

# EVOLUTION IN COMMUNITY GOVERNANCE: BUILDING ON WHAT WORKS

The objective of this project is to explore recent trends in community governance in Australia. It recognises the growing distinction between the formal role of *local government*, and the practice of *local governance* which typically involves a wide range of networks linking various government bodies, civil society organisations, and the private sector. The Bendigo community banking network offers an instructive example of a growing network of commercial and civil society organisations that have the potential to become significant partners in collaborative community governance. Peter McKinlay with assistance of ACELG staff conducted the interviews.

These trends are leading to a new understanding of governance which recognises that in today's complex world, governments (local, state and federal) cannot do everything on their own, and nor can they control everything that happens. *Community governance* can be seen as local government working with a broad range of other government and community stakeholders to determine preferred futures, and to facilitate shared decisions and joint action to achieve agreed outcomes, including the quality of the local environment and how communities access the services they need.

For many local government practitioners this description of community governance may not look markedly different from what most councils have done in the past. There is, however, an important qualitative difference. The traditional form of collaboration has typically been instrumental in its approach, focused on a specific set of services or needs and how they might best be addressed. A community governance approach involves shifting to a different level; it is oriented more towards a shared approach to planning for preferred outcomes across the community as a whole. Community governance as defined in this report starts earlier in the process, considering what different needs exist across the community, how best to address them, and with what sort of priorities. The preferred approach under a community governance approach is that consultation/engagement should start with exploring what the question should be.

The report is presented in two volumes. Volume I contains the substantive discussion, findings and recommendations. Volume II contains the literature review which poses a series of questions to do with the theory and practice of community governance.



## Research methods

Three different methodologies were employed in order to provide a multifaceted overview of developments in community governance, and to enable findings from one to be compared with findings from the others. The research was conducted in the first half of 2011.

The methodologies were:

- Desk analysis of the literature.
- A series of exploratory interviews with people from selected councils and community bank branches.
- Interviews with selected long-term experienced practitioners/observers; four from local government or with knowledge of local government, and four from the community banking sector.

### The Councils

Brewarrina Shire Council, NSW  
Central Coast Council Tasmania  
Golden Plains Shire Victoria  
Mosman Municipal Council NSW  
Playford City Council SA  
Port Phillip City Council Victoria  
The Redlands Queensland  
Surf Coast Shire Victoria  
City of Swan WA  
Wyndham City Council, VIC  
Tweed Shire, NSW  
Wiluna Shire, WA  
Yarra Ranges Council, VIC

### The Community Banks

Cummins District Community Bank, SA  
Gingin Community Bank, WA  
Logan Community Bank, QSL  
Mt Barker Community Bank, WA  
Strathmore Community Bank, VIC  
Wentworth and District Community Bank,  
NSW

## THE FINDINGS

The findings which follow have practical implications for the development of a community governance approach and a recognition that community governance requires new ways of working and new ways of understanding the roles of the different parties.

### For Local Government

**Finding 1** Local government's communities have a stronger expectation that they will be involved in decisions which affect them, and this may influence the way in which individuals vote.

**Finding 2** Size and geography both matter.

**Finding 3** A community governance approach changes the roles of elected members, from a purely representative democracy model to one where community input is sought issue by issue.

**Finding 4** It is critical that all parties are well informed.

**Finding 5** A community governance approach highlights the importance of ensuring that the council is able to hear all the voices within the community and not just the traditional 'squeaky wheels' or other loud voices.

**Finding 6** In all councils it is councillors who have ultimate responsibility for the council's policy on community engagement but there is a need to tailor actual delivery to the circumstances of the individual council, other pressures on elected members, and the council's culture and structure.

**Finding 7** Most councils involved in the study have recognised in different ways the need for community capability building initiatives and community governance often amounts to a process for decision-making about a particular place or places within the larger area served by a council.

**Finding 8** Place-based management virtually amounts to a prerequisite for a genuinely effective and comprehensive approach to community governance, and there is likely to be a growing trend for councils to look at reorganising their structures to reflect this.

**Finding 9** There is likely to be tension between state government planning, for example planning directed to allocating anticipated population increases within metropolitan centres, and a community governance approach. The former is a top-down approach to imposing decisions on individual communities and the latter a bottom-up approach expressing the community's preferences.

**Finding 10** Councils adopting a community governance approach recognise the need for three separate roles: around decision-making and implementation, facilitation, and advocacy.

**Finding 11** The development of community governance as discussed in this report should remain free from statutory direction.

### For Community banking

**Finding 1** Community banking can be seen either as a stand-alone phenomenon specific to a particular sector and firm, or as a specific example of a more general case; how communities can retake a measure of control over services which in recent years have been centralised away from communities because of issues such as economies of scale (cost cutting), regulatory intervention etc. Seen in this latter way, community banking suggests other possibilities for community delivery of market-based services.

**Finding 2** It seems likely that the community reinvestment activity of community bank branches will become an increasingly important contributor to community governance within their catchments.

**Finding 3** There is a growing recognition of the importance of having good information about the nature of community need, and different means for addressing it. This is likely to result in increased collaboration between local government and community banking.

## CONCLUSIONS AND RECOMMENDATIONS (from page 12, full report)

The evolution of community governance is now a significant development both within local government and through other networks such as community banking. It clearly reflects a growing interest on the part of communities in being much more closely involved in decisions which affect them. The likelihood is that this interest will underpin a continuing shift towards a community governance approach. It is therefore important to draw on learning from this project to determine what can best be done to facilitate the further evolution of community governance. In particular, the emerging relationship between local government and community banking provides a useful way of identifying the pivotal role of local government as the 'soft infrastructure' within the community with the capacity required both to identify the community's needs, preferred options and priorities, and to provide the necessary research and policies.

Within local government, the development of community governance has benefited from the freedom which individual councils have had to develop their own responses to its development as they have perceived it. It is important that this freedom from legislative direction remains – there is no 'one size fits all' approach to community governance, and there is enough diversity amongst different councils to make it clear that finding tailored local solutions will often be the best approach.

At the same time, an understanding of the very real strength of being able to develop solutions unique to the circumstances of individual councils needs to be tempered with recognising the benefits of sharing experience, and identifying common issues which are best approached collectively. We therefore recommend consideration of the following steps to follow-up this study.

- A further review of the respective roles of elected members, management and community organisations in community governance with the objective of sharing experience and considering whether there are specific changes required. Such a review would best be undertaken by or on behalf of the sector itself rather than by a higher tier of government.
- Establishing processes and mechanisms by which councils (and others) involved with community governance can share their experience. This could include an interactive website as a means for documenting current practices and facilitating discussion of the issues arising.
- Professional development and capacity building programs for elected members, council management and community groups who may be involved in community governance activity.
- A study of success factors for community governance from a community perspective, exploring the conditions under which communities succeed in establishing community governance as a genuine way of working.
- Ongoing engagement with the community banking network in order to support its community governance potential. This may be best achieved by working collaboratively with Bendigo's Community Banking Strategic Advisory Board.
- Examination of the extent to which complex regulatory frameworks represent a barrier, or at least a disincentive, to the further development of community governance. One way forward may be to learn from councils and communities who are seeking to overcome these barriers.