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Efficiency and Democracy in Australian Local Government

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Abstract: With few exceptions, the debate about local government reform in Australia has been polarised between dominant arguments for increasing economic efficiency on the one hand and a lament the effects of this reform process have had on democratic arrangements on the other. After providing a synoptic account of this debate and an account of reform processes across jurisdictions in Australia, this paper draws on recent international literature in local government studies to subject the reform process to critical assessment according to the criteria of four models of democracy for local government: 'representative', 'participatory', 'user' and 'network'. It is argued that the defence of local democracy has been hamstrung by being anchored to a particular idea of representative democracy and a more positive assessment of outcomes of various reform processes is possible if our conceptualisation of democracy is broadened. Further, by engaging in this process we place ourselves in a position to positively contribute to the institutional design of democratic processes, conceived pluralistically, and as such democratic reform at the municipal level.

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Introduction

Australian local government has been subjected vigorous and ongoing reform for almost two decades. In the early stages of this reform process, most emphasis was placed on improving the operational efficiency of local councils. To this end, local government policy makers in the various Australian local government jurisdictions revised their Local Government Acts extending the general powers of competency of councils and giving them greater discretion in various aspects of their operations. Moreover, almost all state jurisdictions underwent structural reform through forced amalgamation programs of varying degrees of severity. In addition, New Public Management (NPM) techniques were introduced providing senior executive officers with greater ‘freedom to manage’, the ‘corporatisation’ of municipal organisational structures occurred, with the development of ‘cost centres’, and outsourcing and competitive tendering became widespread (Davidson and Grant 2001; Dollery *et al.* 2006a).

More recently, in the light of growing concern over the financial sustainability of many local councils across the entire spectrum of Australian local government, policy makers have focused on the financial plight of local government. Indeed, every Australian local government jurisdiction has recently held inquiries into financial sustainability of their local government systems¹. In policy terms, the result has been growing unease, especially with

¹At the national level, the Australian Local Government Association commissioned the PriceWaterhouseCoopers (PWC) (2006) *National Financial Sustainability Study of Local Government*. Similarly, at the state level, we have seen the South Australian Financial Sustainability Review Board’s (FSRB) (2005) *Rising to the Challenge*; Local Government Association of Queensland (LGAQ) (2005) *Size, Shape and Sustainability of Queensland Local Government*; the Independent Inquiry into the Financial Sustainability of NSW Local Government (2006) *Are Councils Sustainable*; and the Local Government Association of Tasmania’s (LGAT) (2007) *A Review of the Financial Sustainability of Local Government in Tasmania*. Initial impetus for reform in Victoria arose from the Victorian Department of Local Government’s *Microeconomic Reform in Local Government* (1990) and the Western Australian Local Government Association produced its own report, *The Journey: Sustainability into the Future* (2008) as a result of a four-year consultation process.

respect to local infrastructure renewal and maintenance, and a stress on much improved asset management by councils and the need for greater investment. However, the problem of finding additional adequate sources of revenue for local government remains unresolved, despite some promising policy proposals (see, for example, PriceWaterhouseCoopers 2006; Dollery *et al.* 2007a; Byrnes, *et al.* 2008).

These reform processes have all addressed the administrative, financial and technical capacity of local councils in local service provision. But local government also plays a pivotal role in Australian democracy by providing local representation, increasing 'local voice' and facilitating 'local choice'. This second dimension of local government has been almost entirely ignored in the reform process. Indeed, some commentators have argued that the representative legitimacy of local government has been 'weakened instead of strengthened' by these reforms (Kiss 2003, 104). For example, in relation to the dual role of local government in Australian public life, Aulich (1999, 19) has claimed that the widespread amalgamation of local councils, particularly in non-metropolitan areas, has intensified the innate 'tension' between the democratic nature of local government and its economic role in service provision:

For instance, in relation to the controversial question of municipal amalgamations, the argument for larger local government units is usually based on the existence of economies of scale in service delivery. The opponents of amalgamations generally claim that there are diseconomies of scale in relation to the democratic values of representativeness, with large municipal units less responsive to community needs and aspirations than smaller ones.

The comparative neglect of local government democracy in the reform process has been echoed by a corresponding lack of interest in the academic literature on Australian local government, with a few notable exceptions (see,

for instance, Aulich 1999, 2005; Kiss 2003; Burdess and O'Toole 2004; Hughes and Costar 2006; and Hearfield and Dollery 2008). This neglect has been most unfortunate given the paramount importance of local government in Australian democracy.

While a revival of interest in local government democracy on the part of both policy makers and scholars alike would thus be most welcome, thorny questions about the appropriate nature of local government democracy in Australia must first be addressed before steps can be taken to reinvigorate the democratic process at the local level. Various approaches to the conceptualisation of local democracy have been developed in the international literature which can assist in this difficult task. For instance, in a pioneering recent contribution to this literature, Haus and Sweeting (2006) have identified four alternative models of local government democracy in European local government that are especially useful.

This paper seeks to partly remedy the neglect of democracy in the scholarly literature on Australian local government by applying the Haus and Sweeting (2006) quadrilateral taxonomy to Australian local government. We explore the question of which of their four models of local democracy is most suited to the Australian milieu with its heavy emphasis on operational efficiency and financial sustainability.

The paper itself is divided into four main parts. Section 2 considers the Aulich (2005) perspective on the tensions between local government democracy and local government efficiency by way of background. Section 3 provides a synoptic description of the four models developed by Haus and Sweeting (2006). Section 4 discusses the applicability of these approaches to Australian local democracy against the backdrop of concerted local government reform programs over the past two decades directed principally at improved efficiency. The paper ends in section 5 with some brief concluding remarks.

Democracy versus Efficiency?

Aulich (2005, 198) posits that the two roles of local government – efficient service provision on the one hand and ‘giving voice to local aspirations for decentralized governance’ on the other – have ‘given rise to two polar approaches to local government reform – one which focuses on local democracy and stresses democratic and local values over efficiency values; the other primarily concerned with structural efficiency and emphasising the importance of efficient distribution of services to local communities’. Aulich has illustrated these opposing approaches using Figure 1:

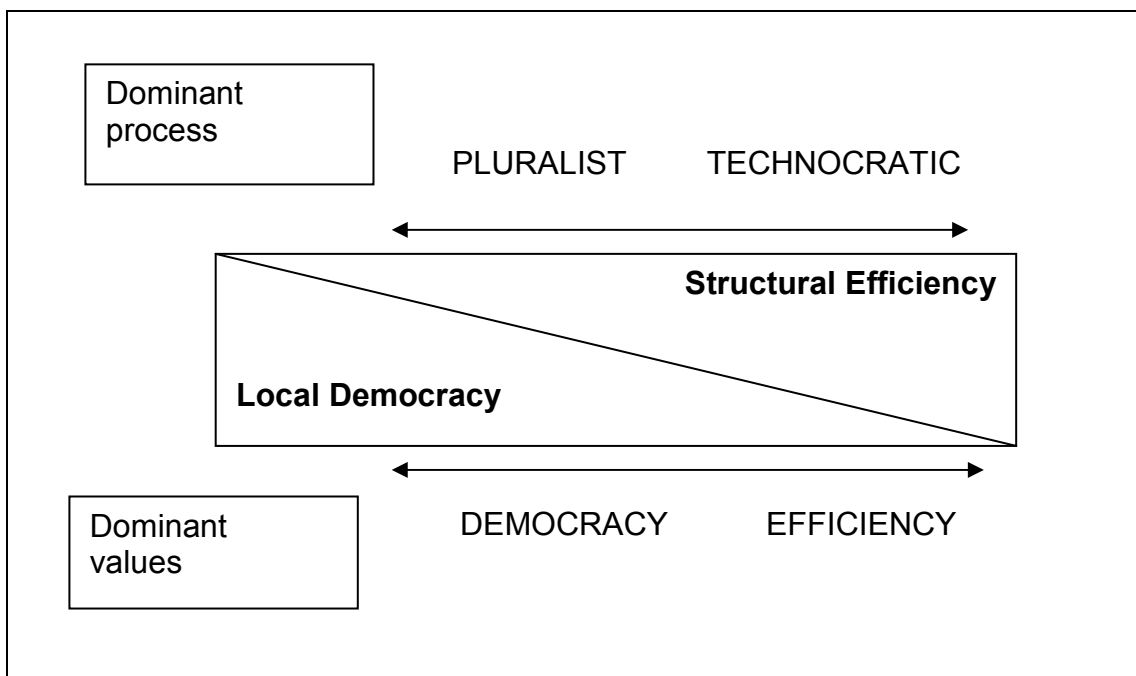


Figure 1: Diametric Approaches to Local Government Reform

Source: Aulich (1999, 20).

Aulich (2005, 198-9) contends that, in historical perspective, there have been some democratising reforms to the Australian local government sector during what he termed a ‘renaissance’ in local government dating from the 1960s, including extending the franchise beyond rate-payers and ‘the refashioning of internal practices’ to improve planning and financial management. However, this impetus for reform dissipated toward the end of the nineteen seventies. While Aulich does not provide any details of these reforms, it is important in

this context to note that he defines 'traditional democratic values' as 'responsiveness, representativeness, accountability (especially to the local community) and access'.

The reforms that have been specifically directed toward changing representative democratic arrangements have been relatively insignificant compared with the comprehensive reforms at other levels of local government. While these reforms have been subject to analysis piece-meal by a variety of commentators, recently Marshall (2008) has provided a useful overall summary. Marshall, following Garcea and Le Sage (2005), adopts a five-part taxonomy as a means by which to characterise these reforms. In the present context, it is useful to provide a synoptic account of these reforms here before proceeding to examine how the typology of democratic models developed by Haus and Sweeting (2006) can be deployed to both shed light upon (a) the effects of these reform processes' on local democracy and (b) the relevance of these models for the revitalisation of democracy in local government.

Marshall (2008, 19) has observed that structural reform has been the dominant policy approach by Australian state governments, with forced council amalgamation as the favoured policy instrument. In aggregate terms, the number of municipalities has decreased from 1067 to 680 or by more than 36 per cent over the time period 1910 to 2007. During this time period, the total recorded population of Australia increased from 4,425,083 to 20,209,993 in 2004 (ABS 2007) (i.e. just under a five-fold increase). This reduction in council numbers does not take into account major structural reform presently underway in Queensland and the proposed Northern Territory amalgamation programme. In the case of the Northern Territory the planned reduction is from 54 'mostly Indigenous community councils' to a mere 8 shire councils for 'official start-up' on July 1 2008 (LGANT 2008), whereas in Queensland, the number of councils will be reduced from 157 to 73 with the number of councillors decreasing from 1250 to just 526 (LGRC 2008, 13).

Marshall (2008, 21-22) has also observed various alternative structural reforms have taken place over the same time period. For instance, by 1995 there were approximately 50 Regional Organisations of Councils (ROCs) across Australia 'covering 45 per cent of councils and 75 per cent of the population' of varying size and engaged in activities such as 'regional advocacy, political lobbying, and fostering cooperation between member councils' as well as encouraging regional economic growth and resource sharing. In addition, other models of local government have been implemented including strategic alliance models (see for example Dollery and Johnson 2005; Dollery and Crase 2006).

With respect to what he refers to as *functional reforms* Marshall has noted that the range of municipal activities have significantly broadened over the last two decades (see Dollery *et al.* (2006b) for a detailed discussion of this process). In a similar vein, DOTARS (2002) observed that 'local government is now providing a wider range of services than ever before in economic and social development and environmental sustainability'. Local councils have significantly increased their service provision in terms of housing (particularly in NSW, Queensland and Tasmania) and health and community services (particularly in WA, SA and Victoria) with significant variation between councils. This increase in functions has been underwritten by a significant increase in federal government funds, particularly via the *Roads to Recovery* funding totalling \$2.2 billion from 2001-2009, and a devolution of functions from higher levels of government. Finally, Marshall (2008, 24-29) has underlined the impact on service provision of intergovernmental partnerships in some states (Tasmania, South Australia and Western Australia).

In terms of *financial reforms*, in the last two decades Commonwealth grants have contributed 'between about 10 per cent and 15 per cent' of all local government finances, with these monies designed to address both vertical and horizontal fiscal imbalances. Importantly for our purposes in this context, the broad ranging Self Inquiry into Commonwealth-local government finances in 1983 justified this financial arrangement with four arguments: equity of and

autonomy for municipalities; for macro-economic management reasons (i. e. the Inquiry explicitly stated that it was legitimate for the Commonwealth to seek to have a positive impact on the economic development of regions); that local government could deliver services more efficiently (a statement of the principle of subsidiary) and that ‘the presence of a strong and democratic third tier was a necessary and desirable component of an effective federal system’ (Marshall 2008, 32). These justifications have formed the base of a series of committees and reports into financial sustainability, particularly as it relates to the problem of infrastructure renewal (Hawker Report 2003; Allan Inquiry 2006). Indeed, this has been the principle arena of policy contention coinciding with the issue of amalgamation.

Controversy over these financial reforms has coincided with relatively uniform *organisational and managerial reforms* across jurisdictions. Both Marshall (2008) and Aulich (2005) note the application of New Public Management (NPM) practices to local government, including protocols for strategic and financial planning, councillor training, increased powers for CEOs and general measures to separate administrative from political roles. While it is convenient to place these reforms under the banner of NPM, both the effects of these reforms, such as the introduction of compulsory competitive tendering (see for example, Davidson and Grant (2001), the means by which this was implemented (see for example, Moore 1997) and the application of performance measurement (Worthington and Dollery 2007) – just to name two reforms – have led to a fundamental shift in the financial governance of municipalities and shires. It is important to note, however, that measured assessment of these reforms (and the way in which they were viewed by constituents) has by no means overwhelmingly negative, as Marshall (2008) notes at a number of points in his commentary.

These reforms have coincided with legislative reviews of local government acts in all state jurisdictions were between 1989 and 1996, or what Marshall places under his final category of *jurisdictional reforms*. Reviews to the acts in some state jurisdictions have included the extension of ‘general competence

powers' in Victoria and 'positive powers' in NSW. Again, wholesale criticism of the reform process based around amalgamation is tempered when taking these jurisdictional reforms into account, Aulich (2005, 203) commenting that 'pluralist approaches were generally preferred to technocratic ones'².

Outside the taxonomic framework offered by Marshall – which noticeably does not include a category to describe political reforms – the Commonwealth Grants Commission (2001) has surmised the overall results of the reforms as five-fold: 'Devolution', where new responsibilities are vested on municipalities; 'Raising the Bar' where an increase in both the standard of services and the complexities of standards are increased; 'Cost-shifting' down to the level of local government; 'Increased Community Expectations' and 'Policy Choice', or instances where councils voluntarily expand the services they offer (Dollery and Crase 2006).

If we refer back to the diagrammatic model provided by Aulich (above) it is clear that most of the reforms that have taken place fall within the 'structural efficiency' and 'technocratic' side of the diagram. Nevertheless, this synoptic account of structural, functional, financial, organisational and managerial and jurisdictional reforms to local government does alert us to the fact that while it may be methodologically convenient to view the justifications of the two processes of reform – efficiency on the one hand and democracy on the other

² Indeed the process of mandated inputs and consultation are highly variable: 'In New South Wales the process of review took four years, including the release of a discussion paper and an extensive consultation programme which involved over 3,000 attendees at seminars, 900 written submissions and 450 telephone calls. In Tasmania, the 'Modernization' programme was a model of consultation and collaboration, devised to fully engage local government in the reform process' (Aulich 2005, 203). The example of the Queensland Government's heavy-handed approach to compulsory amalgamation in 2007 and the subsequent tension this generated between the state and federal tiers of government (see Dollery *et al.* 2007b) serves to illustrate both that the process of cooption is by no means becoming necessarily 'softer' over time, and (more importantly in this context) that the value that individuals place on democracy exercised at a local level is by no means waning.

– as analytically distinct from one another, changes designed to enhance efficiency have clearly had an impact on the empirical functioning of representative arrangements. Rather than suggesting that reform to democratic arrangements has been almost totally neglected in favour of reforms centred on increasing the efficiency of service delivery and management and as such there is a need to attend to reforms of a democratic nature (as Aulich does), it is far more accurate to posit the general observation that democratic processes have changed and in some cases been coopted into the process of reform to varying levels in all state jurisdictions in order to create a legitimate mandate for change. To be sure, the form this cooption has taken has changed and generally increased over time, but this does not mean that these actions are best placed along a continuum of democracy versus efficiency, or that the concept of democracy as it pertains to local government ought not to be revisited.

Herein lies the dilemma which is the central concern of this paper: If we continue to conceptualise both the concept of democracy and the processes of reform to democratic arrangements within the parameters of the democracy-versus-economic-efficiency model, not only will events of reform outrun our capacity to adequately describe and explain changes to democracy at the level of local government in terms of a model/s that will have defensible ethical and moral value as well as theoretical validity (except, perhaps, to relegate it to the past). As well, the capacity for prescriptive action and informed institutional design as directed by the normative and defensible goal of democracy itself is severely restricted. It is with these limitations in mind that the discussion now proceeds to a consideration of recent theories of local democracy and the typology of Haus and Sweeting (2006) in particular. It is important to emphasise initially that, as the discussion above makes clear, we follow these authors in being principally interested in what they refer to as '*institutional concepts*, not empirical analysis' (or more accurately *concepts of institutions*) such that our understanding is put on more eclectic and relevant footing. Nevertheless, we also want to flag an interest in what Chandler (2008, 356) refers to as 'a direct ethical justification of local government, defined as

‘one which values an institution or activity because it fulfils a morally desirable purpose in itself regardless of its value to other organisations’. This kind of justification, while not taking centre stage, nevertheless has a varying place in all four models of local democracy at a municipal level outlined below and the justifications for policy in the Australian context.

Models of Democracy in Local Government

The typology of democracy offered by Haus and Sweeting is directed by an overarching concern with types of leadership at the level of local government. In this context we will leave aside a review of the recent substantial literature concerned specifically with leadership³ and focus on the typology itself before making observations as to how it directs our attention toward both conceptualising and reconfiguring democracy in local government in Australia.

At the outset the authors offer two ‘working definitions’ which underlie their discussion. The first of these is of democracy:

We take democracy as the idea to promote a common good under circumstances where there is no strong pre-existing agreement on what the common good is, what it entails and how it can be promoted – with the significant qualification that this promotion is not imposed on society by force or manipulation, but is subject to public justification ... Democracy is thus intimately linked with the question of what is ‘good’ for the members of a political community, and considering that local democracy implies that local government, like governments at upper levels, has a process of collective self-determination as its normative core (Haus and Sweeting 2006, 267).

³ We identify three strands of work dealing with the question of leadership in local government. The first is concerned with theories of leadership and their relevance to local government reform (for an overview see Morrell and Hartley, (2006)). The second consists of empirical studies of leadership (see for example Lowndes and Leach (2004); Entwistle *et al.* (2005); Sullivan *et al.* (2006)). The third are policy documents which aim at implementing a stronger role for leadership in municipal governance. See for example, Lyons (2007); WALGA (2008)).

Of course it would be possible to become bemired in theoretical conjecture and refutation at this point, but we assert that as a 'working definition' of democracy the one posited above is 'fair enough'. The second conceptual issue effectively dealt with is to provide a definition of governance:

Governance is not something 'beyond' institutions incorporating systems of meaning or a process of 'deinstitutionalisation', but rather a more comprehensive view of the rules, power relations and meanings in which the process of governance is embedded (Haus and Sweeting 2006, 270).

While this definition hardly breeches the semantic gap between ideas of governance expounded by accounting firms on the one hand and Foucault-inspired sociologists on the other (see for example Dean and Hindess 1998) it does serve as a functional definition of this term which assumes more or less importance when considering different models of democracy (below). Haus and Sweeting make it clear that their four-part typology is an attempt to combine the earlier four-part typology developed by Naschold (1996) wherein the categories developed are 'representative', 'industrial' 'user' and 'direct' and the widely deployed scheme developed to describe institutional transformation by Stoker (1991) wherein the categories are 'hierarchy', 'market' and 'network' (see for example Wallis *et al.* 2007, 71-74).

The first (and most familiar) model of democracy identified is *representative democracy*. Haus and Sweeting are insistent that an electoral process is a key requirement for local democracy and that, following this, representatives ought to focus on 'efficient and transparent decision-making in representative bodies'. Beyond this foundational claim (and without its formal problematisation) the authors introduce some complications. First, while representation at the level of local government in the United Kingdom has been a creature of both party politicisation as well as individual leadership (the authors noting the complex relationships between the two) they nevertheless identify a trend toward stronger *individual leadership*. This trend

exists over and above comparative formal electoral arrangements, and in some instances is endorsed in recent legislative changes in these arrangements (as is the case in Britain; see Department of Communities and Local Government 2006, 6). Second, the authors note what they refer to as the *parliamentarisation* of government and opposition at the level of local politics. Third, Haus and Sweeting note a *decentralisation* of local governance. The example of neighbourhood councils in the United Kingdom is offered, as well as what the authors refer to as ‘a kind of “appointment democracy” ... where district councillors are appointed by the city council and the basis of local citizenship becomes less and less clear in the process’ (Haus and Sweeting 2006, 273). The authors assert that while both stronger leadership and parliamentarisation are indicative of a professionalization of local politics and lead to a higher visibility of the individuals involved, any move to decentralisation is an endorsement of the ‘layman principle’ of rule (Haus and Sweeting 2006, 273)⁴.

Haus and Sweeting note that these patterns can be viewed through the lens of either Burke’s classical distinction between ‘trustee’ and ‘delegate’ (as discussed by Hearfield and Dollery 2008, 4-5) or with an eye to the distinction between ‘mandate’ and ‘independence’ (of the representative). Where their conceptualisation becomes more innovative, however, is when they assert that (but do not expand upon) the idea that ‘the question in post-traditional societies of who can be represented, and how, has become difficult to answer’ (Haus and Sweeting 2006, 274-75). In this sense their work flags the recent argument of Saward (2006) who has urged the fundamental re-problematisation of that what he refers to as ‘the representative claim’, where

⁴ While the ‘layman principle’ of rule may appear to fall within modern justifications of representation and can be read as a political element to the principle of subsidiarity, in this context it is worth noting that it has its origins in a constitutionally inscribed dictatorial power of the first Roman Republic, where in times of crisis an individual could be voted into a position of dictatorship for a specified amount of time. See Cullen Murphy’s discussion of Washington as America’s Cincinnatus (Murphy 2007, 38-39).

the represented are regarded as just as problematic as the representatives⁵. This alerts us to the possibility that traditional conceptualisations of democratic representation are already open to augmentation and reformulation, not because individuals are disaffected with politics in general and local politics in particular but because, as Haus and Sweeting (2006, 272) suggest, individuals and groups are finding outlets for their negotiations of political representations outside traditional forms of representation.

The second model discussed by Haus and Sweeting is *user democracy*, or the application of market principles to the public sector. According to Haus and Sweeting, this model arises from criticisms of the representative notion of democracy and argues that the principle of efficient distribution is best served by revealing voters' preferences through the mechanism of the market. A corollary of this argument is that the organisation of public administration ought to be reformed such that the preferences of those involved in governance cannot interfere with the preferences of voters. Haus and Sweeting note that the widespread application of these principles has led to a heightening of the separation of political and administrative offices in many countries (New Zealand, Australia, Finland, Ireland and the United States) and assert that an important part of this model is that 'the administrative side of government acts more like a private sector business' (Haus and Sweeting 2006, 276). The authors argue that there are systemic limits to the application of these principles to what they refer to as a 'full-blown' theory of local democracy, specifically in relation to the idea of leadership: First, there is no prescribed role for leaders to exercise a decisive judgement over what the authors refer to as 'wicked problems' (which, we speculate here, can simply be defined as those problems that cannot be solved by the simple revealing of

⁵ In particular, Saward takes issue with Hannah Pitkin's assumption that the represented are 'unproblematically taken as given': 'Any role in theories of political representation for the maker of representations is reduced by Pitkin to the mere giving of information, in the way a landscape painting might well tell the viewer how many trees were in the field that day ... In this way, Pitkin defines away what I will argue is the central aspect of political representation – the active making (creating, offering) of symbols or images of what is to be represented' (Saward 2006, 300-1).

preferences). Second, the role of citizen participation outside the methodology prescribed by the theory – the individual consumer – is significantly devalued as are the net benefits of such processes, as these benefits (‘social inclusivity’ is given as an example) are difficult to quantify (Haus and Sweeting 2006, 277-8).

The authors do *not* note, however, the inherent tensions between the administrative side of government ‘acting more like a private sector business’ on the one hand and the same administrative apparatus fulfilling its statutory obligations on the other. Nor do they note that while it may be possible to *assume* local government is a private sector business, it nevertheless enjoys special status in a market context: If local governments ‘fail’ in a market sense they are not subject to the same forces of dissolution that a firm may very well be. We will return to these points below.

The third model, *participatory democracy* for Haus and Sweeting (2006, 278) is based on the premise ‘that the construction, articulation and promotion of the common good cannot be delegated, but must evolve from the communicative interactions of active citizens’. While participatory democracy may concede some ‘necessary evil’ role for representation, by in large it is defined against this concept. The authors identify three sub-types of participatory democracy: *direct* (referenda or similar procedures, and decision by committee); *deliberative*, involving ‘institutionalising fora in which citizens can articulate problems, propose ways of coping with them and discuss the quality of these proposals’ (the authors mention here the work of John Dryzek and his application of Q methodology to decision-making – see Dryzek 1990; 1996) and *common work*, which emphasises the active participation of citizens in both arriving at and producing the common good based upon (we speculate here) a principle of what we will refer to as *intimacy* – both with the work process and its outcomes. Interestingly and somewhat controversially, the authors assert that all forms of participatory democracy work ‘on the basis of clear rules that secure identical action in comparable cases’, and assert

that this is the case for the ‘user democracy’ model also (Haus and Sweeting 2006, 280).

Finally, the case for what Haus and Sweeting call *network democracy* may, *prima facie*, seem obvious enough: ‘Local authorities have always collaborated with upper levels of government and social actors’ and (arguably) the degree of liaison between the public and private sectors as well as ideas about strategic partnerships appear empirically salient to the extent that any conceptualisation of (modern) democratic local government has to take these into account. Nevertheless, the authors offer a more foundational notion of network democracy: The ‘real problems of modernity’, they assert, are distinctively *not* efficiency problems but ones of organisation – particularly of coordination – in the face of a complex and interdependent political world, such that ‘networks are placed at the heart of decision-making’. The role of the expert is elevated and ‘interface management’ and ‘reticulist roles’ are emphasised (Haus and Sweeting 2006, 281). As a model, network democracy is designed to anticipate what Stoker has called ‘the inevitability of governance failure’ and coincides with regulation theory’s notion of a ‘hollowed out’ state (Haus and Sweeting direct our attention to the work of Jessop (1993) in this regard). It is also juxtaposed with a popular model of democracy embedded in the other three models, which (Haus and Sweeting, following Stoker, assert) all assume that there is somebody to blame when things go wrong (Haus and Sweeting 2006, 282).

The Applicability of Haus and Sweeting’s four Models of Democracy to Local Government Reform in Australia

In directing our attention to the relevance of Haus and Sweeting’s institutional forms of democracy to Australian local government reform we note (again) that while they are *principally* conceptions of institutions, any discussion of these models also begs their defence at a normative level. This is most evidently reflected in the impact of the overall reform process on representative democracy in Australia: To move from 826 councillors in 1991

to 526 in 2008 would appear *prima face*, to erode the level of representative democracy as it pertains to local governance. As Marshall (2008, 19) states: 'Certainly, the impact of large scale merger programs on representation was significant. South Australia lost 31 per cent of its councillors... Tasmania 37 per cent, and Queensland 30 per cent. The figure for Victoria was a very substantial 73 per cent.' Further, it is reasonable to assert that this rank diminution would dominate any trends of what Haus and Sweeting refer to as 'parliamentarisation' in local government as well as any decentralisation trend (toward 'neighbourhood governance', for example) or a trend toward more salient leadership. But to conclude this, and only this, is as misleading as it is simplistic for a number of reasons. First, at an empirical level, the account of structural reform provided above makes it clear that other kinds of structures have burgeoned in the face of council amalgamation. The continued existence of 50 ROCs covering 75 per cent of the population is a significant development. As well, claims to representation underlie various institutions that are both adjacent to and beyond electoral processes which have been part of the reform process more generally. The various local government associations in all state jurisdictions are the paradigmatic examples of this and while individuals who hold offices in these organisations are not directly elected by constituents, they are nevertheless peak organisations of elected, political officials.

The second objection to the argument that representation has diminished alongside and in accordance with a decrease in municipalities and councillors is theoretical. To reject these newer institutions as representative is not only counter-intuitive, it also rests on the assumption of representation as merely a 'mirror' of constituents interests as defined by Hearfield and Dollery (2008, 6): i.e. where representatives are seen as mere conduits of constituents' unproblematically read interests. While this view of representation may be theoretically defensible in that it is a foundational element of representation and crucial to the idea of liberal democracy in the sense that the preferences of minority groups are revealed, the 'trustee' account of representation advanced and defended by Burke, Mill and Madison (Hearfield and Dollery

2008; Chandler 2008) would argue that this is by no means the only element to representation. On the contrary, a better informed and more professional, smaller group can – and according to the ‘trustee’ model, in all probability, will – do a better job of resource allocation and government more generally⁶. More than this, however, the ‘mirror’ view of representation does appear to rule out the role of strong leadership generally and visionary leadership in particular. This idea is strongly embedded in contemporary local government theory and policy in the United Kingdom (Blair 1998; Lyons 2007) and Australian policy formulation, as is evidenced in the WALGA consultation process (WALGA 2008). As we have argued elsewhere (Grant and Dollery 2007) that the increasing salience of leadership in local government has strong republican and puritan antecedences and as such the underlying idea of representation in these justifications and activities may shift from one being founded in rational utilitarianism to different forms of politics. Nevertheless, the claim to be representative of a particular constituency is still present and defensible.

Indeed the proliferation of these forms of institutional representation have been so closely associated with the structural reform process in some state jurisdictions that we can assert that these processes ‘match up’ with elements of Haus and Sweeting’s model of participatory democracy, that has been promoted at the expense of traditional electoral representation. For example, while many of these new institutional forms of representation cannot be incorporated into the idea of direct democracy, some can certainly be read as deliberative in the scheme provided by Haus and Sweeting and have a claim to the label of ‘common work’, even if the work is the business of procedural politics itself rather than anything outside these processes from which intrinsic rewards are derived. As Marshall (2008, 43) states, while the decision to promote participatory democracy in the late 1990s at the local level ‘has

⁶ It is worth noting that J. S. Mill did not mince his words in this regard: The local representative bodies and their officers are almost certain to be of a much lower grade of intelligence and knowledge than Parliament and the national executive (and) they are watched by, and accountable to, an inferior public opinion (Mill, in Chandler 2008, 360).

certainly borne fruit', at the same time 'it remains unclear what the relationship between participatory and representative democracy is, and how the two combine to form a coherent theory of local governance. This conceptual issue was overlooked by state governments in the 1990s and has barely been addressed since'. Nevertheless, in recognising both the complications of the theory and practice of representation and the way that participatory mechanisms have been encouraged and deployed in various state jurisdictions, we have moved a long way from the 'democracy versus efficiency' model posited by Aulich.

The model of user democracy is the model most significantly compromised by the ushering in of structural reforms and those reforms associated with organisational and managerial arrangements as well as jurisdictional reforms. This is ironic as the advocacy of both structural reform and user democracy are couched in terms of economic efficiency, but in its purest, or most abstract form user democracy is based upon the utilitarian revealing of individual preferences by the application of the market mechanism to government services and on this basis – the same basis as utilitarian representative democracy – the radical fall in the number of representatives seriously effects the ability to reveal these individual preferences. This is despite the fact that both Haus and Sweeting's model of user democracy and the implementation of structural reform programs are associated with a suite of other reforms, which in the discussion above we have labelled as falling under the label of NPM. However, these associated reforms are best thought of as principally reforms to administrative apparatuses with the overall goal of making these structures more cost-effective; they are not justified in terms of their contribution to 'user preference' democracy. The explicitly political reforms introduced as compensatory mechanisms to structural reform programs fall under the model of participatory democracy outlined by Haus and Sweeting. Simply stated, the model of user democracy is too theoretically simple to accommodate a description of the changes that have occurred at the municipal level in all Australian jurisdictions and as a mechanism by which to advance the cause of democracy generally.

The idea of a ‘network democracy’ can encompass the changes adjunct to the structural reform process within its descriptive framework: The process of reform to local government Acts across all state jurisdictions (many of which incorporate a power of wellbeing), representation of local government at various state and national fora, the emergence of shared service models, the continued functioning of ROCs, as well as other developments all conform with the model of network democracy. We suggest, however, that this is due the model being too descriptively general: Most of the activities of governance can be labelled a networking exercise of one kind or another such the idea of democracy loses all content, in both an empirical and morally defensible sense. A further caveat to this is to ask whether or not we have to take the model’s more radical suggestions of first, a ‘hollowed out state’ (Jessop 1993) and second, accept the idea of ‘permanent government failure’ (Stoker) as necessary elements to the descriptive model. Considerations of these more specific theoretical and empirical questions lie outside the scope of this particular exercise. Nevertheless, the idea of network democracy does alert us to the fact that these processes, while not taking precedence over traditional representative forms, are very much part of the landscape of local governance and the making of this governance by non-traditional actors – again, a long way from model posited by Aulich.

Concluding Remarks

At the very least, the quadrilateral framework offered by Haus and Sweeting and applied to the process of reform to local government across jurisdictions in Australia broadens the canvass of both adequate theoretical conceptualisation and continued empirical investigation away from Aulich’s ‘economic efficiency versus democracy’ continuum. This is most evidently displayed when we take particularly salient elements of the reform process and attempt to place them in Aulich’s continuum: As empirical phenomenon, they just don’t fit and are under-described by the typology. This is clearly not the case when we view the phenomenon through Haus and Sweeting’s

typology. As well, there is ample room for both theoretical refinement and (particularly in a federal context such as Australia) comparative inquiry.

Nevertheless, in arguing that reform to the local government sector in Australia in the past two decades has witnessed a proliferation of institutional forms and events that conform to elements of Haus and Sweeting's four models of democracy, we are by no means implying the moral validity of these models in their own right. In itself this poses a series of interesting theoretical questions. For example, while we may note that particular elements of the 'network' model are being conformed to in specific jurisdictions across Australia, the extent to which this is desirable as a replacement to traditional forms of representation is open to question. As well, phenomena that Haus and Sweeting locate within the framework of a particular model clearly have relevance outside their prescribed framework – leadership is the most salient example of this. Finally, within the quadrilateral taxonomy the idea of economy generally and economic policy in particular is only really attached to the model of user democracy. This would seem to be whole inadequate, particularly in a policy context where ideas of nation building and regional revitalisation are so salient. Within this rhetorical and policy terrain the concept of democracy is underlain by a traditional notion of economic power, from which the political realm is derived and of which local government is seen as, still, the smaller element to a federal system.

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