

2017 Future of Local Government National Summit

Why are we here?

LG in Australia: after 150 years

- **No light on the hill!**
- **No game plan!**



I'd like to see that!

- **An organisation that looks after you from cradle to grave**
- **An organisation that maintains every street in the country**

LG in Australia

- **Turnover: \$40 billion industry**
- **Assets: \$354 billion (Federal Govt: \$106 billion)**
- **Employment (~ same as Federal Govt)**

- **1996: received 1% of Commonwealth taxation**
- **2016: received 0.6% of Commonwealth tax**

- **LG does a lot more now than in 1996 (but we are on the nose!)**

It's not about the money!

- **No light on the hill!**
- **No game plan!**
- **Things are always being *done to* LG**

LG: where the urgent crowds out the important



Let's leave the mouse behind

- Opportunity is knocking: is anybody listening??
- Seismic change is happening just as our system of governance is disintegrating

Future of (Local) Government

- An inconvenient truth: Future Shock is upon us but our system of governance is **broken**. It is not delivering.
- It is self-evident that we need to transition to an adapted model of governance for the 2020s.
- There is a better way.... Let's design it.
- **Yes, we can!**

Change!

- **Forecast: Humanity will change more in the next 20 years than in the last 300 years** (Thomas Frey, Da Vinci Institute).
- Unprecedented change: a recalibration into the collaborative, networked society
- Machines that learn
- Elimination of disease and poverty
- Radical life extension
- Every revolution: social and political upheaval
- Citizens are demanding they participate in decision-making
- **We need to transition to a new system of governance: one that works for people and places**

The system is broken

- **Today, we are in the midst of a crisis in government and governance**

Collapse of social capital

- Australia in the post-war era was a nation of joiners. In short, the level of social capital was high.
- In 1967, the number of Australians who were active members of an organisation was 33%. By 2004 that proportion had fallen to just 18%
- Today we are in the **age of loneliness**:
 - explosion of mental health issues
 - ageing population
- **Who cares? Who is doing anything about it?**

Representative democracy!

- **Representative democracy has been repeatedly harmed** by corruption, corporate influence, media manipulation, ideological perversion, the power of lobby groups, cronyism, erosion of transparency
- **Australia requires visionary, competent and courageous leadership to turn things around. This level of leadership cannot exist in today's political system:** a system which has little to do with delivering the will of the people and more to do with power and partisanship

Representative democracy!

Society today is unrecognisable from 50 years ago, yet **we persist with a system of government hundreds of years old. Technology now provides a mechanism for what democracy has always demanded: that leaders who represent the community understand the desire of that community.**

The Federation is increasingly irrelevant in a world where localism and collaboration are the new imperatives to give people control over their lives. **People know there is a better way.**

Key issues

- **In the last 25 years the number of democratic countries has almost doubled while the share living in extreme poverty has plunged from 40% to less than 10%. But the gap between rich and poor has increased significantly. Globalisation has winners and losers: **the losers are striking back (Trumped!)****

People feel they are being left behind!

- **Many people have a sense, both that they are missing out on the economic benefits of change and that they are excluded from decision-making by an unaccountable elite.** Because power is too centralised, because money is spent in **silos**, because we start from services and the need for them, rather than from outcomes and the assets that can achieve them: governments have failed to deliver on these responsibilities by concentrating economic power, compounding inequality and ignoring the longer term structural challenges

People feel ripped off!

People feel ripped off by major corporates who treat tax as a matter of choice. The major parties are offering band aid solutions. Political leaders are in a state of advanced denial about the decay of liberal democracy and their contribution to its decline.

The system is working for the top 1% and screwing everyone else

The mob is not happy, Jan!

It is apparent that people are increasingly disillusioned with politics and political institutions ('the mob is not happy'). It is important to recognise the crisis of faith we are facing in our market-based capitalism and democracy. **The system is failing people: if ever there was a time for transformative change it is now.**

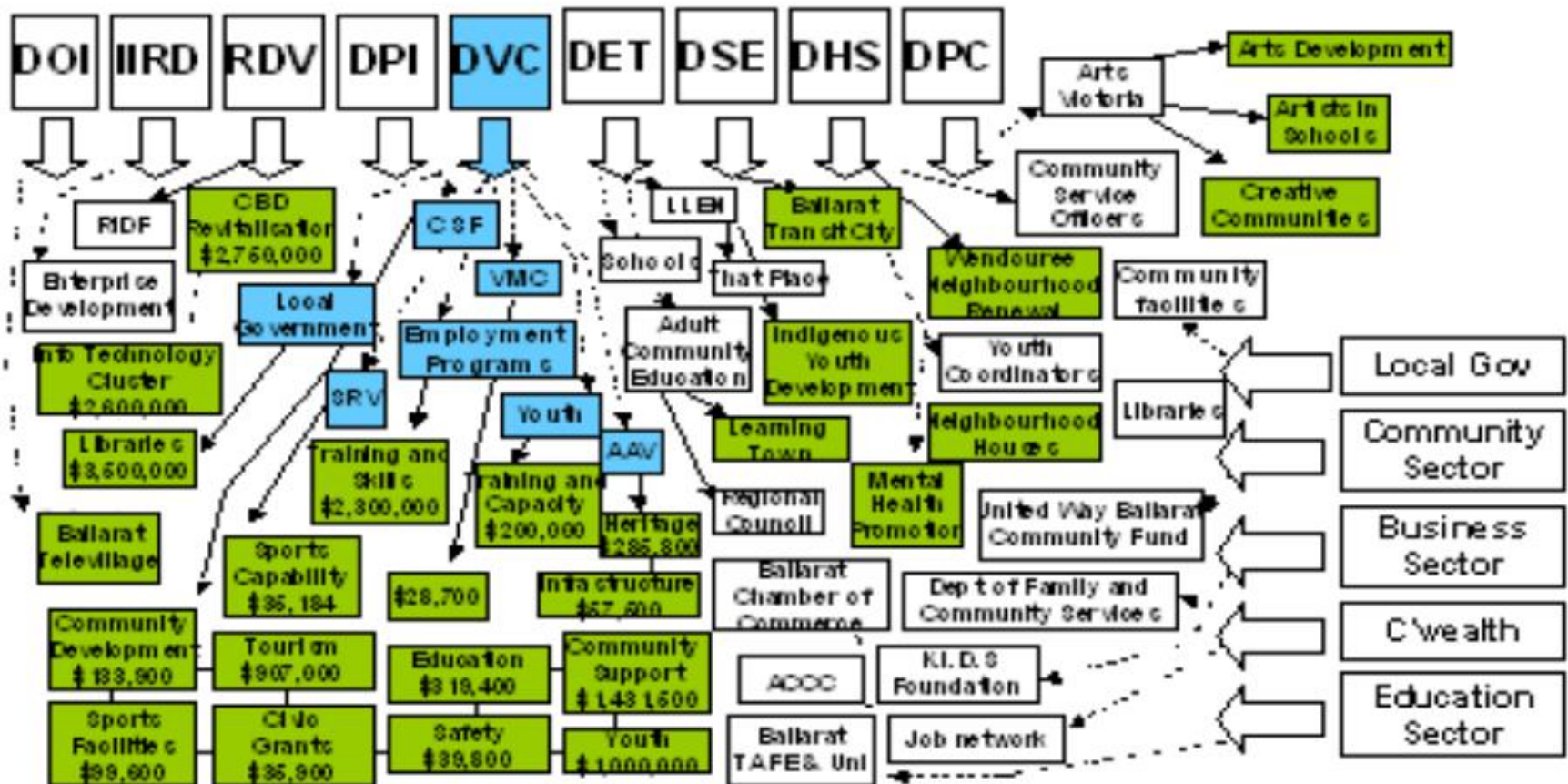
Government irrelevant

Government is seen as increasingly irrelevant. The centralised top down silo model is becoming increasingly unworkable as major societal problems assume unprecedented **complexity** and **collaborative** bottom up models that deliver outcomes locally are seen by a growing number of people as the preferred option.

National Governments can't solve obesity, climate change, loneliness etc: bottom up collaboration is needed

Policy decisions lack spatial awareness

Illustrative example of % of community strengthening resources delivered for Ballarat since 1999



BUT not addressing local community priorities

Wow!

- In 2015 just **16%** of those surveyed by the Scanlon Foundation considered that the system of government 'works fine as it is' and less than **10%** indicated a 'lot of trust' in the federal parliament.
- That these trends are most visible in the younger generations is particularly concerning.
- Local government is more trusted than state and federal government. Just 26% said government can be trusted (lowest ever). Just **12%** believe Government is run for all the people.

!

- 56% believe it is run for a few big interests. **The majority of Australians no longer believe it matters which party is in power.** (ANU Social Research Centre)
- **There is a need to put a genuinely redistributive agenda on the table. Who is going to do it??**
- **Higher levels of government have an inability to work effectively with communities:** this is a failure at both the policy and implementation level

People power!

- **People power movements have spread like wildfire across rural Australia:** from mining access to nuclear waste. There is a real need to be driven to good government by political reform of broad-based engagement with the electorate (John Hewson)
- Rapid change is evident:
 - 2010: Councils seen as the expert
 - 2020: participatory democracy gaining strength: Councils as partner and facilitator

Deliberative democracy!

- **Deliberative democracy is growing in popularity** while problems with representative democracy continue:
 - Representatives vote how their party tells them to (party-driven popularity over egalitarian policy)
 - We are not engaging with our representatives
 - Parties (not the community) select candidates

Citizens: passive role

- **The traditional model of centralised governance makes it almost impossible to harness the capacity and energy of citizens, to tap into the rich networks within communities, and to build services around the people that use them. Other than during elections, citizens have a largely passive role to play.** The result has been mutual disinterest and mistrust between politicians and citizens, between society and the state. 52% of Australians said politicians are ‘out of touch’.

What next? Future Directions

- **It is becoming evident every issue demands a localist response:** including poverty, climate change, immigration, homelessness, economic development, obesity, health, the ageing population etc
- people around the world are searching for alternatives
- **It's time to develop a new social contract with the community** in a time of system disintegration.

The Better Way

- **To move the paradigm for community members and residents from consumers, customers and clients of other's services and programs to becoming citizens, co-owners and co-producers of what happens in their streets, suburbs, towns and cities. This is the greatest social change needed today.**

The Better Way

- The true objective of local government is moving from efficiency in service delivery to **enabling communities to determine their own preferred futures** and how those are best realised. **This can be achieved by focussing on local governance rather than local government** with the purpose of facilitating place-based outcomes, value, activities and services rather than controlling them. **LG is at the cross roads between reinvention and decline.**

Co-design

We need to define a process that is not just people voting but shaping the actual policies which could have an impact on the lives of citizens and communities: where people are less likely to be frustrated observers and more likely to be **active participants**.

Democracy: need to grow community

- The nature of democracy
 - ‘Representative democracy is where we expect an elected person to act in our interests
 - Representative democracy fosters community dependency and helplessness
 - Participatory democracy encourages and rewards personal initiative and community empowerment (**‘How can we’ vs ‘why don’t they’**)
- We need to grow participatory democracy and hence community as an entity

Need to grow community

The hierarchical model needs to change:

- Recognise the importance of **distributed leadership**
- **Focus first on people and places**, not programs
- Encourage local priority setting and resource allocation (eg. NZ Community Boards)

Need to grow community

- **Governance, on every scale, is not set up to create great places.**
- Shifting power and responsibility for governance to communities allows for more efficient and dynamic models to emerge. **No more are places and place making something that government, solely, delivers for communities. It is those communities developed by everyone, not those that are developed by government, that will most thrive in the future.**

Localism

- **Localism** results in more informed choices, money better spent, a positive principle of decisions made as close as possible to the people they most affect. **If people don't feel they can control what happens in their neighbourhood they will never feel that they have any agency in the world. Local democracy can give us the levers to begin shaping the world around us. Local government remains the best forum we have for both more responsive representation and more participative democracy.**

The power of place

- **Australian governance needs to be reformed to enhance the power of place:** to expand place-based power: not just political and fiscal power but also citizen power in the area.

Council as facilitator

Local Governments who still think they hold the authority to decide are finding their social licence challenged ~ especially because of the growing expectation for participatory decision-making and the **growing reality that outcomes are achieved by dozens of players who are independently governed and not subject to a Council's unilateral control. This is where a significant opportunity for local governance (nee government) arises.** In terms of structure, there is a need **for Councils to re-purpose their organisation to take on this pivotal place-based role.** Culturally, the key change is to be **facilitative** rather than authoritarian.

It's all about collaboration & co-design

- **Increasingly, solutions to complex problems (eg. poverty, climate change, health and well-being) require collaboration, not competition.** Government must engage stakeholders and citizens in a dialogue to identify the key causes. Solutions must involve the community as a whole, not just Government programs and policies. Governments re-design programs. Unless the community as a whole is engaged they will feel no responsibility to help deliver solutions. Government can't declare an anti-poverty strategy and expect everyone to comply. **Every community is different.**

Connected localism

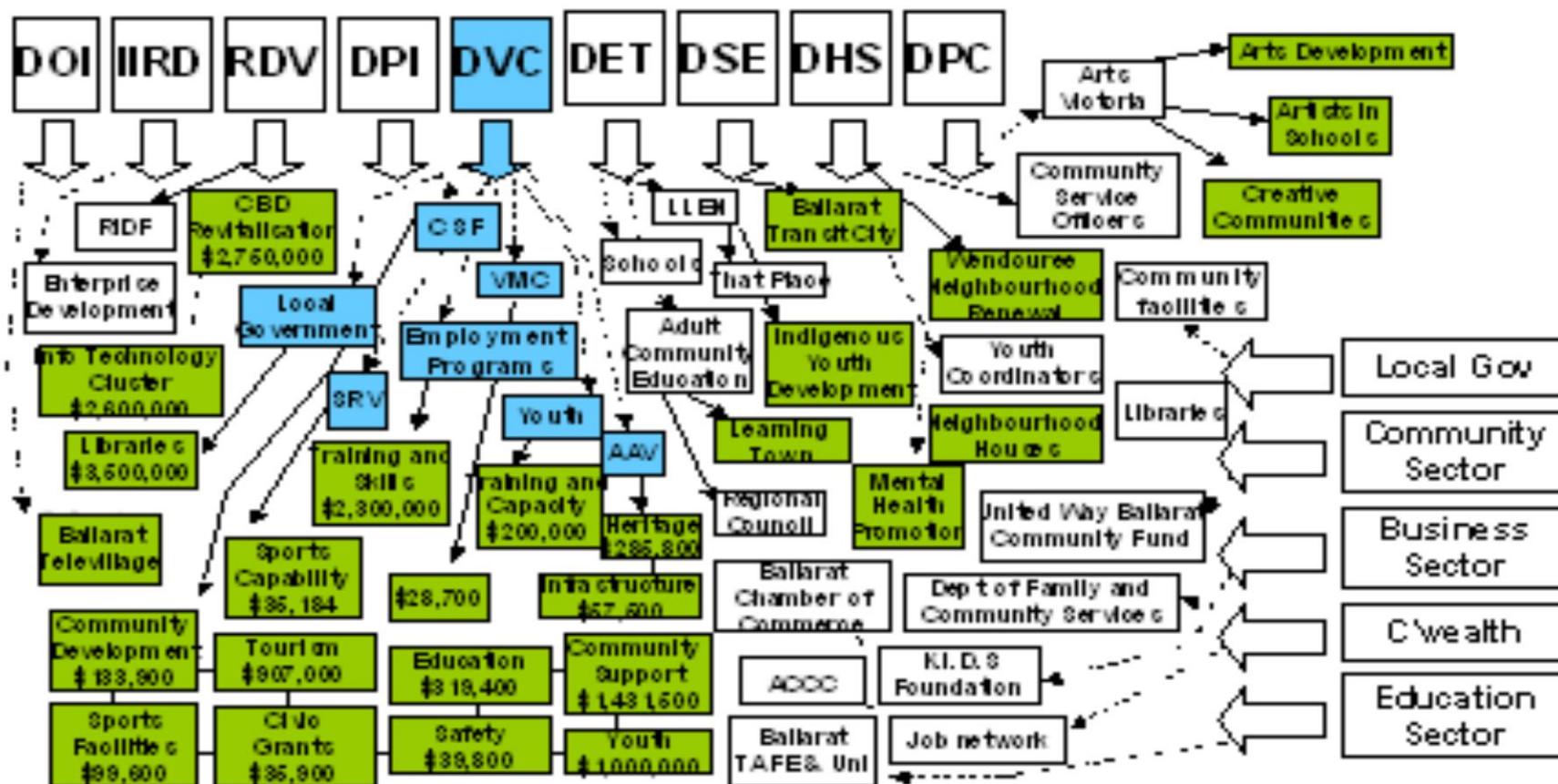
- It is local innovations rather than 'one size fits all' national solutions that will drive real change in response to complex problems. Instead, we need a process of wholesale transformation through networks of local innovation. This is what we mean by connected localism: connected across places, across services and across the public realm. Synaptic public services are about **councils shifting from doing things to making things happen**

Strengthen communities

- Most local Councils are flying on one wing: **servicing needy citizens**. But what about the other wing: building stronger communities? **Servicing community is not the same as strengthening community. We need to devise ways to create more space for community action.**
- *In the future, local government will no longer be able to occupy the position of director, but must become a conductor and facilitator.*

Policy decisions lack spatial awareness

Illustrative example of % of community strengthening resources delivered for Ballarat since 1999

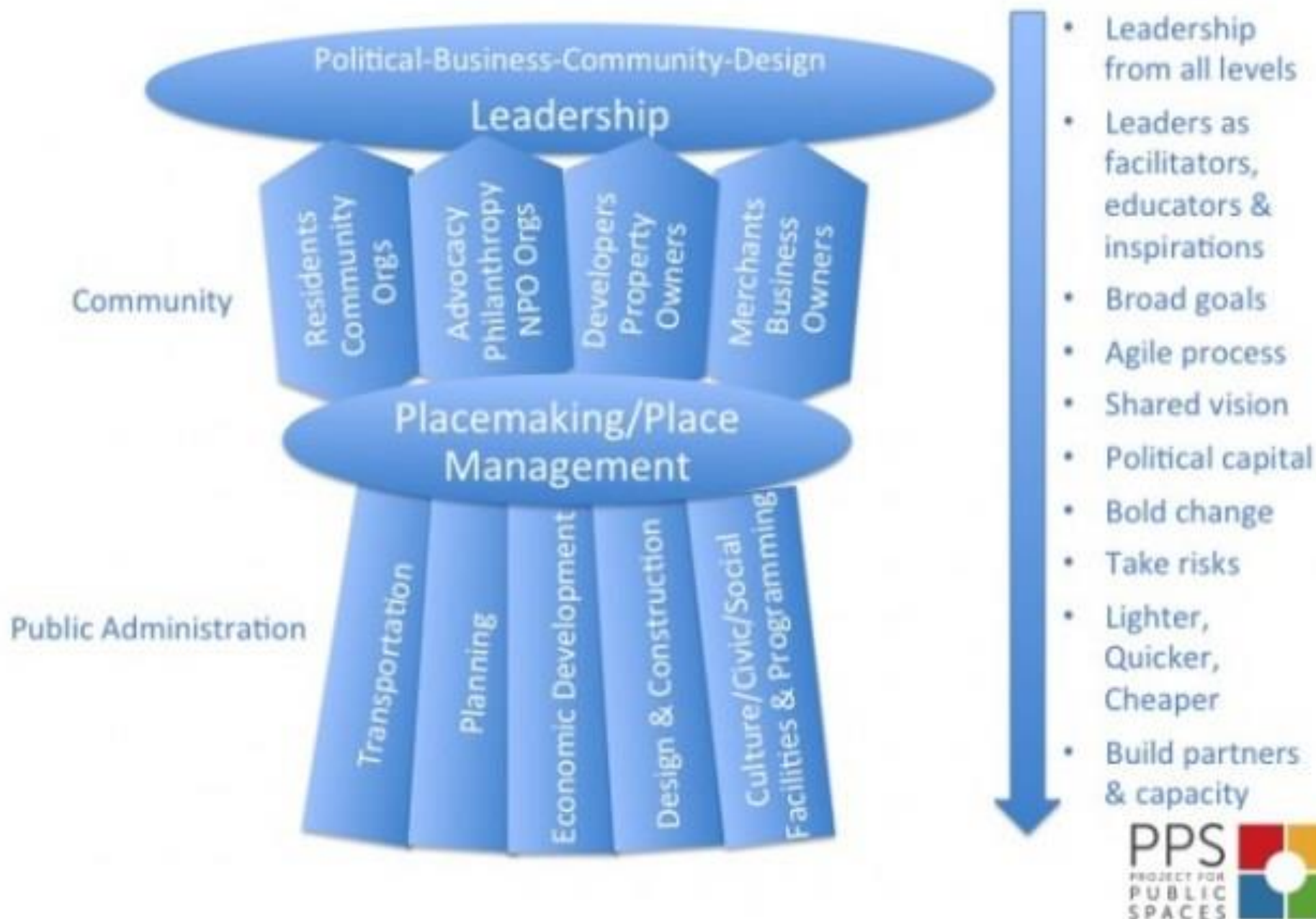


BUT not addressing local community priorities

Top down process and culture

- Problem focussed (generic programs)
- Politically motivated
- Short term focus
- Bureaucratic process
- Siloed departments
- Resistant citizens
- Limited participation and buy-in

Governance Structure for Placemaking



Placemaking

- Organising governance around **place** shifts power and responsibility to communities while supporting a culture of leadership
- Less Local Government and more local governance

The cards are falling our way

- **Democratic Digital Devolution!**
- Digital will see the death of silos (can you believe our luck).
- If you really love your communities, empower them: **people powered public services**
- **The Revolution has started: is your Council involved?**
 - **Some Councils are identifying pain points: Wow!**

The cards are falling our way

- the Internet's ubiquity and ability to be anywhere at any time as well as its ability to join-up people, their data, and things gives us **the opportunity to work with citizens to re-design whole systems and processes** end to end to achieve better and often different outcomes. **A place-based approach to delivering outcomes** – note, not 'services'

- Community process improvement teams
- Assist staff to make a difference in the community
- Increase staff satisfaction



Major issues: Hugh Mackay

- Growing inequality
- We don't know our neighbours: loss of community
- **Only one third of Australians trust their neighbours (Edith Cowan University)**
- Major threats: climate change, terrorism, globalisation > outside our control
- **We are losing our social connectedness: growing anxiety**
- **We need to address this: to rebuild community**
- The role of local government?

Robert Putnam (Harvard)

- ‘The most radical thing we can do in community today is to get neighbour talking to neighbour’

Great FOLG moments 2016

- **‘Councils need to learn to be community-led’,**
(Noelene Duff, CEO, Whitehorse Council, the Neighbourhood Project)
 - People were crying: ‘I hadn’t spoken to them for 40 years’
- **The wisdom of the community exceeds the knowledge of the experts** (Peter Kenyon, Learning Sites, Rocherlea, Tasmania)
- **New Zealand Community Boards:** power and money devolved to the people: it works
- Digital Councils: transition from silos to **citizen-driven workflows**. Single view of government = joined up govt.
- **Transition Streets Banyule:** sign them up one street at a time

Not so good moments

- Reports that many Councils still have a culture of regulation and control

10 most important 2 letter words

- **If it is to be, it is up to me**
- We don't want to be here in 10 years time having the same discussion: why are things always ***done to*** local government?
- Yes, we can! (replace the mouse)
- **We need to get ourselves organised**

Thought starters: we need to get out of this mess (grow community)

Come up with a **Better Way**: a call to action

1. **Reshape governance**: 'Federal & State Governments are hopeless at places and communities'
2. Bring **subsidiarity** to life: **identify** what is best done at the local, regional, statewide and national levels?
3. Introduce **localism** and **participatory democracy** into the Federation (eg. NZ Community Boards, community plans, citizens juries). **Devolve power to the community.**
4. **Learn to be community-led** (abolish the red tape): citizens as partners, co-designers
5. **Build social capital**: attack the '**age of loneliness**': map community assets (including people), expand the sharing economy

Thought starters: we need to get out of this mess

6. Focus more on facilitating **community strengthening** rather than trying to provide every service: facilitate localist responses to key issues
7. Embrace **digital** connectivity via **collaboration**: it's smarter and cheaper than doing it 560 ways: simplify, standardise, share and save! Get ready.
8. Explore **new revenue** opportunities (including crowdsourcing)
9. Seek more strategic, assertive **national leadership**
10. Create a **national movement** to take this forward: spread from pockets of excellence: sign up!
11. **Is any of this in your Council Plan???**