Voluntary Regional Co-operation in Australia[*]

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Introduction

Municipal consolidation was a major feature of local government reform across both Canada and Australia during the 1990s. In Canada, Ontario, Quebec, and most of the Atlantic provinces imposed, or encouraged, the amalgamation of municipalities. Australia's capitals escaped the mega-city mergers of Toronto, Quebec and Halifax, but state-wide amalgamation programs were equally as extensive. Over the five year period 1992 – 1997, Tasmania reduced the number of its local authorities from 46 to 29, South Australia from 118 to 72, and Victoria from 210 to 78. Queensland undertook a more modest exercise involving nine amalgamations. As Dollery and Crase (2004: 265) observe, the long dominant perception that 'bigger is better' in the structural reform of Australian local government had changed little. Indeed, it still continues, though with somewhat diminished force. In the course of 2004, New South Wales' 172 councils were forcibly cut back to 152.2.[1]

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[1] Under the Australian Constitution local government is a state responsibility. Councils are essentially statutory bodies created under the local government act in each jurisdiction. Though subject to state overview, since the 1990s municipalities in all states have been invested with broad competency powers which enable them to make laws and provide services to their constituents. Generally, the only restriction on a council's activities is that it has no authority to

In both countries the rationale underlying consolidation has been much the same. Proponents argue that larger municipalities are more cost effective because they can deliver economies of scale and scope, and reduce duplication. It is also claimed that they are able to build capacity by employing specialist expertise, provide higher quality services, ensure that resources are distributed more equitably, foster economic development, and enhance regional planning and coordination (Tindal and Tindal 2000; Bish 1999; Garcia and Le Sage 2005; Vince 1997; Dollery and Crase 2004).

Amalgamation, however, has not been the only means by which policymakers have sought to achieve more efficient and effective local governance. Critics of consolidation in both countries have pointed to collaboration as an alternative - and more desirable – strategy for achieving similar objectives. In Canada, this approach has been the preferred option in Newfoundland and the western provinces; in fact Hepburn et al (2004: 1) suggest that cooperation has traditionally been 'the prairie way'. Inter-municipal collaboration has also been an important, if low-profile, feature of the Australian local government landscape.

Yet there are significant differences in the approaches to collaboration adopted by Canada and Australia. The Canadian provinces have tended to favour 'top-down' strategies where cooperation is fostered through legislative fiat, or encouraged with financial incentives. The most comprehensive example in this regard is British Columbia's system of regional districts. Other provinces have established single function commissions, or boards, which deliver services across municipalities. Ontario possesses 2000 such bodies (Tindal and Tindal 2000: 2) and New Brunswick 300 (Bourgeois 2005). Not as common are 'bottom-up', voluntary cooperative ventures between municipalities. The Alberta Capital Regional Alliance is probably the most well known structure of this type. In 2004, its constituent municipalities were engaged in some 38 shared service agreements, covering economic, social and cultural initiatives (McMillan et al 2004). Less sophisticated bi-lateral and multi-lateral arrangements are also dispersed across the nation as a whole, but it would appear that such activity generally fulfils a largely supplementary role to more institutionalised frameworks.

The opposite has been true of Australia. State legislative initiatives directed at promoting inter-municipal cooperation have been few. Rather, the great bulk of collaborative endeavours have been the result of voluntary agreements forged at the local level. As is the case in Canada, many of these agreements involve small-scale, shared service provision between two or more local governments. However,

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make local laws which the state parliament cannot make. In contrast to Canada, primary responsibility for policing, health, public housing and education have always been the preserve of state governments. The functions of Australian councils have traditionally been limited to the provision of such matters as infrastructure (roads, bridges etc), waste collection, regulatory and licensing activities, community services, panning and development, and recreation. In recent years, however, municipalities across the nation have increasingly begun offering services previously undertaken by the state. Australian local governments are overwhelmingly single tier organizations though in some states there are a few second tier county councils with very restricted functions (such as responsibility for water supply).

one quite distinctive structure that has arisen out of this environment is the Regional Organization of Councils (ROC). ROCs consist of voluntary groupings of neighbouring local authorities formed to implement mutually beneficial economic, social and political goals. Specifically, such goals usually include: exchanging information, problem solving, coordinating activities across jurisdictions, improving intergovernmental relations, and resource sharing (resulting in economies of scale and improved efficiencies of operation). ROCs also act as regional lobbyists and advocates. The great majority of ROCs are bound by a constitution, or are incorporated. A small minority work in the absence of any formal charter. There appears to be no real equivalent to the ROC in the Canadian context. It is an arrangement that lies somewhere between the structure of British Columbia's regional districts, and the agreement struck between members of Alberta's Capital Region Alliance. Quebec's Regional Municipal Counties also share some characteristics in common with ROCs, but they are really quite different.

This article focuses on ROCs, though discussion is set in the broader context of voluntary cooperation in Australia. Analysis begins with an examination of the evolution of ROCs up until the end of the century. After a strong period of growth in the 1970s, and again during the early 1990s, ROCs fell upon lean times and their future at the end of the millennium looked uncertain. Then, we consider developments that have taken place since that time. Drawing on an extensive 2002 survey of these organizations, we demonstrate that ROCs have in fact prospered. In many cases they have expanded the scope and substance of their activities. Indeed, some ROCs have developed to the point where they function as de facto forms of regional governance. Three brief case studies – the subject of the third section - illustrate how these entities operate. We then go on to provide a conceptual perspective which offers an explanation as to why some ROCs succeed while others do not. We draw upon the literature of social capital and organizational networks to show that attributes such as cooperation, trust and openness are critical features underpinning high-performing ROCs. The development of shared values and goals between participants facilitates the growth of constructive relationships, and enables different groups to combine resources and pursue common goals. Such cohesive alliances, we suggest, accommodate diversity and change, and facilitate negotiation and compromise. These characteristics are manifest in the operational format of ROCs in terms of extensive informal interaction, generalized reciprocity, dispersal of power, and non-hierarchical structures. The next step involves exploring the broader policymaking milieu surrounding regional issues. It is argued that the achievements of ROCs have contributed to a climate of increased support for voluntary cooperation in Australia. However, other factors have also been important in this regard, not least diminishing confidence in the efficacy of consolidation as a strategy of structural reform. The discussion concludes that the future for voluntary cooperation in Australia appears positive.

The Evolution of ROCs

The earliest documented ROC was formed in Tasmania in 1922. Over the following half century a small number of similar bodies appeared in all states. In the majority of cases, they lasted a few years and then dispersed. It was not until the mid 1970s that ROCs attained any sort of critical mass in terms of numbers. In 1972, a newly elected federal Labor government came to power with an aggressive regional development policy which included funding and recognition for ROCs. However, Labor lost office only three years and support for ROCs dried up. Though many of the organizations established during this period subsequently folded due to lack of financial assistance, a number did prosper in the course of the following decades. (One of these was the Western Sydney Regional Organization of Councils which is the subject of a case study below).

Federal interest in ROCs revived after Labor was returned to power in 1983. On this occasion ROCs were viewed as having the potential to make a significant contribution to the Commonwealth's national economic reform strategy. ROCs were well-positioned to foster inter-municipal cooperation and to act as facilitators for the introduction of more efficient management practices within local authorities. Both factors were considered to be essential ingredients underpinning regional capacity building. Between 1984 and 1993 a little over six million dollars in grants were made available to encourage the establishment of ROCs and to promote their growth.

Assessments of outcomes on the progress of federal support for ROCs in the early 1990s were mixed. The provision of Commonwealth incentives had certainly succeeded in fostering the formation of new bodies; by 1995, there were 50 ROCs across all states covering 45 % of councils and 75 % of the population (Northwood 1995). More than half of these had been established during the period 1983 – 1995 (NCRC 1994). Some of these bodies had done very well in terms of improving operational effectiveness, generating collaborative frameworks, and responding to local needs. Overall outcomes, however, were uneven. A sizeable proportion had proved unable to generate adequate administrative and financial resources while others were too preoccupied with parochial activities (NCRC 1993).

This picture of ROC performance was considered insufficiently promising to continue providing support for the program. Instead, federal policymakers turned their attention to an initiative that focused more directly on regional economic development. In 1994, some $150 million was committed to building a series of Regional Development Organizations (REDOs) nation-wide (Sorensen 1994). Membership of a REDO was more broadly based than a ROC; each agency comprised a variety of local groups and organizations, not just councils. Over the next few years 47 REDOs were established across Australia.

It was widely believed that the advent of REDOs would bring about the demise of ROCs. This was not simply because the withdrawal of federal funding would leave ROCs in a vulnerable financial position. It was also because even high-performing ROCs would experience difficulty competing against well-resourced REDOs and would, ultimately, be absorbed by them. This in fact proved to be the case in a number of instances where municipalities withdrew their membership

from a ROC and joined the local REDO instead (Northwood 1995). In addition, two other factors contributed to the predicament of ROCs. First, by the mid 1990s a proliferation of state and federal agencies, along with community-based groups, had sprung up across regional Australia (Sorensen 2002). Commonwealth departments alone were responsible for the implementation of 24 regional programs (Garlick 1999). Such a fragmented and contested environment would make it difficult for ROCs to survive. Second, ROCs existed in the shadow of amalgamation; many had already disappeared in the wake of the consolidations that took place in Victoria, South Australia and Tasmania. Perhaps not surprisingly, ROCs had fallen from public view by the turn of the century and received little further mention in the literature.

ROCs in the 2000s

Predictions that ROCs would eventually wither and disappear proved premature. In fact, not only have these organizations survived, but their numbers appear to have increased. A national survey undertaken by Marshall and Witherby released in 2002 estimated that there were 55 such bodies around the country – five more than in 1995. The purpose of the survey was to determine the broad characteristics and functions of ROCs and to estimate how they were performing. The study examined 31 ROCs from all six states. The largest comprised 18 member councils. Twenty-four had between 5 and 15 members, and four had less than 5 members. In 25 cases, the ROCs were bound by an agreement. The remainder operated in the absence of any formal arrangements.

The priority functions of the ROCs surveyed covered three broad arenas – regional advocacy, political lobbying, and fostering cooperation between member councils. Only two organizations focused on single purposes (coastal management and regional planning). Additional secondary goals specified by ROCs included (in order of importance); economic growth, resource sharing, strategic planning, community well-being, and the environment.

For financial support, almost all ROCs depended upon an annual base fee. About half this number required a pro rata contribution in terms of population or rate income. Four ROCs had no central budget and managed on donations from affiliated councils. Twenty received in-kind assistance from members such as administrative services and technical assistance. For a number of ROCs, grants from state and federal governments constituted an important source of revenue.

The governing boards of ROCs are composed of the elected members from each council accompanied, in most cases, by the CEO. It is rare for member mayor not to be represented on the board. In reality, ROC boards involve a meeting of regional mayors. Most boards meet on a bi-monthly or quarterly basis. The majority of governing bodies are also supported by an executive committee which manage day-to-day activities and, in some cases, play a critical role in determining strategic directions. The majority of ROCs in the survey also possessed standing committees which deal with such issues as natural resources, the environment and transport. A small majority also employed a full-time executive officer and one or

more staff.

Clearly, ROCs are alive and well in Australia in the mid 2000s. More than this, though, the ROC movement appears to be strengthening and enjoying increasing support across the local government sector. The great majority of respondents in the above survey were strongly optimistic when asked about the gains to be had from ROC membership. Certainly, there is a strong perception within existing ROCs that their organization fulfils a valuable regional role. Marshall and Witherby themselves concluded that of the 31 ROCs surveyed, seven could be classified as high performers, 20 as being in good health, and only two in obvious decline.

ROCs as Agencies of Regional Governance

Some particularly successful ROCs have moved well beyond their original objective of functioning as a cooperative forum between councils. These organizations have developed many of the attributes of regional government. By this we mean that ROC boards have succeeded in creating a sense of legitimacy that transcends the collective identity of their constituent councils. They have created linkages with relevant private and public groups that overlap with – but are distinct from – those of member councils. They enjoy a high degree of autonomy in the conduct of their own affairs and receive the recognition and respect of state and federal actors. They possess an understanding of local affairs and the knowledge and expertise to find solutions to problems. Above all, in the absence of either constitutional or legislative authority they are able to create policy agendas, and make and implement policy decisions dealing with regional issues. To illustrate this point we provide a brief overview of three such ROCs[2]. Two are in capital cities, and the third from rural New South Wales.

The Western Sydney Regional Organization of Councils (WSROC)

WSROC was established in 1973 and is one of the longest surviving and best known ROCs. It is 5741 square kilometres in area, contains 1,245,000 people and is made up of 11 member councils. A core objective is 'to advance the interests of Western Sydney' (WSROC 2005). Western Sydney has long been socially and economically disadvantaged compared to Sydney as a whole. It suffers from poorer access to health and education services, to employment, and to CBD located recreational opportunities. WSROC's record of achievement in attempting to redress this situation over the last 30 years has been substantial and impressive. Particular accomplishments include helping to establish the University of Western Sydney, making a significant contribution to the NSW's Regional Public Transport

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2.   The three case studies were undertaken over the period 2002 – 2004. Data were collected by reviewing available published material, and through interviews with key actors.

Strategy, and persuading the state government to appoint a Minister for Western Sydney.

WSROC's strong performance has been due in no small part to its 13 specialist committees which draw upon the expertise of member councils for particular skills and grass roots knowledge. The committees conduct research, develop policy proposals, administer grants, monitor service delivery, and coordinate activities across localities. To ensure that WSROC is adequately attuned to, and speaks for, the diverse interests of Western Sydney's substantial population, it created an umbrella organization in 1996 called 'Team West'. Team West – in addition to WSROC itself – consists of 11 peak bodies including the Economic Development Board, Catch management Trust, Water Board, Chamber of Commerce and the University of Western Sydney (TeamWest 2005). Its purpose is to coordinate group activity across the region so that WSROC can speak with a united and coherent voice on major issues. As a whole, the Team West exercise facilitates cooperation between the government, business and community sectors that cross the area. More recently, WSROC has strengthened its intergovernmental credentials by developing partnership arrangements with state and federal agencies to ensure that the organization is the first point of contact with the region for higher levels of government (Gibbs et al 2002). Strategies such as these consolidate WSROC's position as the most influential policymaker and manager of local affairs in Western Sydney.

The South East Queensland Regional Organization of Councils (SEQROC)

SEQROC is centred in the northern capital of Brisbane but covers the whole southeast corner of the state. This geographical spread includes metropolitan, urban, peri-urban and rural areas. It comprises 18 member municipalities, extends over an area of 24,400 kilometres and contains 2.2 million residents (66 % of Queensland's total population). The area generates 62% of Queensland's Gross State Product (and 10 % of Australia's Gross Domestic Product). The organization was formed in 1991 with the express purpose of presenting state authorities with a single, united, 'whole of local government position for the region' (Bertelsen 2002).

SEQROC is so large that, to maintain a manageable operational structure, it is divided into three sub-ROCs. The three sub-ROCs, in turn, are made up of the member councils. The 18 mayors who constitute SEQROC's governing board meet on a six weekly basis. State and federal ministers and departmental secretaries regularly attend SEQROC forums in relation to projects of common concern. These encounters have enabled an intergovernmental approach to regional coordination and facilitated agreements on issues of common concern. Like WSROC, SEQROC has also fostered extensive linkages with the region's private sector as well as with community groups.

The governing board is supported by an extensive system of expert work groups that investigate pertinent questions and prepare policy proposals for the board. The working groups consist of personnel drawn from across the 18 member

councils and provide an important integrative function for the organization as a whole. SEQROC has taken the lead in relation to many critical policy concerns relating to the region in recent years. These include economic development, rural land use projections, urban planning, and environmental concerns (Bertelsen 2002). (During 2005 SEQROC changed its name to Council of Mayors: South East Queensland. Its functions have remained unaltered).

Riverina Eastern Regional Organization of Councils (REROC)

REROC is located in Southern New South Wales. The City of Wagga Wagga is both REROC's geographic and urban centre. The organization is made up of 13 local government authorities, presides over a combined population of 120,000 residents, and is spread across 41,000 square kilometres. REROC is located across a varied range of industry sectors, the most prominent of which are agriculture, manufacturing and food processing, defence forestry, education, viticulture and winemaking. Significant infrastructure advantages which REROC possesses are its highly developed telecommunications system and its extensive transport corridors. The area is also known for its culturally diverse population.

REROC was established in 1994 with the explicit purpose of facilitating resource sharing and reducing costs for member councils. In this regard, it has proved extremely successful. Over the five and half year period from 1998 to 2003 REROC realized savings of over $4.5 million. These savings have occurred over a variety of activities, including reduced duplication through adopting a common approach to the implementation of new legislation; joint tendering, regional lobbying, and cooperative use of resources. This figure does not take into account the capacity building that REROC has provided to member councils in the area of personnel training, the sharing of expertise, the development of informal problem solving mechanisms, and increased staff professionalism. The overall financial benefits accruing from REROC's activities, Dollery et al commented, are 'many times' the conservative $4.5 million reported by REROC itself (2004: 21).

REROC's financial success acted as catalyst for the broadening of the organization's functions. Members became more confident about what they could achieve and expanded the body's objectives. By 2001, policy development and lobbying activities assumed equal importance with resource sharing. The governing board now prepares submissions, mounts delegations to higher levels of government, and develops policy proposals across such areas as telecommunications, waste disposal, the provision of air and train services, geographical information systems, and road safety. These initiatives, in turn, have brought additional benefits and recognition of its achievements. REROC has succeeded in obtaining substantial grants from Commonwealth authorities and has featured strongly in both state and national awards for innovative practices. In particular, REROC turned out to be a very effective lobbyist, securing some well-publicised 'wins' from other levels of government. Undoubtedly there is a strong perception across the Riverina that REROC performs well (Dollery et al 2005).

As is the case with WSROC and SEQROC, REROC's performance as a

voluntary cooperative body derives to a considerable extent from the series of working groups that support the governing board. These groups draw upon the professional skills of not only member councils, but also relevant organizations in the wider district. Again, like its metropolitan counterparts REROC has worked hard to build broad linkages across the district with public and private sector organizations and community groups.

Explaining Success:
Drawing on Social Capital and Networks

Not all ROCs succeed, let alone evolve into regional governing entities. Some are uninspired groupings that achieve only just enough to keep the core intact. Others are disbanded after only a short duration. A few experience a period of considerable growth and then cease to exist. Just what attributes are necessary to facilitate voluntary inter-municipal cooperation remains an issue of ongoing investigation in both Australia and Canada. In their 2002 survey, Marshall and Witherby found there was no obvious mix of critical variables – such as rates income, geographical size, population density, cultural homogeneity, length of time since establishment, or industry type – which might explain why some ROCs perform better than others. Instead, the survey indicated that intangible factors were more significant: the committed support of member councils, transparency and trust, the adoption of a genuinely regional perspective, and team work and leadership. By the same token, inadequate financial resources, competition between members, lack of cooperative commitment, unwillingness to compromise, and the absence of regional vision were put forward as the major obstacles a budding ROC had to contend with. The substance of these responses resonates strongly with Canadian research on the subject. Hepburn et al (2004), McFarlane (2001) and Harvey (2003) all report very similar perspectives in their work.

Attributes such as trust, transparency and commitment, of course, strongly point in the direction of the literature dealing with social capital and organizational networks. Indeed, in our view, it is this body of theoretical literature that offers the most promising insights into how and why voluntary cooperation functions effectively. For the remainder of this section we first outline the major features of social capital/network theory and then apply this framework to the three ROCs outlined above.

Social capital refers to the cohesive qualities developed by groups of people that enable them to pursue common goals. Constructive relationships between participants evolve through what Putnam (1993:167) has termed "networks of civic engagement". Networks may be described as arenas of interaction between organizations and individuals with similar interests who want to achieve goals and solutions to problems. Actors seek to cooperate with each other because they lack the resources to pursue strategies individually. Networks thus constitute a series of interdependent relationships; participants agree to exchange and mobilize joint resources to achieve common outcomes. Shared purposes are achieved through negotiation and adjustment. Over time networks may become institutionalized in

function and stable in operation. Power is widely dispersed; they are non-hierarchical arenas involving horizontal interaction (Rhodes 1997, Chapter 2; Kickert et al 1997, Chp 2; Borzel 1998). Successive interaction between partners builds trust, commitment and a common value system, and regularized contact over time establishes the operating understandings and codes of conduct which facilitate cooperation and lead to workable compromises.

Networks can grow to embrace whole communities. Here the norm of generalised reciprocity comes into play: it is accepted that obligations incurred may be dispersed at some later point in time in an unspecified part of the network. Communities that have succeeded in building extensive networks and generate substantial stocks of social capital usually possess certain attributes. They tend to be resilient, are able to tolerate difference and diversity, work collaboratively for the common good, and are capable of resolving conflicts peacefully (Putnam 2000; Cox 1999).

Communities that possess strong reserves of social capital are much more likely to function efficiently and productively. Trust reduces the incidence of opportunistic behaviour and malfeasance between citizens. It also lessens the transaction costs associated with business and bureaucracy. Exchange becomes a relatively simple and direct process, thereby shortening the time involved and the expenditure required. Additional problems associated with power relations and information asymmetries are similarly diminished (Hindmoor 1998; Wallis and Dollery 2002).

We argue that social capital/organizational network theory offer important insights into the manner in which successful inter-municipal cooperative ventures work. In the three case studies above, WSROC, SEQROC and REROC have all developed extensive and sophisticated networks. The structure and format of these systems differs significantly. SEQROC's format is the most institutionalised. It consists of a conventional system of committees, working groups and timetabled meetings. WSROC, by contrast, operates very much as a 'virtual organization' (Gibbs et al 2002: 7); it possesses no formal structure or secretariat. Individuals and groups become involved in relation to particular issues in terms of the expertise and resources they can contribute. WSROC's Chief Executive Officer acknowledges that willingness to participate in such an amorphous arrangement is due to, 'the trust, confidence and goodwill of the organizations and interests in the region' (Gooding 1999: 261). REROC is different again. Its formal structure of working groups is supplemented by a comprehensive, informal network of grass roots interaction between council personnel. The CEOs of member councils, for example, enjoy an 'excellent relationship' with their counterparts, and a sense of 'camaraderie' prevails between them (Dollery et al 2004: 4). No doubt such attitudes have been facilitated by the relatively sparse population of the region and the more relaxed cultural mores that prevail in rural Australia. Despite the variations in format and procedure between the three ROCs, each has created networks that foster cooperation and generalized reciprocity (where favours are repaid in terms of the broader regional context). In particular, these ROC networks bring together specialist knowledge and skills from diverse arenas. As a whole they ensure community capacity building and enhanced problem solving.

A second characteristic is that power is dispersed widely across ROC networks. Not only is WSROC's TeamWest a virtual organization, it is also a 'horizontal organization' (Dore and Woodhill 1999: 136). It has no centre and no hierarchy. Participants move in and out of the network according to availability and need. Similarly, Members of SEQROC participate on an equal footing. Though SEQROC envelops three smaller ROCs, it is not a hierarchical structure. Indicative of this is that all 18 member councils have an equal vote on the governing board. This format is also embraced by REROC. Indeed, in the Marshall and Witherby study, only one of the ROCs surveyed did not endorse the principle that the value of a member council's vote should be the same, regardless of size, wealth and population. Perceived parity of involvement is a critical cohesive factor underpinning ROC activity. It constitutes ongoing recognition of the interdependent status of councils, and that authority is necessarily shared between them. It also functions as a safeguard for the continuing autonomy and independence of their individual municipalities.

The third feature is the pervasiveness of bargaining and compromise to obtain acceptable outcomes. This can be a difficult experience on occasions. One observer stated of SEQROC's formative years that, "The working group process was slow, tedious and at times torrid as a level of understanding and agreement between the sectors on policy positions was built up by consensus" (Abbott 2001: 116). Certainly most ROCs work hard to achieve outcomes which are acceptable to all participants. Meetings of ROC boards typically involve open and extensive discussion, and determined attempts are usually made to reach consensus on issues. Some boards will only take decisions where there is unanimity. As McFarlane (2001) notes in relation to the Canadian context, it is important to accept trade-offs and to take the time to ensure a 'win-win' scenario for all participants. If no parties are left feeling disaffected there is much more likely to be committed support for proposed courses of action. More generally, negotiation and compromise are valuable processes in so far as they help to inject dynamism and creativity into network interaction. This feature differentiates network organizations from bureaucratic organizations.

A final important factor that contributes to ROCs' success is that they are directly accountable for their actions. This stems partly from the statutory base of participating municipalities, and partly from the conventions of representative democracy which form the core of local government in Australia. Both features reinforce the legitimacy of ROCs in the eyes of local residents, and those of state and federal policymakers.

Current Developments

The achievements of organizations such as WSROC, SEQROC and REROC have been an important factor in helping to put voluntary inter-municipal cooperation back on Australia's regional policy agenda. After falling out of favour in the mid 1990s, regional cooperation is again being taken seriously by state and federal authorities. It is now viewed as a feasible option to consolidation strategies.

The extent of this turnaround in approach should not be underestimated. During the early to mid 1990s when merger fervour was at its height in Tasmania, South Australia, Victoria and Queensland, very little attention was paid to alternative strategies. Boards and commissions in these states did consider resource sharing proposals, but only in the most cursory manner (Marshall 1998). International and national research relating to the efficacy of amalgamation was acknowledged in some instances, but given similarly superficial treatment. Only Western Australia's Structural Reform Committee actually examined available evidence on the subject and concluded that forced consolidation was not warranted. The State subsequently chose to pursue a path of voluntary amalgamation and resource sharing (as did New South Wales).

The views of the majority of the states on this issue were supported by the Commonwealth. Through its Office of Local Government the Commonwealth threw its weight behind state activities by providing $1.3 million in funding to encourage further merger initiatives. New South Wales and Western Australia in particular were encouraged to follow the example of the other jurisdictions. It was a policy milieu which bore remarkable similarities to that experienced in several Canadian provinces during the same period; decision makers largely ignored unpalatable evidence relating to the possible costs of consolidation (Sancton 1996).

By the early 2000s, however, stances on amalgamation and voluntary cooperation at both federal and state level had altered substantively. Several closely interrelated factors contributed to this change in perspective. First, by this time it was becoming evident that the expected savings from amalgamation had not eventuated. It took a while for such an assessment to emerge because none of the four amalgamating states had undertaken post-merger surveys to determine the actual extent of financial benefits. The reasons underlying state reluctance to undertake evaluations were no doubt the same as those for the Canadian provinces. In this regard Garcia and Le Sage (2005: 315) comment that:

"it is hardly surprising that the evaluation stage in the policy cycle is foreshortened or even omitted by those who have been central actors in initiating and implementing a particular policy.... prospects that systematic research will reveal flaws in policy assumptions and logic, in the design of reform programs, or in program implementation are sufficient to discourage the sponsorship of such research."

Analysis of outcomes came instead from studies conducted by academics and practitioners. This research estimated that real savings from mergers fell considerably short of the 10 – 20 % predicted by state governments prior to implementation. In Tasmania they amounted to about six percent (Hayward and Zwart 2000), 2 to 5 % in South Australia (HRSC 2003; Allen 2003), and around 8 to 9 % in Victoria (the Victorian figure includes savings from the introduction of Compulsory Competitive Tendering at the same time) (Allen 2003). Moreover, these percentages do not include the indirect costs associated with consolidation. Overall, the growing scholarly literature on the effectiveness of amalgamation as a

strategy for the structural reform of local government has been critical (e.g. May 2003; Dollery and Crase 2004).

Academic reservations have also been reflected in the public sphere through state and federal inquiries into local governance. A New South Wales Upper House investigation into the costs and benefits of amalgamation across the State observed that, 'We do not believe there is a demonstrated case that amalgamations are always cost-effective' (LCGPSC 2003: 75). At the Commonwealth level, a House of Representatives Standing Committee examining the impact of cost-shifting on councils conceded that, 'amalgamations may not always be the appropriate response to the need for structural reform' (HRSC 2003: 86). By 2005, Dollery et al felt able to state that, 'significant sections of the Australian local government policy community are no longer convinced that amalgamation represents and efficacious means of improving council performance' (p. 1).

A second factor, as indicated above, is that ROCs have shown that voluntary cooperation cannot only match, but may exceed, the returns expected from consolidation. WSROC, SEQROC and REROC have demonstrated their ability to reduce costs, create efficient administrative structures, undertake regional planning, and build local capacity. Furthermore, these ends have been accomplished without the disruption and angst that often accompanies forced amalgamation. Well-performing ROCs have also developed extensive linkages with higher levels of government. For a number of federal and state agencies, ROCs provide an important role in terms of assisting with program coordination and are often the first point of contact in relation to regional issues. More than this, though, ROCs fulfil an important function in terms of plugging the gaps inevitably left in any federal jurisdiction . There is a growing acknowledgement that ROCS can operate as low-profile but invaluable actors in the intergovernmental arena.

A third factor has been a widening debate about the efficacy of traditional approaches to local administration, and a willingness of municipalities to experiment with fresh initiatives. In recent years, several articles and books have been published which explore different styles of regional governance. Such models have ranged from 'virtual' local government (where almost all services are contracted out) to joint board structures (which involves joint tendering and sharing core support functions) (Allen 2001, 2003; Dollery and Johnson 2005). A number of councils have, in turn, pursued innovative organizational formats that are tailored to the requirements of particular localities. Most of these involve variations on the ROC theme. In NSW, two groupings of local authorities (consisting of three and four councils each), have entered into a joint board arrangement. Others have drafted partnership proposals, and on-line strategies (which involves a 24 hour service via the internet to cater for flexible resource allocation) (NSWDLG 2004). This flurry of activity in New South Wales was very much a response to an intended program of forced consolidation put forward by the State's Minister for Local Government during 2003/04. What is significant is that the minister agreed to such alternative structures being trialled. The dissemination of new ideas about voluntary cooperation, and the fresh strategies being employed have undoubtedly lifted the profile and appeal of voluntary cooperation in Australia.

Finally, during the early 2000s there was an emerging consensus across federal and state governments that a critical ingredient underlying effective regional development was the grassroots involvement of local communities. This perspective was given real substance following the formation of the Regional Development Council in 2000. The Council consisted of the ministers for regional development at both levels of government, along with the President of the Australian Local Government Association. The influence of new regionalist thinking was made apparent in the release of the Council's *Framework of Cooperation on Regional Development*. This policy statement committed all governments to encouraging local communities to set their own priorities, build on their regional competitive advantage, and to collaborate with each other and the private sector. In particular, the statement emphasised the need to support resource sharing initiatives of councils and the activities of ROCs (RDC 2003). The ongoing role of this ministerial council has contributed substantially to providing a more supportive policy context for voluntary cooperation to function.

For these reasons voluntary cooperation enjoys increasing support from state and federal officials. ROCs and other forms of strategic alliance are now viewed as an alternative to consolidation. But they will remain as an alternative. Not all regional areas are capable of generating the networks and social capital necessary to build an effective and influential ROC. ROCs also remain vulnerable to changing circumstance; there is no guarantee that they will survive in the longer term. Consequently, there continues to be an element of uncertainty about these bodies that leaves some senior policymakers cautious about fully endorsing them as viable structures. In his evidence to the New South Wales inquiry into amalgamations, for example, the Director-General of the State's Department of Local Government (General Purposes Standing Committee No. 5 2003: 90) commented that:

"I have watched ROCs over a number of years, some work very well, it depends on the personalities that drive them because you can get high levels of conflict....In terms of driving the day to day operations of local government services and facilities I am not sure ROCs are the way to go".

Commissioner Sproats, when reporting on his inquiry into boundary reform for inner-suburban Sydney councils in 2001, expressed similar reservations. Though acknowledging that some ROCs performed well, Sproats felt that, 'as currently structured and resourced they are not seen as the answer to regionalism' (Sproats 2001: 40).

Amalgamations are likely to remain the first preference of state governments. Consolidation involves a predetermined format and a clear timetable for completion. It is also a program of structural reform that - despite evidence to the contrary - politicians have little trouble portraying as decisive and cost efficient. It is an option that is particularly attractive to financially stressed state governments. In fact, the New South Wales Minister for Local Government announced the forced amalgamation of 20 municipalities in 2004 in this context. To his credit, however, the announcement was accompanied by resource sharing proposals from 70 other councils.

Concluding Comments

Voluntary inter-municipal and regional cooperation have existed in one form or another as a dimension of Australian local governance for many decades now. They have managed to survive, until recently, with only occasional encouragement from state and federal jurisdictions. Voluntary cooperation is certain to grow, even in the wake of further programs of amalgamation. The reason for this is that is unlikely that even large consolidated entities will be able to deliver the genuinely regional perspective that flexible, cooperative alliances can provide. The types of alliances that evolve will no doubt become increasingly variegated and complex as external demands and financial pressures intensify. Indeed, it is not difficult to foresee individual local authorities becoming members of a large number of overlapping and interconnected networks. Such networks will range in size and spread, and cater for quite specific needs. They may well stretch across state boundaries.

ROCs, however, will probably continue as the most prominent feature of the cooperative landscape. The more sophisticated ones may become increasingly institutionalized over time and adopt a more formalized role in the intergovernmental framework. The possibility of such a development has strengthened recently in the wake of growing interest by some state authorities in promoting ROC structures. Both the South Australian and Tasmanian governments have created administrative environments which are conducive to the formation and growth of new ROCs. In this regard the states may shift closer towards the Canadian model where the provinces facilitate cooperation between municipalities. This would be a desirable step for ROCs in so far as it would provide them with greater sense of security and permanence. It is critical, though, that by adopting 'top down' approaches grass roots initiatives are not subsequently curtailed. Ultimately, for cooperative activity to succeed, as McFarlane observes in relation to Western Canada, the 'particular circumstances' of individual localities must be respected, and each must be free to 'decide its unique regional identity, vision and approach' (2001: 29).

Identity, vision and approach are, of course, some of the attributes identified by the literature on social capital/organizational networks as vital to the emergence of cooperative activity. It is this conceptual perspective, we have argued, that provides a useful tool with which to understand why some ROCs become highly productive and others fail. In our view there exists considerable scope to refine and elaborate upon this theoretical perspective in relation to both the Canadian and Australian contexts. Practitioners may be able to develop frameworks with which to determine the appropriate modes of interaction (and operating structures) necessary to facilitate the emergence of regional cooperative ventures in different geographical locations, and under varying circumstance. A further fruitful line of research is to consider the range of policy instruments provincial and state governments might employ to nurture regional collaboration; which 'top-down' strategies are likely to be most effective in complementing voluntary 'bottom-up' initiatives?

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