regional ‘combined authorities’ as a vehicle for better coordinated service delivery and strategic planning across multiple agencies and local government areas.

In Australia, local government has for many years responded positively to State and Commonwealth initiatives in regional development and planning, and across the country groups of councils have established and maintained their own voluntary regional organisations to share resources and manage joint ventures. Currently, the New South Wales government is funding a series of pilot regional ‘joint organisations’ that could take these cooperative efforts to a new level, including expanded collaboration and resource sharing between councils and State agencies in strategic planning, service delivery and major projects. These ‘joint organisations’ could provide a platform for greater cooperation between all levels of government across a wide range of programs and initiatives that would benefit from more effective regional governance. New arrangements for regional planning and governance are also under discussion in South Australia.

Case Study: Cradle Coast Authority

The Cradle Coast Authority is a joint authority established by the nine councils of North West Tasmania to facilitate the sustainable development of the region, resolve regional issues and coordinate regional-scale activity. It has a budget in excess of $3 million per annum and employs around 20 staff.

Importantly, the Authority’s goals include:

- An adaptive and diverse economy built on the region's unique advantages and ideas
- A long term view that helps us … respond to change and prepare for the future
- A role-model of regional governance that provides advocacy, coordination and leadership for its councils, their communities and their important issues.

Whilst the Authority’s underlying purpose is to represent and advocate for the region, it has evolved into a multi-purpose organization responsible for a range of regional programs jointly funded by local, State and Commonwealth governments – notably in the areas of economic development, tourism and natural resources management. Currently the Commonwealth contributes just under half of all funding, local government 28% (including core administrative
costs), and the State 16%, with the balance from various other sources. Combined management of programs creates both efficiencies and synergies.

The Authority is now entering its third decade, and its future is being reviewed by its member councils in light of emerging economic, social and governance challenges; changes to the Tasmanian government’s arrangements for promoting regional development; and a new emphasis on resource sharing between councils. A key element of the review is consideration of options to create an even stronger platform for regional governance and collaboration between all levels of government and other key stakeholders.
3. The Way Forward: A Federation for Communities and Places

This paper has highlighted the need and opportunity to bring a localist perspective to the future architecture of the Australian federation to address the problems identified in the Commonwealth Government’s 2015 *Intergenerational Report – Australia in 2055* and its more recent National Innovation and Science agenda through enhancing the problem-solving capacity of collaborative governance. It has explained how local government could make a far greater contribution to the success of the federation as part of a concerted campaign to promote collaboration between governments, business and civil society at local and regional levels. Collaborative governance involving local citizens and all key stakeholders is the only way in which Australia can bring to bear all the skills and resources required to address 21\textsuperscript{st} Century challenges. Essential gains in productivity, innovation and adaptability depend on our capacity and will to mount a whole-of-government, whole-of-society effort.

Like any other level of Australian government, local government can be accused of fallibility and aversion to the risks entailed in adopting new agendas and new ways of working. But the biggest danger for local government today is that it might subscribe to the myth – often propagated by other levels of government and a sceptical media – that local councils are not up to this challenge. If they do succumb to fatalism, then councils and their regional organisations will fail to fulfil their potential to help meet the great public policy challenges of our time – from climate change to economic development to combating poverty – that in fact demand a localist response.

Of course, local government cannot be expected to make an open-ended commitment to keep doing more. It faces limits to its’ capacity that require careful attention, whether in terms of improving the skills of both staff and elected members, or bolstering the revenue base. However, over recent decades Australia has seen the emergence of a considerable number of larger, better-resourced local governments – especially in metropolitan areas and major regional centres – that with the right policy settings are well placed to make a substantial contribution to inter-government efforts.

What is needed now is for the Commonwealth and States to recognise the potential of local government and enter into a dialogue – both political and professional – to explore the options for increased collaborative problem-solving in the areas that Australian citizens care most about. This does not depend on recognition in the Australian Constitution or a major injection of additional grant support. What it does require are:

- First, *parity of esteem* – an appreciation of what local government already does and what it could do, and that its activities add real problem-solving capacity and warrant respect.
- Second, enabling local government to maximise the use of its robust property tax base, as proposed by the Henry Tax Review, without unwarranted restrictions or political interference. Also, it is essential that no adverse impacts on local government revenues occur as a consequence of tax reform and/or changes to Commonwealth-State financial relations.
- Third, fresh thinking rather than a re-run of tired old debates about ‘who does what’ and ‘who’s in charge’. Australians simply want results. The case studies in Part 2 of this paper demonstrate local government’s capacity for innovation and agility in addressing local and regional issues. One of the greatest benefits of a localist approach is that it offers hundreds
of potential sites of innovation in differing contexts across all parts of Australia, and an abundant source of knowledge and new ideas.

The recent appointment of federal Ministers for Local Government and Cities offers a golden opportunity to start a new, more productive dialogue. Local Government Professionals are greatly encouraged by Minister Fletcher’s early statement (26 November 2015) on the importance of the sector:

...This is the first time for some years that there has been a Minister whose title includes specific reference to local government. There are at least three important reasons why the Turnbull Government has chosen to underline the importance of local government in this way.

The first is to explicitly and formally recognise the vital role that local government plays. The sector is an important part of our national economy... If it were not for local government, many of the services that Australians take for granted simply would not be there.

The second important reason... has been our ambition to demonstrate a better integration between all three levels of government. When Australians engage with government, nothing annoys them more than buck-passing and finger pointing between different governments... but all of us have a responsibility to work together to deliver the best possible outcomes for citizens and residents.

...there is a highly important relationship between the Commonwealth and local government... in many policy areas local councils are key delivery partners for the Commonwealth, in getting services to Australians.

A third reason... is because of the important nexus with the Turnbull Government’s priorities when it comes to cities and infrastructure... The Turnbull Government's cities agenda complements the traditional priority which Coalition governments have applied to advancing the interests of regional and remote Australia. In both of these important policy areas, local government must be a key partner of the Commonwealth.

As a nation, and at all levels of government, we face a rapidly changing economy – but with a focus on creativity, innovation and agility Australia can continue to be one of the world’s most prosperous and successful nations. Local government has a key role to play...

Local Government Professionals wish to play a proactive role in this dialogue, engaging their colleagues in the Commonwealth, States and Territories in transformative conversations on how to secure Australia’s long-term prosperity and wellbeing. To this end, Local Government Professionals will convene a series of national roundtables during 2016 to explore the key issues raised in this report.17 The focus will be on establishing an agenda for better local and regional governance as a vital building block of a 21st Century Federation. A Federation for Communities and Places that recognizes local government’s potential as a knowledge institution and locus of innovation, as well as a capable partner in strategic planning, program design and service delivery.

17 Topics will include, amongst other: digital strategies, innovation and knowledge management; re-thinking regional collaboration; social cohesion and inclusive communities; and, managing the Australian metropolis.