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*Local Government in the Australian Country
Town: New Challenges for the 21st Century*

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Overview

- What is “Community Strengthening?”
- The Institutional and Fiscal Context of Local Government
- State and Fed Govt Choices
- LGs own Performance
- LG Perf Mgt Systems
- Conclusion

What is “Community Strengthening?”

- Part of the rhetoric of State and Fed Govt
- A process
- ‘Not about funding but better use of resources..’
- ‘Engages local people in a shared vision for ..’
- ‘Develops a range of community initiatives ..’
- ‘Builds local skills and knowledge to increase..’
- ‘Increases opportunity for positive social ..’
- Improves understanding, value of, utilisation ..’

Measuring community strength?

- Determining where communities are at in terms of CS is a difficult exercise
- It is this complexity which challenges L/SG
- Decentralisation seen as a panacea to central govt problems in dealing with these places
- Is it an abdication of SG responsibility?
- If not properly structured and resourced

The Philosophical Driver

- CTWGW Principles
- Client focussed
- Place based
- Enabling LG
- Subsidiarity
- Partnership
- Local Cap and Leadership

Is the Vic CS Strategy Maximising its Opportunity? (Salvaris)

- Not strategically coherent
- Seen as an add on
- Not well understood
- Not built into govt where it matters
- Lacking in wider community support
- No strong vehicle to carry it forward
- ---Salvaris suggests local government!

Is LG set up to focus on CS?

- LG resp for a narrow range of activities
- LG has the opp to influence 'sense of place'
- There is considerable diversity in Oz LG
- There is also considerable cultural, leadership and admin diffs (Martin and Simons 2002)
- LG not set up to run CS type activities
- If they were????

The Institutional and Fiscal Context of Local Government

- NPM – LG as a service deliverer
- Corporatisation
- Competition as a basis for action
- Use of private sector mgt practices
- Discipline and parsimony in resource use
- Explicit and measurable standards matter
- Preset output measurement

The Institutional and Fiscal Context of Local Government

- NCC 'reforms'
- Ext of Trade Prac Law to government
- 'Competitive Neutrality'
- Review of anti competitive behaviour
- Access to existing infrastructure (tel/rail)
- Price monitoring
- Specific reforms: energy, water & transport
- Codified LG behaviour

The Institutional and Fiscal Context of Local Government

- C'wealth Inquiry into LG & Cost Shifting
- 74-75 to 97-98 CG 10.5%-12.1%; SG 14.8%-7.1%
- LG own efforts in rev raising 74.7%-80.8%
- Does not account for imposition of 'un-funded mandates' from SG to LG

The Institutional and Fiscal Context of Local Government

- Review of C'wealth State Funding
- 'extreme complexity' – use many indicators
- Based on 'rolling a five-year average'
- SPPs 'from 22% 42-43 to 50% 99-2000
- Shift from untied to SPP as C'wealth seeks to influence locally

State Govt Choices?

- If they are to have a viable LG system
- How does SG determine optimum unfunded service del to devolve to LG?
- Does SG know what the 'thresholds' are, the limits they can ask LG to go to?
- How does SG assess the institutional and org capability of LG to deliver?

Fed Govt Choices?

- How does FG (SG) differentiate the perf requirements of diff types of LG?
- Currently 660 (700+ with indig); 21 different types; up to four sub categories, across states and territories. From Brisbane to Murchison

LGs own Performance

- What perf mgt systems inform SG?
- How does LG report perf to SG?
- What is the 'price sensitivity' to LG services between LGs?
- How are local prices determined and what is the connection to revenue?
- How far can cost shifting go before it becomes dysfunctional?

LG Perf Mgt Systems

- Measure unit cost in terms of the recipient
- Develop SPs which identify outcomes and evaluate
- Adopt strategic Mgt Acct systems (BSC)
- Actively report to their community on their performance
- Being transparent and Acct creates autonomy, reveals cost shifting.

Conclusion

- An inherent conflict in the 'rules-of-the-game' and the community strengthening outcomes they are expected to achieve
- LG corp managed as an instrument of S&FG
- In reality LG little autonomy/room to move
- LG overly cautious/guarded about CS type of activity
- LG requires specific cap building to take on this new type of work.