REGIONAL ORGANISATIONS OF COUNCILS (ROCS): THE EMERGENCE OF NETWORK GOVERNANCE IN METROPOLITAN AND RURAL AUSTRALIA?

Neil Marshall
School of Social Science, University of New England, Armidale, NSW 2351, Australia.

Brian Dollery
School of Economics, University of New England, Armidale, NSW 2351, Australia.

Angus Witherby
School of Human & Environmental Studies, University of New England, Armidale, NSW 2351, Australia.

ABSTRACT: Regional Organisations of Councils (ROCs) comprise groupings of neighbouring local authorities seeking mutual benefits from joint action. During the early 1990s ROCs were viewed as a useful means for promoting local economic development and implementing Commonwealth policy objectives. After only a few years, however, they fell from federal favour and largely disappeared from the national arena. This article explores what has happened to ROCs since the mid 1990s. A survey conducted in 2001/02 established that many ROCs are performing well and continue to play an important role across adjoining communities. More than this, though, it is argued that the higher performing ROCs have evolved into quite sophisticated regional governing networks. The article examines the notion of 'governing networks' and applies the concept to three short case studies of successful ROCs. Discussion concludes that ROCs, though low profile organisations, undertake a critical governance role in metropolitan and rural Australia.

1. INTRODUCTION

Over the years local governments around Australia have developed various arrangements to facilitate cooperation with each other (Osborn and Robin, 1989). One such arrangement is the regional organisation of councils (ROC). ROCs consist of voluntary groupings of neighbouring local authorities formed to implement mutually beneficial economic, social and political goals. 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.

During the early 1990s, with the encouragement of the Hawke and Keating governments, the number of ROCs around Australia grew substantially. They were viewed not only as a useful instrument for promoting regional development, but also as a potential vehicle for delivering Commonwealth

policies. Many ROCs did in fact perform very effectively in meeting either or both of these objectives. By the mid 1990s, however, support for the ROC movement at the federal level had evaporated. They disappeared off the intergovernmental agenda and faced an uncertain future.

This article explores what has happened to ROCs since 1996 when the last major evaluation of their progress was undertaken (Cutts, 1996). We demonstrate that a considerable proportion of these organisations continue to carry out an important regional role and are highly valued by their member councils. We further argue that the most successful of the ROCs have evolved considerably beyond the purposes for which they were originally intended. They have linked with relevant private and public sector organisations to form comprehensive networks of activity. These networks, we argue, perform a critical regional governance function.

The analysis falls into five sections. The first reviews the development of the ROC movement in the early 1990s and places the issue in context. The second provides a snapshot of the status of ROCs today. This discussion draws heavily on Marshall and Witherby's questionnaire of 31 ROCs completed in 2002. The material obtained from this survey provided us with indications that some ROCs may have matured into networks. Consequently the third section examines the concept of governing networks as contained in the international literature. The survey then provides the theoretical framework for three short case studies of successful ROCs – the focus of the fourth section. The final section of the article concludes that some of the more sophisticated ROCs in Australia have developed quite elaborate regional governance networks.

2. BACKGROUND

The first documented ROC was established in Northern Tasmania in 1922. Occasional additional ROCs were created across the states in the course of subsequent decades. During the 1970s there was a significant increase in the number of organisations formed as a result of the regional policies implemented by the Whitlam government. Although the great proportion of these had collapsed before the end of the decade (Grounds, 1987, pp.1-2)[1], the mid-1980s

[1] In 1973 the Department of Urban and Regional Development introduced a program designed to promote interaction between local authorities; 'Councils in geographical groupings were encouraged to develop a co-operative approach which would begin to transcend parochially-based interests, and establish a process of identification of local priorities and needs' (McPhail, 1978: 111). Two years later, 76 regions across Australia had been created and backed by a small administrative grant. Major financial support for the initiative was supposed to have come from the Area Improvement Plan which was intended to assist with infrastructure requirements, community services, and to find strategic solutions to particular regional problems. However, only 13 of the 76 designated areas received funding in 1975 before the Labour government was dismissed and the program wound up (Sandercock 1979: 147). Very few of the Whitlam era ROCs survive. Of the 31 organisations surveyed by Marshall and Witherby in 2002, just two originated in this period. Nevertheless, one of these, the Western Sydney Regional Organisation of

saw a second upsurge in the emergence of new ROCs. The major reason for this was the role played by the Commonwealth's Office of Local Government between 1984 and 1993. Through its Local Government Development Program, the Office provided some $1.3 million to assist with the establishment of ROCs, and a further $4.6 million to encourage their growth (VRC, 1993, p.1). The program was designed to expand the economic capacity of regions, enhance collaboration between local authorities, business and government agencies and promote more efficient management practices within councils. The initiative was an outcome of the Hawke government's growing conviction that local authorities could make a more positive contribution to the Commonwealth's national economic reform strategy. By the early 1990s this view had crystallized into a policy perspective that saw regional economic development playing a critical role in the long-term growth of the country with local government taking greater responsibility for service delivery (Fulop, 1993, pp.129-130; Garlick, 1999).

That ROCs might offer a structural mechanism with which to implement policies emerged in 1990 when a review of the ROC program reported favourably on their progress. The report noted the ability of ROCs to develop regional responses to a range of issues, and to work with higher levels of government. The positive conclusion of the report provided the basis for the first National Conference on Regional Cooperation held in May 1990. In a subsequent submission from conference delegates to the Minister for Local Government, it was argued that the ROC structure had not been developed to its fullest extent and should be utilised more effectively as a means to help achieve Commonwealth objectives. Impressed with the possibilities, the Minister funded four investigation projects to examine the potential capacities of ROCs in relation to resource sharing, human services, information systems and economic development (NCRC, 1993, p.6).

A second national conference was held in February 1992. Attended by 150 delegates representing ROCs, local government associations and Commonwealth and state agencies, it reaffirmed the usefulness of ROCs in meeting regional needs and acting as a partner to the Commonwealth in addressing national objectives. The conference moved to formalise the federal ROC structure by establishing the National Committee on Regional Cooperation (NCRC) and developing protocols for interacting with state and federal local government associations (VRC, 1993,pp.vi-xi). The Minister for Local Government subsequently provided two further tranches of $150,000 to consolidate the ROC movement and to appoint a national convenor to administer the framework.

By 1993, however, the Commonwealth had cooled on the idea of using ROCs to create regional policy platforms. The findings of the four research reports, completed in mid 1992, painted a picture of uneven progress across the regional landscape. Many were under-resourced and/or focused too narrowly on research and lobbying activities. A good proportion possessed limited capacity for information processing and lacked the appropriate administrative

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Councils (WSROC), went on to become perhaps the most successful of all the nation's ROCs. It constitutes one of the case studies considered in this article.

infrastructure to deliver programs (NCRC, 1993, pp.7-14) Additionally, some local authorities were resistant to the creation of a national framework, fearing the imposition of a fourth level of government and a consequent reduction in local autonomy (VRC, 1993, p.19). Overall, the results clearly did not provide a solid foundation on which to build regional mechanisms which could implement Commonwealth objectives.

In fact, federal Labor had already begun to turn elsewhere in its search for suitable structures. During 1993 two influential reports had been tabled; the Industry Commission's, *Impediments to Regional Industry Adjustment*, and the Kelty Taskforce on Regional Development (Fulop and Brennan, 1999, pp.207-208). Both documents subsequently shaped the thrust of regional policy outlined in the Keating government's *Working Nation*, released in May 1994. *Working Nation* provided $150 million over three years to create a series of Regional Economic Development Organisations (REDOs). The policy initiative was intended to operate as a 'bottom-up' exercise providing local communities with the opportunity to identify, agree upon and set about achieving local economic development priorities. It was to be a self-help, inclusive operation involving the participation of key players from business, education, trade unions, environment and local government sectors (Garlick, 1997, p. 283; Sorensen, 1994). In all, forty-seven REDOs were established over the next few years (Fulop and Brennan, 1999, p. 198).

The Keating government's decision to pursue REDOs effectively relegated the ROC movement to the shadows of federal regional activity. With no prospect of further funding forthcoming from either the Commonwealth or the states, options to promote new initiatives were limited. At the fourth, and last, National Conference on Voluntary Regional Cooperation held in November 1994, the National Committee on Regional Cooperation did its best to put a positive spin on the situation. The Committee pointed out that ROCs embraced a more comprehensive range of functions than did REDOs and therefore still had a critical role to fulfil. Moreover, ROCs were well placed to participate in the creation of successful REDOs. ROCs, the Committee emphasised at the conference, had evolved into a 'flourishing movement' (NCRC, 1994, p.28). In this regard the NCRC was correct. Though ROCs were first and foremost the result of local initiatives, the Local Government Development Program of the 1980s, and the establishment of the Voluntary Regional Cooperation group of the 1990s, had clearly acted as a catalyst. In 1995 there were 50 ROCS nation-wide covering 45% of councils and 75% of the population (Northwood, 1995, p.1). Well over half of these had been formed during the period 1983-95 (NCRC, 1994, p. 28; Grounds, 1987, pp. 57-61)). Moreover, the movement had made considerable progress over that period.

The extent of this progress was demonstrated in May 1996 when Cutts published her detailed evaluation of 37 ROCs across the country (the study had been commissioned by the NCRC) (Cutts, 1996). She acknowledged that there were wide variations in capacity and capability, and many continued to suffer from the defects identified in the four 1992 investigative reports. Nevertheless, she viewed the potential future development of ROCs as promising and pointed

out that the performance of a number of them had been 'outstanding' (Cutts, 1996, Summary). As a whole, she concluded that these bodies had become important entities for addressing common concerns among neighbouring councils. They were highly responsive to the particular requirements of individual localities, and offered significant benefits in terms of improved efficiency and effectiveness. Certainly the great majority of participating councils regarded the work of their ROC as at least worthwhile; 57 per cent rated them 'satisfactory', while 21 per cent ranked them as 'excellent' (Cutts, 1996, pp.16-17).

Despite the positive thrust of the evaluation, the future of ROCs in 1996 looked less than encouraging. By the middle of that decade a proliferation of regional organizations and programs – mounted by Commonwealth and state agencies, and community groups – had sprung up across Australia (Beer, 2000; Sorensen 2002). In 1999 Garlick observed that federal agencies alone had spawned 24 programs directed at regional issues (1999, p. 180). The ability of ROCs to survive in such a fragmented and and contested milieu was questionable. In particular, there was great concern that ROCs would not be able to compete with REDOs (NCRC, 1994, p. 7). Cutts herself was doubtful about the future of ROCs in the absence of financial support from central governments (1996, p. 32). Certainly, some ROCs were subsequently discarded by their member councils in favour of REDOs (for example Northwood, 1995, p. 5)[2]. The prospects for ROCs took a further dive when a number of them were wound up following extensive amalgamations in Victoria, South Australia and Tasmania during the mid-1990s.

However, despite their fall from federal grace, and the lack of publicity accorded them during the late 1990s, many ROCs continued to quietly prosper in their regional localities. This is the subject of the next section.

3. A SNAPSHOT OF ROCS IN 2002

Early in 2002 Marshall and Witherby completed a country-wide survey of ROCs. The purpose of the study was to determine; the size and structure of all ROCs in Australia; how they operate, the activities they are involved in, and which factors might encourage success. Completed questionnaires were received from 31 out of an estimated 55 ROCs: a response rate of 56% which was sufficient to provide a reasonable cross-section of these organisations for analysis (though not all ROCs answered all questions).

ROCs from all six states were represented in the study; 14 came from New South Wales, seven from Queensland, five from South Australia, three from Western Australia and one each from Tasmania and Victoria. Twenty-seven of these bodies were established between 1973 and 1998, with 11 being founded over the four years 1991 to 1994. The most recent was created in 1998. The largest of the ROCs surveyed comprised 18 member councils. Eight had between 10 and 15 members, 16 had between five and 10, and four had less than 5

[2] It is not clear how many ROCs were transformed into REDOs during the mid-1990s. This is an aspect of regional development in Australia that has received little attention.

members. In 25 cases the ROCs were bound by a constitution, an agreement, a charter, or had been incorporated. Eight operated in the absence of any formal arrangements.

Core Business – When asked what their primary functions were, the replies of the 29 ROCs which answered this question showed strong similarities. Their core business could be covered under three generic headings; regional advocacy, political lobbying and fostering cooperation between member councils. Only two of the ROCs listed single focus objectives for their organization (coastal management and regional planning). Many organisations also chose to specify additional goals: economic growth (13 responses), resource sharing (11), strategic planning (8), community well-being (8) and the environment (4). The scope and emphases of these functions are very close to those outlined in Cutt's evaluation (1996, p. 4), indicating that the essential purposes of ROCs have changed little in recent years.

Finance – Participants were questioned about their ROC's sources of funds. Of the 31 replies, 10 stated that they received equal financial support from member councils. Cash contributions from member councils ranged from $100 - $48,400, with half of these falling under the $16,000 mark. A further 15 required an annual base fee plus a pro rata contribution in terms of population or rate income. Four ROCs appeared to have no central budget and managed on donations from affiliated councils. Twenty ROCs reported receiving in-kind contributions from their member councils. This included such services as administrative assistance and technical expertise. An additional important source of finance for many ROCs was grant revenue from state/federal agencies for specific projects. For some ROCs these grants constitute a significant portion of their overall income. This represents an interesting change from Cutt's 1996 study where she noted that grants were 'an insignificant revenue source' for the majority of ROCs (p.14). Many organisations appear to have become much more adept at winning such funds.

Governing Boards – Twenty-nine of the ROCs surveyed provided information about the nature of representation on their boards; 45 per cent comprised elected members only, while 55 per cent also included CEOs. Though three ROCs made provision solely for the appointment of councillors to the board, in actuality it is rare for a mayor not to serve on the ROC. Overall, ROC boards would appear to be first and foremost a meeting of regional mayors. The majority of ROC boards meet regularly: 19 per cent convene on a four to six weekly basis, 39 per cent bi-monthly, and 39 per cent quarterly. It is clear from the comments made by most respondents that board meetings are fairly relaxed and informal affairs with discussion ranging across a broad spectrum of issues.

Executive Administrative Structures – When asked about their internal structures, 18 of the 31 ROCs stated that they possessed an executive committee. These bodies usually comprise between three and eight members, and consist of mayors, councillors and CEOs. The role of the executive committees is to

manage the day-to-day affairs of the organisation, though some clearly play a strong strategic function in determining directions and purpose.

Twenty-one of the ROCs also reported that they had two or more permanent standing committees. Fifteen supported between two and four committees while six had four or more. These specialist committees covered a wide array of issues with natural resources/environment being the most widely cited (9), followed by transport (8), and strategic planning (7). The majority of ROCs also reported that they appointed ad hoc project groups as the need arose. Most subordinate committees meet on a quarterly basis. With regard to secretariats, 16 of 30 ROCs (53%) stated that they employed a full-time executive officer along with one or more full-time or part-time staff. Seven other ROCs employed a part time executive officer working one or more days per week.

Achievements - 29 out of 31 ROCs (94 percent) responded enthusiastically to this question by providing an extensive list of positive outcomes in recent years. Political lobbying and strategic planning were the two arenas in particular where almost all ROCs claimed significant 'wins'. Relatively few ROCs, on the other hand, were willing to acknowledge failures. Only 11 out of 30 (37 per cent) put forward projects/activities that had produced a negative result. Certainly there is a strong perception among ROC members that their organisation fulfils an important function in the region.

Effectiveness – a major objective of the survey was to try and identify those factors which most contributed to building a successful ROC. After examining such variables as rates income, geographical size, population density, cultural homogeneity, length of time since establishment or industrial base, Marshall and Witherby were unable to identify any correlation which might account for the relative success of some ROCs. Rather, high performing organisations appeared to be built on less tangible elements The survey asked respondents to list those factors they thought constituted the critical building blocks of an effective ROC. There were 26 replies to this question. The attribute considered most important by respondents was the committed support of the organisation's member councils (15 replies). This was followed by trust, understanding and openness (11). Six emphasised teamwork and cooperation, and five cited leadership as vital.

External Linkages - This question in the survey dealt with the extent to which ROCs interact with external public sector and private sector bodies. In relation to the public sector, of the 29 replies received, 21 stated they had developed extensive linkages with regional public sector entities such as economic development committees, area consultative committees and state and federal agencies. There was a weaker response in relation to the private sector. Eleven ROCs indicated they possessed limited links with commercial operators, while a further eight said they had fostered widespread connections with business associations. Overall, quite a few ROCs appear to have made substantive inroads into the broader community landscape.

The data presented so far suggests that the ROC movement as a whole is alive and well in Australia. In the view of Marshall and Witherby, of the 31

organisations surveyed, seven could be classified as high performers, 20 were in good health and two were in obvious decline. The concerns expressed in the mid-1990s that ROCs would not survive seem to be unfounded. In particular, predictions that ROCs were destined for extinction following amalgamations in Tasmania, South Australia and Victoria have not eventuated. Indeed, there are indications that ROCs may be emerging again in these states in fresh configurations. Clearly, many councils believe that the effort and resources involved are sound investments which can result in substantive returns for the region generally, and for individual local authorities in particular.

Additionally, however, the findings of the survey pointed to more than simply that ROCs had survived into the new millennium. The data suggested that some of the higher performing organisations had progressed beyond their primary objective of functioning as a cooperative forum for neighbouring councils. Several of the ROCs covered by the survey exhibited characteristics normally associated with network governance. Such features included: the specialized committee structure developed by organisations, the extensive linkages with external bodies, the importance placed on trust, openness and commitment and a strong record of positive outcomes.

To see if indeed some ROCs were evolving into governing networks, we explored three of our survey respondents in greater depth. These case studies follow shortly. First, however, it is necessary to explore briefly the concept of governing networks.

4. NETWORK GOVERNANCE

Network theory has evolved through the literature of a number social science disciplines - political science, economics, organisation theory, and policy studies - over the last two decades or so (Borzel, 1998; Kickert *et al.*, 1997). Though the use of the term 'network' varies across these disciplines (and within them), one understanding of the concept that has emerged is that of the network as an alternative form of governance to hierarchies and markets. It is this perspective of network that is adopted in the current analysis.

The use of network to describe a style of governance emerged in the course of the later post-war years. Modern western nations were being subjected to growing social differentiation and sectorisation of function, as well as blurring of the private and public sectors. Governments in turn experienced overload as they attempted to grapple with ever expanding and increasingly complex, multi-layered policy arenas. In a number of contexts, traditional approaches to governance – hierarchies (bureaucracy) and markets – proved inadequate as instruments of coordination. Hierarchies can become overly routinised and inflexible, and fail to satisfactorily safeguard minority interests (Borzel, 1998, p. 261; Lowndes and Skelcher, 1998, p. 318). Markets offer participants a high degree of flexibility, but competition may not be conducive to cooperation, and transaction costs – such as complexity, and power and information asymmetries - can be unacceptably high (Hindmoor, 1998, pp. 30-31; Wallis, 2003).

Networks may be described as arenas of interaction between organisations with similar interests who seek to achieve goals and solutions to problems. They

encompass a variety of participants from both the public and private spheres. These actors seek to cooperate with each other because they lack the resources to pursue strategies individually. Networks thus constitute a series of interdependent relationships; organisations agree to exchange and mobilize joint resources to achieve common outcomes. To function effectively, organisations within the network must develop shared purposes. This is achieved through negotiation and adjustment. Over time networks may become institutionalised in function and stable in operation. Power is widely dispersed; they are non-hierarchical arenas involving horizontal interaction (Rhodes, 1997, Ch.2; Kickert *et al*., 1997, Ch. 2; Borzel, 1998; Wallis and Dollery, 2002). Clearly, such a framework overcomes many of the coordination problems usually associated with hierarchies and markets.

The generation of social capital is a critical ingredient underpinning the growth of successful networks. The concept helps to explain why some networks burgeon and others do not. Social capital arises out of the quality of the relationship developed between individuals and groups. Discourse creates shared meanings and understandings (Hardy *et al*., 1998). This outcome, in turn, can become a cumulative and self-reinforcing experience; successive meetings between participants engenders cooperation, reciprocity and loyalty. A 'radius of trust', to use Fukuyama's expression (2001, p. 8), emerges to envelop people and communities. Such attributes provide the foundation for the sustained civic engagement that enables broader polities to function cooperatively over time, and to develop the resilience necessary to overcome periods of stress and conflict (Putnam, 1993, Rhodes, 1997).

The formation of networks can be facilitated by building on existing stocks of social capital. Prospective groups and individuals are less likely to be deterred by the dilemmas normally associated with investing in collective ventures. Repeated interactions – or 'conversations' (Hardy *et al.,* 1998) – between participants can further reinforce a sense of mutual commitment and common values. Through such regularized contact over time players establish the operating understandings and codes of conduct which expedite negotiation and lead to workable compromises. These attributes constitute vital lubricants in network activity and build strength, cohesion and certainty for the longer-term (Putnam, 1993; Cox, 1999; Ostrom, 1990)[3]. Consequently, in terms of the

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[33] Theoretical perspectives dealing with social capital and networks are not without their critics, particularly in relation to political science. Peres, for example, points to the problem of logical circularity. He states that:

> *As a property of communities and nations rather than individuals, social capital is simultaneously a cause and effect. It leads to positive outcomes, such as economic development and less crime, and its existence is inferred from the same outcomes. Cities that are well governed and moving ahead economically do so because they have high social capital; poorer cities lack in this civic virtue* (Peres, 1998, p. 19).

In a more general context, Hardy and Philips (1998) provide an interesting discussion pointing out that collaboration may not always be the best means of resolving disputes among organizations and that conflict is not necessarily a bad thing.

current analysis, the extent to which ROC networks have been able to fabricate reserves of social capital in their regions is likely to be an important factor in determining why some operate more effectively than others.

Networks have also become an important dimension of the 'New Regionalism' literature. Theorists in this field argue that over recent decades regions across different nations have been subjected to greater competitive pressures as a result of globalisation, and forced to consider new strategies to ensure sustainable development. Regions that respond successfully to such demands exhibit common characteristics. They have moved from a dependence on traditional institutional structures of government to systems of governance where the public and private sectors share responsibility for policy initiatives. These systems are relatively open and elastic and are characterised by formal and informal networks of activity. Networks emphasise collaboration and conflict resolution, and fostering a sense of trust (social capital) between members. Moreover, regions that succeed in building strong cohesive networks and a sense of regional identity are well-placed to exploit local capacities and improve overall competitive performance (Kanter, 2000; Wallis, 2000).

It is in terms of this broad theoretical perspective of network governance that the three case studies in the following section are considered.

5. THREE CASE STUDIES

Each of the following case studies was compiled from published materials available to the general public. In relation to WSROC and REROC, documentary analysis was supplemented by an interview with the organisation's Chief Executive Officer.

5.1 Case Study One: Western Sydney Regional Organisation of Councils (WSROC)

WSROC is 5741 square kilometres in area, contains 1,245,000 people and is made up of 11 member councils. Established in 1973, it is one of the longest surviving and best-known ROCs (Fulop, 1997; Wettenhall, 1988). Its strategic objectives are broad: 'to advance the interests of Western Sydney' (WSROC, 2003). The organisation's output has been consistent and substantial; between 1977 and 1999 it made 145 submissions to state and federal governments, and produced 159 reports on a range of matters (WSROC, 2000, pp. 27-34). Certainly, it has enjoyed considerable success in terms of outcomes achieved (WSROC, 2000, pp. 18-25; Grounds, 1987, pp. 19-20). Three of its more salient accomplishments in recent years include: helping to found the University of Western Sydney (1987), making a decisive contribution to the Regional Public Transport Strategy (1995) and persuading the NSW government to appoint a Minister for Western Sydney (1997).

WSROC's impressive performance has been due in part to its strong strategic direction (formally reviewed every four years) and partly to its professional committee structure which has grown in reach and sophistication. From just two such committees in 1977, the organisation now encompasses 13 specialist bodies. These committees conduct research, gather information, develop policy

proposals, administer grants, monitor service delivery and coordinate activities across localities. They draw upon the knowledge and skills of member councils and interact closely with state and federal agencies, other professional associations and community bodies. The Environmental and Strategic Planners Committee, for example, acts as a forum for the NSW Department of Urban Affairs and Planning (WSROC, 2000, p. 11). The Social Planners Group, for its part, works in conjunction with relevant state commissions and peak regional groups (WSROC, 2000, p. 12).

By the mid 1990s, WSROC's operating environment had changed noticeably in relation to spread and complexity. The nature of policy discourse had become increasingly detailed and demanding. In addition, a growing number of interest groups was filling the Western Sydney arena. An audit in 1996 revealed that at least 80 regional organizations were jostling to be heard (Gooding, 1999, p. 260). Some of these entities – such as the Western Sydney Waste Board (established in 1996) - were the results of WSROC's own previous lobbying efforts. In a number of cases, these new competitors were able to draw on expertise and resources that exceeded those available to WSROC itself. The consequence of this changed landscape was that the provision of advice to state and federal governments became increasingly fragmented and, on occasions, conflicting (Gibbs *et al*., 2002, p. 7; Dore and Woodhill, 1999).

In response to this situation, WSROC developed two related strategies. First, it created TeamWest in 1996. TeamWest (in addition to WSROC itself) consists of 11 peak Western Sydney organizations including the Economic Development Board, Catch Management Trust, Water Board, Chamber of Commerce, and the University of Western Sydney (TeamWest, 2003). Its purpose is to promote the economic, social and environmental interests of Western Sydney, and to ensure that relevant activity across groups is coordinated, thus ensuring the region speaks with one voice on critical concerns. Individuals and organisations become involved with particular issues in terms of the resources and expertise they can contribute. TeamWest possesses no formal structure, secretariat or funded personnel; it is a 'virtual organisation' (Gibbs *et al.*, 2002, p. 7). The only meeting is a bi-annual forum where some 200 members prepare a regional priorities agenda.

TeamWest is essentially a process of interaction that depends entirely upon the trust, commitment, enthusiasm and goodwill of its members to function effectively (Gooding, 1999, p.261). It is a 'horizontal organisation' (Dore and Woodhill, 1999, p. 136) that works around and between existing institutional actors. Members are part of a pervasive network of activity that extends throughout Western Sydney. The Greater Western Sydney Economic Development Board (a core member of TeamWest) for example, sits on top of a myriad of subordinate associations (TeamWest, 2003). As a whole, the process is intended to facilitate cooperation between the government, business and community sectors that embrace the region.

The second strategy adopted by WSROC, and one that is currently being pursued vigorously, has been to develop partnership arrangements with State and federal agencies (Gooding, 2003). This approach consolidates WSROC's status

as the key representative of Western Sydney's regional interests and ensures that the organisation becomes established as the first point of contact when higher levels of government initiate new programs (Gibbs *et al*., 2002, p. 8). Taken together, TeamWest and Strategic Partnerships have enabled WSROC to publicly describe its role as one of leadership, management and regional governance (WSROC, 2003).

5.2 Case Study Two: South Eastern Queensland Regional Organisaton of Councils (SEQROC*)*

SEQROC comprises 18 member councils, covers an area of 24,400 square kilometres and contains 2.2 million residents (66% of Queensland's total population). The area generates 62% of Queensland's Gross State Product (10% of Australia's Gross Domestic Product).

The catalyst which lead to the formation of SEQROC was the State government's decision in 1990 to convene a community conference to address the problem of population expansion in South East Queensland. Numbers were projected to increase by 50 per cent within 20 years. The conference, which was titled *SEQ 2001 – Framework for Managing Growth*, recommended the establishment of a broad based group to examine the consequences of future development and to prepare a suitable management strategy (Abbott, 1995, p. 135). The 18 councils occupying the South East corner of the State became concerned that, to deal with the issue, cabinet would create a new planning authority which would override the autonomy of local governments in the area. The possibility of this outcome prodded the previously uncooperative collection of municipalities into action. In 1991 they established SEQROC to enable them to directly confront state authorities with a single, unified 'whole of local government position for the region' (Bertelsen, 2002, p. 4). State cabinet subsequently established a regional planning advisory group to oversee *SEQ 2001*. This group consisted of SEQROC, several state ministers, a senior Commonwealth public servant and representatives from the peak bodies for the environment, community, business, union, industry and professional sectors (Abbott, 1995, p. 135).

Over the following few years, SEQROC emerged as a significant driving force behind the planning body. Its member councils provided specialist personnel for *SEQ 2001's* working groups, as well as supplying relevant information and expertise. This input undoubtedly contributed to the nature of the planning body's eventual recommendations, which were regarded as highly effective (Abbott, 2001, p. 117). Indeed, Bertelsen has suggested that SEQROC's role in the development of *SEQ 2001* can be considered 'one of its most significant achievements' (2002, p.4). It was, nonetheless, a hard won outcome. Abbott reflected 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' (1995, p. 136) He added later that the groups, 'had to learn to work face to face, to find areas of agreement and to develop trust' (Abbott, 2001, p. 116).

The experience gained from involvement with the *SEQ 2001* exercise shaped

the direction and operational dynamics subsequently adopted by SEQROC. Following the organisation's establishment in 1991, it quickly became evident that SEQROC was too large and cumbersome to cover all the needs of South East Queensland. It was subdivided into three constituent ROCs which deal with the detailed requirements of their localities. The 18 member councils, and four sub-ROCs, are closely bound together by SEQROC's elaborate system of working/project groups (11 in 2003). These bodies ensure that the views of all member councils are accommodated and coordinated in relation to a range of policy issues (Bertelsen, 2002, p. 5). The constituent ROCs also have their own structure of working groups, many of which overlap with SEQROC's groups (for example, WESROC, 2003).

The mayors and CEOs of all 18 councils attend the six weekly meetings of the SEQROC board. Each has an equal vote, regardless of size and population. Decisions 'are almost always reached by consensus' (SEQROC, 2003). SEQROC has clearly made good use of the contacts generated at the *SEQ 2001* forums. The high-level linkages brokered in this arena have been transferred to the SEQROC boardroom. Here, mayors and CEOs have 'face to face' discussions 'on issues of concern' with ministers and departmental secretaries from both State and Commonwealth agencies (SEQROC, 2003). These encounters 'often enable rapid and effective responses to issues by crystallising positions, clarifying misunderstandings and reaching agreements that would not be otherwise practical to achieve' (SEQROC, 2003).

SEQROC's working groups, too, have also evolved in scope and focus. Originally designated as technical working parties, they were upgraded to working groups in 1999 as recognition that they increasingly embraced critical strategic and political issues. Membership gradually changed so that councillors and policy officers became as much involved as technical staff. Like the SEQROC board, these groups link up directly with state and federal authorities (Bertelsen, 2002, p. 5). In fact, SEQROC's associations with external groups became such an extensive – and important – dimension of its activities that its constitution was amended in 2000 to incorporate this function. The new clause empowers SEQROC 'to collectively represent members on bodies that influence the operations of the State, region, subregion and the communities of individual Councils' (SEQROC, 2001; Section 2e).

Certainly, SEQROC has achieved many significant outcomes in the course of its 12 years. In particular, it has taken the lead on a number of occasions to formulate and implement policy initiatives of special relevance to the region. Such issues have ranged from research into playground equipment and the future of rural communities to the creation of the SEQ Water Corporation and the sustainable reuse of bio-solids (Bertelsen, 2002, p. 5; SEQROC, 2003).

5.3 Case Study Three: Riverina Eastern Regional Organisation of Councils (REROC*)*

In stark contrast to both WSROC and SEQROC, REROC presides over a population of just 120,000 residents. It is a rural ROC located in Southern NSW, made up of 13 councils and spread over 41,000 square kilometres.

REROC began life with rather narrow aims and a limited structure, but grew rapidly in scope and ambition. When established in 1994, its primary role was to facilitate resource sharing; specifically, the group purchase of products. By 2001, however, policy development and lobbying shared equal billing with resource sharing as REROC's major functions (REROC, 2001a). Members now prepare submissions, mount delegations to higher levels of government and develop policy proposals in such diverse areas as telecommunications, waste disposal, the provision of air and train services, geographical information systems and road safety. In just a few years the nature of REROC's functions increased significantly in complexity.

The organisation's operational arena, too, expanded substantially. In the mid-1990s REROC's focus was confined largely to board meetings and the deliberations of a few technical committees drawn from member councils. Over the following seven years REROC developed extensive links with such bodies as the Riverina Development Board, the Area Consultative Committee, several State and Commonwealth agencies and a range of community bodies. REROC's CEO was herself surprised at the extent of the progress that had been made, describing the organisation's diversity of activity in 2002 as 'extraordinary' (REROC, 2002, p. 5).

The reason underlying REROC's rapid development was that it had performed very effectively in terms of meeting its objectives. In relation to resource sharing, it had achieved major gains. Over a five and a half year period between 1997 and 2003 it secured $4.68 million in savings for its member councils across a number of areas (REROC, 2003, Appendix One). The organisation was also consistently successful in obtaining grants from state and federal agencies, receiving some $600,000 in funding over the three year period 1998 – 2000 (REROC, 1999; 2000; 2001). REROC also made good progress in tackling critical policy issues. For example, a sub-committee appointed to find the most appropriate means of implementing the GST across member councils resulted in rare praise from the Australian Taxation Office who described REROC members as 'the most informed and aware group of councils they had addressed in NSW' (REROC, 2000, p. 4). Moreover, in seeking solutions to problems, REROC working groups demonstrated an innovative and entrepreneurial flair on a number of occasions. A planning approach to on-site sewage management developed by REROC proved to be so useful that it was subsequently packaged as a 'kit' and sold to other councils in NSW for a profit (REROC, 1999, pp. 8-9). Indeed, REROC won both national and a state awards for innovation in the late 1990s (REROC, 1998, p. 1; 1999, p. 2). Finally, REROC turned out to be a very effective lobbyist. Working groups put considerable effort into developing well-researched submissions, and it is clear that the organisation secured some significant 'wins' on important issues (for example, REROC, 1999, p. 5). Certainly, there was a widespread perception across the Riverina that REROC was performing well (REROC, 2000, p. 4).

REROC's success became a self-fulfilling exercise. Real achievements in one sector gave the organisation the confidence to tackle ventures in others. Such ventures often involved external groups who were happy to benefit from

REROC's interest and expertise. REROC, in turn, was able to use these networks to develop fresh policy initiatives directed at regional needs. A good example of this process was the Community Services Planning and Development Group which dealt with social problems. It was made up of representatives from state agencies and peak community bodies, and REROC. REROC observed, however, that the group's energies were focused largely on the City of Wagga Wagga (REROC, 1998, p. 12). REROC was subsequently instrumental in persuading the group to extend its programs to take in smaller surrounding rural centres (REROC, 1999, p. 13). REROC then developed further social policy initiatives of its own in areas considered of particular importance to its member councils. In 2002, for example, it convened the district's first youth summit (REROC, 2002, pp. 14-15).

REROC's success in these activities can be attributed to the fact that it was able to persuade participants from diverse organisations to work constructively together. Skilled individuals from member municipalities (and external bodies) were willing to embrace a genuinely regional perspective on policy problems, and to put in the additional time and effort required to try and resolve them. REROC's *1998 Annual Report* noted that across the councils 'professional staff are now working and cooperating in a manner not previously experienced' (p.2). Such attitudes were fostered by the supportive and transparent context in which forums were convened. REROC board meetings – which invariably have a 100 per cent attendance rate (Briggs, 2003) – are conducted in an 'inclusive and collegial atmosphere' (Briggs, 2003). Debate is open and unrestricted with all members encouraged to express their views. Participants are not bound to support particular projects or decisions. However, such is the nature of interaction that in the 'vast majority of occasions, discussion leads to unanimous action' (REROC, 2002, p. 1).

6. ROCS AS GOVERNING NETWORKS

The three ROCs discussed above differ significantly in terms of their origins, size, geographical spread and the characteristics of the communities they serve. Yet there are also obvious similarities in structure, process and evolution.

All three, relative to their particular environments, have constructed extensive systems of working groups which, in turn, are linked to a range of external bodies. These networks vary in composition and density. WSROC's use of TeamWest has created an array of loose, unstructured players who, together, makeup a comprehensive web of interaction across Western Sydney. The SEQROC approach, on the other hand, is more institutionalised with its committee system anchored to a established administrative apparatus. These metropolitan and rural networks also vary in complexity and size. The SEQROC arena, consisting as it does of ROCs within a ROC, comprises a series of interlocking forums that knit almost imperceptibly with public and private agencies. REROC's structure and scope is altogether more simple than its urban counterparts, but nevertheless embraces the same format.

All three ROC networks are made up of interdependent players who contribute expertise, information and resources in pursuit of mutually beneficial

outcomes. The networks constitute level arenas of involvement where diverse groups and individuals engage on an equal footing. Even SEQROC's structure is not hierarchical. The three smaller ROCs that make up SEQROC are not subordinate groups. Moreover, there is a strong perception that authority is, and should be, widely dispersed among actors. Support for this value is clearly demonstrated by the fact that 30 out of the31 respondents to the Marshall and Witherby survey concurred with the SEQROC's stance that at board meetings each member council possesses an equal vote, regardless of size and population.

The effectiveness of WSROC, SEQROC and REROC can be attributed to the manner in which participants interact with each other. In each case the networks grew through a process of developing trust, commitment and goodwill among those involved. Building social capital such as this requires time and effort; the importance of reciprocation, and the norms of compromise and adjustment have to be grasped by all sides. In the case of SEQROC members developed their operating understandings through the intensive SEQ2001 experience. WSROC, for its part, took many years to establish its reputation and influence in the Western Sydney arena. REROC's success at building a viable network – after only five years or so – may have been due to the smaller community involved and the familiarity of the social terrain.

We argue that these networks constitute more than just arenas of cooperation. We suggest that the more highly developed ROCs, such as WSROC, SEQROC and REROC, have evolved into semi-formal networks of regional governance similar to the governing networks outlined in the theoretical discussion above. It is our contention that such arenas of activity play a vital role in coordinating and implementing policy initiatives between the three formal levels of government, act as a lubricant on sticky issues and fill in the policy interstices that are inevitably created in a federal jurisdiction. A good example of this is TeamWest's strategy of working around and between existing institutions. More than this, though, in carrying out such functions, the networks operate with a degree of independence and autonomy. Because they are well positioned to take a comprehensive overview of community requirements and control information and resources, they can - and do - set agendas and make policy. REROC's social policy initiative, mentioned in the previous section, is a direct instance of a ROC filling in gaps in programs overlooked by state and community agencies.

7. CONCLUDING COMMENTS

Far from fading away, a number of ROCs have emerged as low-profile, but significant players in Australia's regional landscape. They have responded to a congested political milieu by creating comprehensive networks of inter-organisational activity. These networks perform a critical governance function in so far as they provide a coordinating mechanism for diverse views, and find solutions to specialised problems that are not catered for by existing hierarchies and market systems. That ROCs have expanded to fill this role and not some other regional body may be partially attributable to the fact that they consist of elected representatives. They have grown out of existing democratic structures, and this foundation perhaps provides them with a degree of legitimacy and

credibility in the public eye that state and federal agencies cannot claim.

In the longer-term, it is probable that ROCs will survive further future programs of amalgamation across the states. They embrace a genuinely regional perspective and it seems unlikely that any single amalgamated council will be sufficiently large to undertake this function. It is possible, however, that ROC networks will become increasingly institutionalised as they mature. Some aspects of the loose and fluid arrangements which prevail may harden into more clearly defined relationships. The WSROC experience – with its shift to developing partnerships in particular policy areas – may be indicative of this change. ROCs could mature into organisations which have a formalised core, circled by a series of informal, overlapping networks. Certainly partnership agreements would simplify the intergovernmental framework; ROCs offer the potential to become stable mechanisms for implementing the regional policies of Commonwealth and state agencies. Indeed, such agreements are being discussed by some states (Dollery and Marshall, 2003). Interestingly, the creation of such structures would herald a return to the proposals originally put forward by the Hawke and Keating governments in the early 1990s.

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