

Governance in rural communities: The case of Victoria

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Abstract

State and federal government policies for rural areas have encouraged local people and organizations to play a greater role in the provision of their local services. This emphasis on local participation has been described as a shift from 'government' to 'governance'. However while there is an emerging research around small towns in Australia there is very little known about the processes of community governance. This paper focuses on local development groups in small towns in rural Victoria that have emerged or have been reconstituted with a broader community focus following municipal amalgamations. The basic aim of this paper is analyse to what degree these local community development groups can be regarded as constituting a form of community governance and the implications this has for democracy and accountability in small rural areas. The paper begins with a discussion of community governance as it represented in the literature. We then analyse ten case studies from across Victoria in the light of the changing political context.

Introduction

State and federal government policies for rural areas have encouraged local people and organizations to play a greater role in the provision of their local services. This emphasis on local participation has been described as a shift from 'government' to 'governance'. However while there is an emerging research around small rural towns in Australia, there is very little known about the processes of community governance.

As a result of the recent local government amalgamations in Victoria, many small rural towns lost their local government structures. Overall the number of municipalities was reduced from 210 to 78, but in rural areas the number dropped from 149 to 47. Amalgamation into larger rural municipalities resulted in the loss of local government offices from many small rural Victorian towns, and now they are administered from the largest or most accessible population centre within the new rural municipalities. The community governance functions once intimately associated with local government were transformed.

Before municipal amalgamations, local decision-making gave small towns some sense of autonomy and some discretion over their affairs. However, following municipal amalgamations these small towns lost many of the resources – legal, financial, political, informational and organisational – associated with their former municipal status (O'Toole, 2001). This left a vacuum in these communities and the outcome was the emergence of new groups or a changed role for existing local development groups. They range in type from advisory groups established by local government local government to fully independent organizations that see themselves as the legitimate representatives of their local communities.

The basic aim of this research is determine to what degree these local community development groups can be regarded as constituting a new form of community governance. This paper is part of an on-going research project into community governance in rural Australia. We begin with a discussion of the notion of local governance and its application to local community organizations. We then outline the ways in which we gathered data for the project, and after a brief summary of the ten towns in the study we describe the ways in which these towns practise community governance.

Community governance

The literature provides no standard definition of governance. However, there is some agreement that 'governance refers to the development of governing styles in which boundaries between and within public and private sectors have become blurred' (Pierre & Stoker, 2000:32). Of course, policy networks, interests groups and non-state actors in general have always played a part in governance and are recognised in the political science literature (Pierre & Peters, 2000). However, the conventional approach tends 'to focus on the input side of the political system and on components of the process rather than on the process as an integrated pattern of action' (Pierre & Peters, 2000:32). It is the 'relationship of society to governing' that is important in the governance approach, as governments are not only the policy-makers and implementers but also use many non-state organisations in the governing process (Pierre & Peters, 2000). There are two aspects at work here: governance as structure, and governance as process.

First, governance as structure focuses on the organizational and institutional arrangements of state and non-state actors. Over the last few decades the role of the public sector has undergone significant change, and there are now a range of formal partnership arrangements between the public and private sectors (Sabel, 2001). While government involves only the state, new governance encompasses both the state and civil society (Leach & Percy-Smith, 2001). The public sector of government, with its hierarchy and authority, is now involved in networks and partnerships with private and voluntary sectors. Governance is more than just the organisational structures of government, and it focuses on outcomes.

The structure has supposedly shifted from a hierarchical model, with its highly standardised public services and unrivalled state strength, to a more flexible approach in new public management where there is a greater sharing of power between the state and the market (Pierre & Peters, 2000). It is still state-centred, even though the dominant ethos is one of minimal state intervention and corporate styles of management (Rhodes, 1996, 1997). At the same time it appears that there has been little change in the legal and constitutional frameworks, and hierarchies still play a significant role in the political process (Pierre & Peters, 2000).

Secondly, in this changed environment governance also involves a myriad of *processes* in both government and non-government organizations. The assumption that manipulating structures will get the governance 'right' is countered by those who argue that governance is a dynamic outcome of social and political actors, and therefore the dynamics need to be

addressed (Pierre & Peters, 2000). Where the 'government' acted in a commanding, controlling and directing manner, 'governance' involves the processes of leading, facilitating, collaborating and bargaining (Leach & Percy-Smith, 2001). It still 'embraces governmental institutions, but it also subsumes informal, non-governmental mechanisms whereby those persons and organisations within its purview move ahead, satisfy their needs, and fulfil their wants' (Rosenau cited in van Ham, 2001: 125). In this sense 'governance is a regulatory system which functions (effectively) without being invested in a formal complex of authority' (van Ham, 2001: 125). It blurs the distinction between governors and governed, and becomes more to do with the interactions between structures and actors than the structures themselves (Leach & Percy-Smith, 2001).

One specific outcome of these new governance processes is the emergence of a range of new self-organising networks. The dominance of neo-liberal ideologies within the state has shifted various forms of responsibility onto the private and voluntary sectors (Rhodes, 1997). The change of governance processes in the state sector has in turn influenced changes of governance in the non-state sector. Self-organising networks are offered as an alternative to the new public management notion of governance. They are integrated networks that resist government steering, develop their own policies, and help to shape their own environments.

The characteristics of these self-organising networks place them outside the state, even though they may have state partnering relationships (Rhodes, 1997). They provide what Rhodes (1997) considers to be *governing without government*. However in many instances their operations are still circumscribed by the rules of incorporation that place limitations upon their activities. The interdependence between the different actors blurs the boundaries between public, private and voluntary sectors, creating new forms of action, intervention and control. This model has relevance for local government itself but more so for community groups engaging with the state.

Public management reforms also involve local councils and community groups that are subject to any form of government partnership arrangement, funding or other level of support. Local governments have been forced to reform their processes as a result of changed public management discourses and specific policy prescriptions at state and federal levels (Ernst & O'Toole, 1999). For example, National Competition Policy directs councils to adopt more marketised approaches in their micro-economic reform agenda (Ernst, Glanville, & Murfitt, 1997). Under the influence of these neo-liberal discourses, local government has shifted from a relatively basic system of administration to new styles of public management (Kiss, 1999). Councils now focus on cost effective service delivery as a result of corporate planning and seek to optimise their human and financial resources.

Central to this process are a range of managerialist activities such as contracting out, total quality management, customer service, performance measurement and benchmarking (Albin, 1995).

However, market-based strategies such as privatisation and compulsory competitive tendering do not replace local governance or public provision, they simply change its nature (Goss, 2001). Many services are no longer in public hands, but they are still part of local governance. That is, public services are still delivered to the whole relevant public even though they may be under contract to private or voluntary groups. These changes in both processes and structure have produced new forms of self-organising networks at local level. In this sense, the purpose of local governance is different from the purpose of local government. The mere provision of services is a local government function. Local governance on the other hand is about value-adding by matching people's needs and wants, achieving levels of user satisfaction and contributing 'to the achievement of wider goals – community sustainability, social inclusion, community safety' (Goss, 2001: 18). Further 'value is no longer necessarily limited to state provision' but includes 'the contribution that private, voluntary and community provision can be expected to make to social outcomes' (Goss, 2001:18). In this sense local governance is not about bureaucratic procedures but building working relationships both within and without of the local community. Goss (2001:25) argues that 'successful governance offers the possibility of functioning networks capable of identifying goals, mobilising consent, integrating intervention and reconfiguring resources'.

Local governance has come to involve multi-agency working and self-organising networks that cut across organisational boundaries (Leach & Percy-Smith, 2001). Local citizens are at one and the same time consumers, activist/providers and governors (Goss, 2001). They are consumers insofar as they avail themselves of the public services whether offered by public or private providers. Citizens are also activist/providers through their co-production processes, where local people are able to combine both public and private resources to produce better social outcomes for the community (Goss, 2001). They are also governors in that they participate in both passive and active ways.

They participate in a passive way as electors of local, state and federal governments. In so doing they exercise a limited governing function in that the elected representatives are ultimately accountable to them. (Goss, 2001). More importantly, citizens are also *actively* governors in local communities in their roles on local boards, development committees and other community associations (Goss, 2001). Since these types of associations work to negotiate relationships at local, regional, state and federal levels, they are part of the governance process. In this sense governance extends from the

formal participation of local community groups in partnership arrangements with local government, to the self-determination of groups in what Woods and his colleagues term 'community governance'. That is, 'an arena of participation ...[embracing] all activity which involves either the provision of public services within the community, or the representation of community interests to external agencies' (Woods, Edwards, Anderson, & Fahmy, 2001: 3). It is a governance process as citizens are able to participate in the self-governing of their own local communities through a range of limited decision-making mechanisms (Clarke & Stewart, 1998).

Community governance continues those long-standing practices that unite local people and groups to respond to community needs (Woods et al., 2001). However we argue that while these forms of community organisation are not necessarily new, the 'purpose' of the governance processes has changed. New forms of 'state' governance have impacted upon local communities in ways that have elicited a new response from private and voluntary groups. The processes of decision-making and community action over a range of issues are no longer merely the function of local government. Participation is still a political process, but it may not include formal electoral or local government institutions (Reddell, 2002). This has increased the incentive and broadened the opportunity for wider local participation. There are now broader networks involved in the 'governing' activities of communities.

At one level there is a *fully integrated* approach that focuses on the way local groups are integrated into the structure of local government itself. The aim is to improve 'citizen participation' in local decision-making within the existing boundaries of the local government structure. It ranges from a consultative mechanism where there are various public meetings, public hearings or discussion groups to partnership arrangements where local government establishes community forums, local committees or local advisory boards (Bishop & Davis, 2002; Lowndes et al., 1998).

A *fully independent* approach focuses on those local organizations that claim to represent the interests of local people and are independent of local government structures. These community organizations may develop specific partnerships with local government, but fiercely demand that they control many of the local decision-making mechanisms of their local communities. They are not simply working at community level, but also negotiating relationships with other levels of governance (Goss, 2001).

Individuals respond to incentives to participate in local activities according to their particular local circumstances, both personally and politically (Edwards & Woods, 2000). In this sense community governance does not involve one set of prescriptions but varies

according to ways that local groups interact with their own community as well as other levels of governance. Social, demographic, historical, economic and biographical factors all impinge upon the way that groups develop their internal and external relationships. The types of structures and processes may vary quite markedly between different places.

Investigating local community development groups

The aim of the study is to develop a profile of community governance as it is now practised in small rural towns. We set about this task by:

- identifying all the rural towns that had lost local government functions as a consequence of municipal amalgamations in the 1990s; and
- locating local development groups operating in these towns. Such groups characteristically have a community-wide focus and an interest in a wide range of social and economic issues. Consequently, we anticipated that there would be only one such group in each of the identified towns.

The first task was to identify those rural towns that had lost local government functions as a consequence of municipal restructuring in the 1990s. This required a detailed comparison of two lists of councils for post-amalgamation local authorities (Holzer, 1994; Office of Local Government, 1995). After excluding the inner, middle and outer metropolitan regions, we were left with 80 towns that had lost their local council headquarters during this period. This list was shortened by eliminating four large centres with populations in excess of 10,000; and three which had been absorbed by regional cities as a result of suburban expansion. At the other end of the scale, nine centres with less than 200 people (ABS, 1998) were regarded as too small for inclusion in the research. A total of 64 towns remained in the sampling pool, with populations ranging from around 300 to 6000.

Because of the very limited amount of existing information about community governance in rural Victoria, we decided to conduct in-depth, face-to-face, semi-structured interviews. After balancing limited research resources with the perceived need to collect information from a variety of groups, we decided to conduct a total of 10 interviews. The 10 towns were identified using the following criteria:

- *Geographical spread* We thought it important to collect information from as wide a geographical spread as possible. There are six non-metropolitan regions in (Office of Local Government, 1995), and our limited research funds enabled us to travel to all but one of these regions.
- *Town size* We wanted the population profile of the 10 towns to roughly match that of the 64 towns as a whole. Thus we identified the appropriate number of towns needed in each of seven population size categories: under 500, 500-999, 1000-1499, 1500-1999, 2000-2499, 2500-2999, and 3000+.
- *Local authority* We considered that the relationship between each development group and its local council would be a significant issue. Thus, we wanted to maximise the number of councils by ensuring that each town was located in a different municipal area. In addition, results from a related research project suggested that council electoral arrangements might be significant, in particular when the municipality was *unsubdivided* rather than divided into wards. Of the 40 councils which included the small towns in the sampling pool, 11 were unsubdivided. The selection process resulted in three towns from unsubdivided local authorities.

The next step in the research process was to locate the community development groups operating in each of the 10 towns. This was done as part of a larger project involving all 64 towns identified earlier. As there was no overall Victorian list of such groups, we had to develop our own. The first step was to access the Web addresses of all Victorian rural councils (Local Government Division of the Department of Infrastructure). The websites often included comprehensive community group directories, with names and contact details. When the community directories were non-existent or limited in scope, we telephoned the front desk of the relevant local council, and eventually spoke to a customer service officer either in the main centre or a local service centre (often located in the offices of the former local municipality). If local council employees could not provide the information about local development groups, where relevant we telephoned the councillor of the ward in which the town was located. In those few instances where we still did not have community group details, we looked for general tourist information on the Web, and telephoned businesses in the town, such as the post office, general store or hotel. Eventually we were able to identify community development groups in all the targeted towns, and had contact details for at least one person on each group executive.

Using a variety of sources we compiled the following thumbnail sketches of each of the ten towns included in the project.

- Town A is in south-west Victoria and has a population of nearly 2000. Traditionally it serviced the sheep industry, but in recent times has begun re-badge itself as a tourist destination. The town is about an hour's drive from the local government centre.
- Town B was established in gold rush times in north-central Victoria and has a population of between 2000 and 2500. It is on the opposite side of the local shire to the main headquarters but is also a short distance from a major regional centre.
- Town C, with a population of 600-700 residents, is located in north-central Victoria and was once a service centre for the local farming community. It is quite near to the town that serves as the headquarters of the shire
- Town D is located in north-eastern Victoria and acts as an industrial service centre for local agriculture. With a population of nearly 6000 it is the largest town in the study group. Although subject to the usual economic fluctuations associated with agriculture, the town is flourishing, with a range of employment opportunities.
- Town E is located in north-central Victoria and has a population of around 1200. It was established during the gold era and is now a popular 'country' destination for Melbourne-based people.
- Town F is in north-east Victoria and has about 1300 people. It is a popular tourist destination and a 'drop in' town for travellers as it is located at a reasonable distance between two regional centres.
- Town G is around 500 people and is part of a rural city council in north-west Victoria. It was once a service centre for local agriculture, but is now more of a dormitory town for tourists to the area.
- Town H has 500 people and is located in south-west Victoria. Once a service centre for the local sheep industry the town is now more of a retirement settlement. The headquarters of the shire is in a nearby regional centre.
- Town J has over 2500 people and is located in north-west Victoria. Because of its unique location it still acts as a major service centre for local agriculture. It is not much smaller than the main town in the shire.

- Town K has 1000 people and is in the Geelong/Ballarat region, less than a half-hour's travel from a major regional centre. It is the only hinterland town of a coastal shire.

The fieldwork took place during May and June, 2002. Interviews were conducted primarily at people's place of work, venues including clothes shops, a newspaper office, a café, and a solicitor's office. Occasionally, the meeting was held in the former council offices. Each meeting took an average of one hour, and an audio recording was made with the permission of the respondent. Virtually all interviews were conducted with just one person, though on one occasion three members of the group executive were present. At one town, a chance opportunity was taken to interview separately both the current and former chair of the development group.

Community governance in rural Victoria

In the first part of this section we describe the organizational and institutional arrangements of local development groups in the study. We then describe the governance processes of facilitating, collaborating and bargaining both within and without of their local communities. Finally we discuss the broader context in which these rural towns shape their approach to governance.

The community groups in this study are all involved in some form of self-governing for the collective benefit of the community that includes actors from the public, private and voluntary sectors. In one way or another they have all attempted to replace a governance vacuum left by the removal of their previous local government authorities. They are not 'government' institutions, but still act as 'governance' organizations for the community as a whole. The structures of the ten towns lie within a range of full integration into local government to fully independent status.

There are five towns that have some type of integration into the local governance structures of the local shire. The organizations have been either established by the local shire or are independent groups that have been included into the shire's consultative structure. None of them are fully integrated into local government but have at least some formal relationship.

Towns F, G and D all have council advisory groups established by the local shire. The nearest to a fully integrated approach is Town F that had a local council advisory group with a small discretionary fund of \$5000. For the town

It was so the community had some control over where some money was going to meet the needs of the immediate community, which is perfect. That is going back to the old shire. (Town F)

However the local council

didn't like some of things we put the money towards...They wanted total control of all the money. Now all the communities have lost their \$5,000. (Town F)

The result is that the council advisory group wants to re-invent itself and is looking to the local traders group to bring the interests of the community under one umbrella.

Town G, as the only small town in its shire outside the large regional centre, also has a local council advisory committee. The group was established because

When we had a local council here people felt looked after, but when the council disappeared suddenly everybody felt a bit threatened. So they were definitely interested in doing something and that's why the Advisory Committee was set up. (Town G)

The group has regular monthly meetings in the old shire offices with representatives from shire councillors and staff. However there is also an independent progress association in the town and while there is an overlap between the two groups:

The Progress Association is more hands on. We apply for grants because we're incorporated. (Town G)

Town D has a significant economic base and is well placed to take an independent stance on matters that concern its own community. While it has a local council advisory group the major driver behind community development is the independent development association.

The difference between the Community Advisory Group and the Development Committee is we've got our own autonomy where they have to report everything back to the local shire, and they are still under their umbrella, because they have been set up by the shire. If we don't like something we can go and tell the shire. (Town D)

The development committee has a number of sub-committees covering different aspects of the town: agriculture and development; commerce; education and health; environment and town development; and finance. Even though there is overlapping membership between it and the community advisory group, the major strategies for future development are driven by the development group.

Town K has a different relationship to its local government. While not a formal part of the local council's structure, the local development group is recognized for its role in the local town through a special development levy.

There's been a push on trying to get more people involved. With the levies through the shire we get money each year to run our association. (Town K)

The amount of money is small but is of considerable symbolic importance. The group also has a limited call upon council resources in any funding applications.

Town H has an independent local development group that acts as the main representative of local community interests. The local shire has established a schedule of meetings with it and other small towns on a quarterly basis.

It's not formally structured. We meet four times a year and give a report on how we're going and what problems we have. (Town H).

Since the shire is not divided into wards, the smaller local communities often do not have local councillors. As a result the shire uses the quarterly meetings as a way of consulting with small local groups outside the main regional centre. It also gives these local development groups a small amount of money (\$300) for administrative overheads.

None of the second group of towns have any formal consultative mechanisms with their local shire, although they may have partnership arrangements for particular local issues. Except for one town they all have incorporated community groups that act as an umbrella organization for the local community as a whole.

Towns A and C both have groups that are reasonably independent from the local shire. Before amalgamations Town A

Just accepted that the shire would do things that were community related. (Town A)

Now, however, there is now an active local development group that does not have any formal connections into the local council, other than through the local councillor who happens to be a member.

The local development group in Town C has just become an incorporated body and has no formal arrangements with the local council. Many of the agenda items on its regular meetings are very similar to many of those of the previous small shire that existed in the town. In this respect it has taken over stewardship of many of the town's amenities, although it has to seek outside funding for most of its local projects.

In Town J the local development group represents the interests of the community and as an independent group has partnership arrangements with both local and state government agencies. It also acts as an important agent in the municipal election process in that it publicly airs its views of candidates on local issues.

We invite each of the council members to address our meeting and indicate what they are going to do for the area. If they want our endorsement that's fine. (Town J)

The development group stresses its independence by inviting the local shire to be a paying member. In this sense it reverses its role with local government in that it does not see itself as a consultative group to the shire but the other way round.

The local development group in Town B acts as a key representative of the local community and has the most independent stance of all the groups in this study. The group is seeking funding to establish its own 'shop front' in the town with room for paid administrators because:

The bottom line is you have got to get community groups to a level where they can source their own funding. (Town B)

They hope to use the shop front to raise money to fund their community operations. In this sense they are almost seeking to create another level of service administration in the town.

The local development group in Town E is unlike most of the other groups in that it is in competition with other groups in the town.

There was one move to try and get these organisations under the one umbrella but they didn't like the thought of losing their independence. Quite understandably, so there was a bit of friction here. (Town E)

The group has some partnership arrangements with the shire, but has also developed funding submissions independently.

All these groups have local leadership and a range of working partnerships both within and without of the local community. Within the local community they play a role in attempting to recreate local governance processes lost in the restructuring of local government in Victoria: legal, financial and informational. Outside the community they have to negotiate partnerships with other governance levels which often means translating their needs to conform to other process frameworks.

Members of the development groups gain legitimacy through their coordinating functions as local 'representatives'. Where there is more of a *consultative* role, the local advisory groups are seen as 'mini-councils'.

A few of us thought it should be broadened to accommodate all of the interests in the town. That's certainly how the shire sees it. Years ago they said, see yourselves as a mini-council, basically. If you've got any problems there is a central body to come to ask what they can do and then we can take that promise to the shire. (Town H)

Or:

Sometimes they'll ring up and they'll say 'When's the next Advisory Committee meeting?' And I'll just remind them, and they'll say 'Would you mind if some of the members from the [organization] come to speak? We're worried about some of the roads in the area.' (Town G).

In this sense members act as pseudo councillors in that they are often the first port of call for local complaints and issues. There is also a symbolic activity at play here as some groups hold their meetings in the old shire offices.

The more independent groups also play a coordinating role through in their status as umbrella groups.

One big umbrella group that was the main group and you'd just have your little groups that do everything. Insurance is one of the hugest issues. When you have separate groups everyone has to have separate insurance. (Town A)

Or:

We're the group that is sort of hosting that on behalf of Council in town. So they are using us as a representative body. (Town C)

Or:

We are very supportive of all the other clubs and associations. We are not trying to take things away from them. So for that reason I think that we have got pretty wide acceptance among them and each of the members in the community doing their own job and doing their own thing. (Town J)

Information is also circulated to communities either in the form of community newsletters or the local newspaper depending on the size of the town.

It might be that something goes out with community newsletter and the town comes together as whole. We might put a whole page just related to what's working well in the town, what needs to be improved and how we go about fixing it. (Town F)

Or:

We send newsletters out to keep them in the loop as to what's happening. (Town K)

This form of local communication is an important process in both keeping local residents informed about the progress of local issues, and in ensuring that they are able to have their input when they feel it necessary. Both consultative and independent groups see themselves as inclusive organizations.

Basically the way we're constituted at the moment, it's basically who turns up to the meetings is a member. It's quite open and it's rather hard to determine what the formal membership is. (Town C)

Or

The next step is to have a workshop with anybody who would like to come to find out what what's on. (Town G)

Financial considerations are also fundamentally important. Most groups whether in large or small towns, only have small amounts of money at their disposal.

We do have a couple of grand in the bank that we can access if we want to for small projects. (Town C)

Or:

Our particular board had a bit of money in the bank about \$3,000. (Town D)

Consultative groups are limited by their status as advisory bodies whereas incorporated bodies have different degrees of freedom depending upon the resources at their disposal. Because of their independence, incorporated bodies are free to raise their own funds.

Basically we lobbied the department head, the regional head and also the minister and basically got that reversed and we are going to spend about \$300,000 up here in revamping the theatre. We think that was a big win. Until we came along, these sort of things just went without notice. So we reckon we put a few scores on the board in the one year we have been kicking along (Town J)

In this sense they are not simply working at local level but also negotiating relationships with different levels of governance (Woods et al., 2001). However they are often restricted by the new governance discourses of the wider political process. There are two funding related issues here that are derived from ideological assumptions about governance as *the minimal state* or 'the extent and form of public intervention and the use of markets and quasi-markets' to achieve the delivery of public services (Rhodes, 1996: 653). Competitive funding gives community groups little option but to play within the 'rules of the game' set by other agencies. The groups are expected to compete for funding from different agencies both within and without of their local government structures and this has significant consequences.

First, community groups have to fit within the political direction of the funding bodies that set the guidelines.

They finally got their money – but after the submission being very much adjusted according to what the Minister would be likely to approve. (Town C)

Even though communities may identify a local need, they have to reconfigure their approaches to match the priorities of the higher levels of government.

we are probably going to have to change the concept from what was first thought of to fit the funding guidelines. (Town B)

Secondly, submission writing requires a range of resources including time, expertise and information:

For someone like me to take on something like that it's just a bit out of my league; takes time and knowledge. (Town A)

Or:

Small groups like this, not only this but other groups in the town and other groups in other towns they don't have the experience or expertise to get those grants from the millions of dollars that state and federal governments have. (Town B)

Or

I would estimate something like one person for at least for a week, actually two-people weeks to actually put together that grant with administration, the whole works. It's an alarming amount of work. (Town C)

This means that community groups are often dependent upon finding expertise from within their own ranks.

Local governments can and do play a vital role directly or indirectly in supporting these local groups. In many cases local development groups in the small towns are involved in some partnership arrangements with the local shire. One particular reason for this is the insistence by state and federal agencies that most submissions for funding by community groups need the endorsement of their local municipality. However in some instances local groups do seek funding without the support of their local shires.

At the same time all levels of government expect to gain more 'efficient' outcomes by using the volunteer capacities of local community organizations.

You've got to be a lot more progressive now and more cost effective so therefore things like community jobs, things that the shire used to do like putting up detour signs on Saturdays and Sundays where someone probably got paid to do it. That doesn't happen now. (Town A).

Or:

They have the money and you have to show that you really need the money. You apply for the grant, they award you the grant but then they keep the money and pay all the bills. So it's getting you to do all the work. (Town E)

The higher levels of governance are also instrumental in promoting sustainability as the responsibility of the local townspeople. Policies at federal, state and local level are aimed at giving resources to small towns to find their own 'solutions'. Programs like *Regional Solutions* at federal level, *Building Great Communities* at state level and the use of *Community Building* consultants at local government level are all based on the premise of developing strategic plans for the sustainability of small towns. These policies of community capacity building have attempted to stimulate participation on a broader basis especially in local development associations. In so doing, governments at local, state and

federal level have attempted to shift the responsibility of local sustainability to community level. This has meant a reinvention of community associations whereby they become the avenues for local governance activities.

This is not to deny the development groups some sense of autonomy, as they do negotiate and enter into partnerships with different agencies. Self-organisation implies that the communities have resources at their own disposal that they attempt to accumulate from agencies both within and without of their own locales. Higher levels of governance 'steer' the self-governing processes of small rural towns, expecting them to 'row' for themselves. By finding ways to satisfy some of the needs of their own local communities many of these local development organization become engaged in 'community governance'.

Conclusion

According to Woods and his colleagues (2001:3) community governance is 'an arena of participation ...[embracing] all activity which involves either the provision of public services within the community, or the representation of community interests to external agencies'. The research into these ten Victorian towns supports the elements of this definition but also identifies the importance of structure and process in governance.

First, there are the structural elements. The organization's role is not limited to one particular interest group but is inclusive of all interests in the community. The residents of these towns have established a range of self-governing agencies that function for the benefit of the community and they provide a limited range of services. However the types of local organizations established to take on the functions of community governance in these small towns vary from full integration into local government to fully independent status. What all these local groups are endeavouring to do is to replace many of the organizational resources lost when they local government authorities were amalgamated into larger units..

Secondly community governance involves the processes whereby local people within each community are able to relate to each other as well as to others outside the immediate environment. Leading, facilitating, collaborating and bargaining both within and without the local community are a central part of community governance. Internally this includes some form of decision-making capacity about the allocation of local resources and will involve some kind of consultative mechanism. The basic aim of the organization is to

service those needs of the community that are not being met by other public agencies. This may be in the supply of local expertise to write submissions, or the organization of voluntary labour to assist in particular local activities or the maintenance of particular local facilities for the benefit of the community as a whole. Externally it involves developing partnerships with a range of outside agencies for the purpose of gaining better access to resources for the community.

The previous local government authorities in these towns not only played a significant role in coordinating local activities they were significant advocates for their local communities in other levels of governance. Now it is the local development groups that have adopted that mantle. They participate in broader governance processes through their leadership roles in the local towns and in their partnerships with outside agencies. They bring together public, private and voluntary areas as part of community governance.

Community governance is part of a broader change in governance in Australia. It is both an outcome of the 'minimal state' approach of the higher levels of government in Australia and the desire of local development groups to ensure a sustainable level of services for their communities. The focus of this paper has been the types of structures and processes that form 'community' governance in a select number of small rural towns in Victoria. It has only dealt with some of the descriptive issues of community governance at this stage. However further research is now required to address the broader issues of democracy and accountability that this type of community governance involves.

Bibliography

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