

Metropolitan and Regional Economic Development: Competing and Contested Local Government Roles in Australia in the 21st Century

Lee Pugalis and Su Fei Tan

**Institute for Public Policy and Governance,
University of Technology Sydney, Australia**

lee.pugalis@uts.edu.au

ABSTRACT

Economic development is a priority of all levels of government; irrespective of country, constitution or system of governance. This is particularly the case in Australia, where federal, state and local tiers of government are undertaking activities intended to support economic growth. However, roles and responsibilities are not always clear, which reflects inter-organisational, intergovernmental and intra-organisational conflict, contradictions, duplications and fissures. Traditionally the role of local government in the subnational economic development policy space has been rather limited, although their remit and engagement in this sphere has increased steadily since the 1980s. Even so, the role of councils in subnational economic development – and metropolitan and regional economic development in particular – remains ambiguous and contested. Derived from findings from a project funded by the Australian Centre of Excellence for Local Government investigating the role of local government in the organisation and promotion of economic development, this paper intends to make two contributions to the literature. First, it shows how the conceptual messiness of the notion of (metropolitan and regional) economic development can both enable and constrain local government practice. Secondly, a state-level policy vacuum is apparent, which is a source of frustration amongst local practitioners. A key policy implication is the need to open-up more space for dialogue between different tiers of government to help engender a shared understanding of economic development, including the roles of different actors.

1. INTRODUCTION

Globally, nationally and sub-nationally, the goal of promoting economic growth is a ubiquitous concern (OECD, 2016) and, as a consequence, it saturates political discourse, media coverage and everyday conversations. Economic development is a priority of all levels of government; irrespective of country, constitution or system of governance. This is particularly the case in Australia, where federal, state and local tiers of government are undertaking activities intended to support economic growth. Nel and Rogerson (2016, p. 109) observe that the notion of economic development ‘has, in recent years, received growing attention internationally, largely for its assumed potential to address localised economic and social challenges and promote local development. It has been increasingly recognised as a strategy with potential to address local development backlogs’. For example, many types of

councils have adopted the strapline ‘open for business’, which is reflective of an entrepreneurial ethos that seeks to reduce regulatory burdens and encourage businesses to invest in their localities, which Harvey (1989) documented in his celebrated work, “From managerialism to entrepreneurialism: The transformation in urban governance in late capitalism.” Even so, the concept and practice of ‘economic development’ is by no means clear-cut. When one includes prefixes, such as, ‘local’, ‘metropolitan’ and/or ‘regional’, then debates about the nature and purpose of economic development are further muddled. As a result, roles and responsibilities of governmental and non-governmental actors are often blurred, which reflects inter-organisational, intergovernmental and intra-organisational conflict, contradictions, duplications and fissures.

Comparative to other countries, such as the UK and US, local governments throughout Australia have traditionally performed a more circumscribed role in metropolitan and regional economic governance, policy and interventions. Nevertheless, as far back as the early 2000s, Beer and Maude (2002) observed that the local government sector’s interface with economic development issues was maturing, and more recently there has been growing interest in the role of Australian councils in economic development (see, for example, Lennon, 2014). Traditionally the role of local government in the subnational economic development policy space has been rather limited, although their remit and engagement in this sphere has increased steadily since the 1980s. Even so, the role of councils in subnational economic development – and metropolitan and regional economic development in particular – remains ambiguous and contested. This is further complicated by the diversity of the 500 or so local government authorities throughout Australia, which differ in many dimensions, including functions, governance, leadership, budgets, geography, history and culture.

In view of the variegated nature of local government, this paper responds to ‘a need for improved conceptual models and understandings of local economic development specific to the Australian context’ (Douglas, Carson and Kerr, 2009, p. 58). We investigate the role of local government in the organisation and promotion of economic development in twenty-first century Australia. Given ongoing debates concerning regions, regionalism and regional development, we deploy the term ‘metropolitan and regional economic development’ to refer to sub-State economic development strategies across the varied urban and rural landscapes of Australia.

Through this paper we seek to inform debates surrounding local government interpretations of metropolitan and regional economic development and explore their evolving relationships with other tiers of government, and sectors of the economy and society. Empirically, the study draws on a desk-based review of practice and a series of eight semi-structured interviews. Staff from councils and from state local government associations were interviewed about their experience and interpretations of economic development. The participating officers are intended to reflect the diversity of councils noted above, which enabled the elicitation of a diversity of experiences and perspectives. The semi-structured interviews were organised around a set of themes that together sought to address the broad topic of local economic development. The interviews concentrated on the following topics: the institutional architecture; the role of local government; governance, delivery and funding models; innovative practice; emerging and future trends; areas for further research. Results of the interviews were coded and analysed in accordance with these themes.

This paper intends to make two contributions to the literature. First, it shows how the conceptual messiness of the notion of (metropolitan and regional) economic development can both enable and constrain local government practice. Secondly, a state-level policy vacuum is apparent, which is a source of frustration amongst local practitioners. A key policy

implication is the need to open-up more space for dialogue between different tiers of government to help engender a shared understanding of economic development, including the roles of different actors. The remainder of the paper is structured by four key parts. In the first part, we set out to draw attention to the conceptual confusion associated with the notion of economic development, and distinct definitions and articulations of economic development that compete for policy attention. In part two, we provide a brief overview of local government in Australia in respect of three-tiered governmental structure; drawing attention to the diversity of councils across and within states. In part three, we analyse the competing and contested roles of local government in economic development throughout Australia in the 21st Century. We conclude the paper in the final section by considering the policy implications of the findings.

THE NOTION OF ECONOMIC DEVELOPMENT: CONCEPTUAL CONFUSION AND COMPETITION

Local government involvement in local economic development, by no means universally accepted in itself, is shaped by the different ways in which local economic development is understood and defined. (Douglas *et al*, 2009, p. 58)

Through this section we seek to engage with some conceptual debates that influence the theory and practice of economic development. Whilst we do not set out to theorise or re-theorise the notion of economic development, given its broad, yet imprecise, usage in scholarly works, public policy and civic discourse, there is merit in adding some conceptual substance to this term given that a universally, or even nationally, accepted definition has not been forthcoming.

Notions of economic development are informed by different philosophical positions, epistemological concerns, ideological preferences, value frameworks, contexts and practical concerns. Consequently, economic development can mean considerably different things to different organisations, groups and individuals. It is not uncommon for geographical terms, such as, ‘area-based development’, ‘local development’, ‘local economic development’, ‘metropolitan development’, ‘regional development’, ‘regional economic development’ and ‘subnational development’ to be used interchangeably. Some scholars even refer to particular variants of economic development, such as a local government variant apparent in a South African context, which Nel and Rogerson (2016) term ‘developmental local government’. There have already been countless reports and multiple editions of books with an international focus devoted to this issue (see, for example, Blakely, 1994; Blakely and Green Leigh, 2009), so we do not intend to cover all this ground here. Nevertheless, research has demonstrated how understandings of economic development is an influential factor in shaping perceptions about the role, effectiveness and legitimacy of local government in this policy space (Douglas *et al*, 2009). Given this insight, it is alarming that there is an abundance of definitions of economic development that lack conceptual precision.

Whilst *development* tends to be the common denominator in the broad family of terms concerned with the notion of economic development, how it is understood and interpreted is important in regards to the nature, scope and design of metropolitan and regional economic development policies, programs and initiatives. In an Australian context, ‘regional’ is often prefixed to discussions of sub-State economic development. However, regional in this sense also implies Regional Australia and, thus, excludes metropolitan areas, which is distinct, for example, from European conceptualisations of regional economic development, where the ‘region’ is a primary scale in economic development policy, governance and strategy (McCann, 2015). In view of this, we invoke the term metropolitan and regional economic

development to refer to sub-State economic development practice, which can encompass towns, cities, regional and remote rural areas.

In a well-known conceptualisation of economic development, UN-Habitat state that the aim of economic development is to ‘create decent jobs and improve the quality of life for everyone, including the poor and marginalized ... Ultimately, however, LED is about sustainable development in the long-term’ (UN-Habitat, 2009, p. 1). Furthermore, they consider it to be ‘a participatory process in which local citizens from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy’. This process, they add, ‘seeks to empower local participants’ to utilise and mobilise different (endogenous and exogenous) resources through the use of partnerships and collaborative working practices. As a result, they attest that the production of an economic development strategy ‘is an integrated, process-oriented and non-prescriptive endeavor’. UN-Habitat also reflect on some of the challenges of this long-term process, ‘It takes time to change local conditions, build capacity, organize participatory processes, and empower stakeholders, especially the marginalized and poor’ (ibid). In contrast to this holistic definition of economic development, the World Bank provide a more succinct definition, stating that it is ‘the process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all’ (World Bank, 2003, p. 7). Whereas both the UN-Habitat and the World Bank distil the overall aim of economic development to improving people’s quality of life, the latter places much more emphasis on economic growth and employment generation as the primary mechanism for achieving the aim. Regardless of statutory roles and legislative powers, in view of the democratic role of local government it would appear that councils could perform key roles in mobilising partnerships and creating opportunities for citizen engagement.

Alternative conceptualisations contend that the creation of new jobs is the primary task of those engaged in economic development in reference to the ‘three-legged stool’ model, which involves attracting new businesses, retaining and expanding existing businesses, and facilitating the start-up of new business ventures (Phillips & Pittman, 2009). This model appears to have influenced the articulation provided by Rural Councils Victoria, who stress that ‘Economic development is about making the best use of available resources to drive employment growth, investment and economic activity’ (Rural Councils Victoria, 2014, p. 1). This definition shares some similarities with the above conceptualisation by UN-Habitat, although it fails to clarify what such ‘available resources’ might include (and whether these relate to council resources or community resources more broadly, for example), and neither does it attempt to consider how they could be ‘best’ utilised.

Similar to the World Bank’s perspective, Blakely conceptualises economic development as: ‘a process in which local governments or community based organizations are engaged to stimulate or maintain business activity and/or employment. The principal goal of local economic development is to stimulate employment opportunities in sectors that improve the community, using existing human, natural and institutional resources’ (Blakely, 1994, p. xv). Implicitly invoking the notion of social capital and drawing attention to both the quality and quantity of local job opportunities, Blakely’s perspective articulates that ‘economic development and community development are opposite sides of the same coin: each reinforces the other’ (South Australian Centre for Economic Studies, 2013b, p. 60).

One’s definition of economic development will influence the extent of the overlap with related, although distinct, activities such as community development and sustainable development. There is no clear-cut divide or neat separation between notions of economic and

community development; both seek to develop human, physical, financial and institutional assets. Holistic definitions of economic and community development are highly compatible with one another, although the latter is primarily concerned with ‘*produc[ing]* assets that may be used to improve the community’, whereas the former is primarily concerned with ‘*mobiliz[ing]* these assets to benefit the community’ (Phillips and Pittman, 2009, p. 11, original emphasis). Due to their synergistic relationship, some researchers apply the term ‘community economic development’, which according to Shaffer and colleagues ‘is not a rationale for maintaining the status quo but is a comprehensive concept for changing the economic situation within the community’ (Shaffer *et al.*, 2006, p. 61, emphasis added).

Community economic development occurs, note Shaffer *et al.* (ibid), ‘when people in a community analyze the economic conditions of that community, determine its economic needs and unfulfilled opportunities, decide what can be done to improve economic conditions in that community, and then move to achieve agreed-upon economic goals and objectives’. This interpretation of economic development is similar to notions derived from the place-based development paradigm, which emphasise the importance of local knowledge, expertise and capabilities (albeit within a multi-level governance framework that recognises the limitations of inward-looking, community-led strategies) (Pugalis and Gray, 2016). A feature of many definitions of economic development and its derivatives is an assumption – rarely evidenced in practice – that ‘the community’ or wide-range of ‘stakeholders’ can agree upon visions, objectives and priorities.

Different articulations of local and regional economic development emphasise distinct goals, including wealth creation, social justice, sustainability, resilience, enterprise development, attracting exogenous investment, employment creation and quality of life/quality of place. Nevertheless, economic growth tends to be an omnipresent and, often, overriding goal. Malecki (1991, p. 7) argues that ‘it is not enough to rely on the concepts of growth without an equivalent concern for the forces which commit growth to take place, or prevented it from occurring’. The mainstream concept of measuring economic development by quantitative economic growth proxies has also been challenged by Amartya Sen (1999). Growth is not automatically an improvement, particularly in qualitative terms. For instance, rapid economic growth, as has been experienced over recent years in areas of the Global South (and to a lesser extent in some Australian cities), can increase GDP, but result in overcrowding, lower wages, place stresses on infrastructure and services, and ultimately reduce general quality of life. Nevertheless, for some, such as a construction company, some of these (negative) growth externalities are viewed positively (e.g. lower wages could increase profit margins or pressures on infrastructure could result in new construction contracts).

The externalities associated with economic development and growth is a political matter and policies seek to reconcile these tensions. It is for this reason that some argue that economic development should be concerned with improving the standards of living for all (Phillips and Pittman, 2009; UN-Habitat, 2009). Sen’s capabilities approach, for example, focusses on ‘the removal of various types of unfreedoms that leave people with little choice and little opportunity of exercising their reasoned agency’ (Sen 1999, p. xii). From this view, a broader definition of economic development is required, whereby: ‘Development is a larger concept and encompasses growth, but in practice the distinction is seldom clear’ (Shaffer *et al.*, 2006, p. 61), with Stimson *et al.* (2006) arguing that economic development practitioners tend to be most concerned with growth – steered by targets and outputs.

In a move away from more traditional understandings of economic development being concerned with hard outputs, Malecki (1991, p. 7) defines it as ‘a combination of qualitative and quantitative features of a region’s economy, which the qualitative or structural [are] the

most meaningful... The qualitative attributes include the types of jobs – not only their number – and long-term and structural characteristics, such as the ability to bring about new economic activity and the capacity to maximize the benefits which remains within the region’. In an attempt to account for the multidimensional facets of economic development, Stimson *et al.* (2006, p. 6) define it as ‘the application of economic processes and resources available to a [place] that results in the sustainable development of, and desired economic outcomes for a [place] and that meet the values and expectations of business, of residents and of visitors’. Nevertheless, this does beg the question of how to go about reconciling such diverse values and competing interests?

From the above review, we identify five key strands of thinking that influence understandings of metropolitan and regional economic development. Firstly, the overriding aim of economic development is often stated as improving the quality of life of all members of society. However, the means by which this aim is achieved has a significant bearing on the character of economic development. Secondly, most conceptualisations either state or imply that economic development is not the preserve of any single actor, organisation or institution. In other words, metropolitan and regional economic development is a collaborative endeavour or co-responsibility necessitating the input of a myriad of different actors. This indicates the importance of working through partnerships, and could also explain the inclusion or exclusion of councils in economic development activities. Thirdly, economic development is multi-scalar – just as there is no preeminent actor, neither is there a primary scale for developing economic development strategies. This indicates that no single geography, such as a local government area, is likely to be sufficient, which in turn reinforces the need to work in partnerships with actors operating across different scales and tiers of government. Fourthly, economic development is contextual. It is informed by factors specific to particular places, such as, locational attributes, demographic profile, industrial structure, cultural characteristics, which are likely to influence and, in turn, be influenced by understandings of metropolitan and regional economic development. Fifthly, economic development is an ongoing process. However, whether this is understood as a short-term process or a longer-term process would appear to shape views of metropolitan and regional economic development.

A VERY BRIEF OVERVIEW OF LOCAL GOVERNMENT IN AUSTRALIA AND ITS ROLE IN ECONOMIC DEVELOPMENT

Local government does not exist as an independent level of government but is instead a creation of the state governments and thus subject to a degree of control by state legislation and powers. It has a limited capacity to raise its own revenue and as a consequence relies heavily on the other tiers of government for funding and grants to engage in a range of activities. This has traditionally restricted Australian local governments’ influence over social [and economic] policy matters. (Douglas *et al.*, 2009, p. 57)

The importance of the local government sector within the Australian governmental structure is often underestimated. This first or third tier of government – depending on one’s perspective – plays an important role providing a wide a range of services, as the level of government closest to citizens. This section sets out the context within which local government sits in relation to the federal and state level.

Total revenue for the government of Australia (Commonwealth, state and local governments combined) in 2013-14 was approximately \$540 billion. Local government revenue during this time was \$38 billion. Total government expenditure during the same financial year was \$564 billion, of which, local government expenditure was \$33 billion (ABS, 2015d). Drawing on these figures, local government expenditure makes up approximately 6% of total government expenditure. Councils obtain their revenue from four main sources: rates on property,

financial assistance grants from the Commonwealth Government, council fees and other revenue such as interest from investments (Department of Local Government NSW, 2006). In addition, local government is a significant employer in Australia. In June 2014 there were 1,908,200 public sector employees of which 246,400 were employed by the Commonwealth Government, 1,472,900 by state government and 188,900 by local government (ABS, 2014). The total local government workforce equates to 1.6 per cent of the Australian workforce. These figures are similar to the mining industry for 2013-2014, which employed 187,000 workers as at June 2014 (ABS, 2015a). Importantly, local government is a significant employer in rural and regional areas (Hastings *et al.*, 2015). For example, an analysis of the 2011 ABS Census data shows that Kowanyama Aboriginal Shire Council in Queensland employs the greatest number of working residents in its area at 54 per cent of the workforce. More broadly, in 46 local governments in regional and rural areas across Australia, 10 per cent or more of the workforce in their area are employed by council (ABS, 2011). Given that employment is often central to notions of economic development, councils can be understood as key employers and businesses, particularly in some areas.

In 2013, there were 565 councils across Australia (Department of Infrastructure and Regional Development, 2015), although this has subsequently decreased due to (on-going) amalgamations. In terms of representation, local government councillors, make up a significant proportion of elected members across all levels of government. Table 1, below, shows the number of elected members according to level of government by jurisdiction. There are 5,060 local councillors in Australia while state level representatives number 558 and Federal members of parliament only 150. It is clear from these figures that councillors form the vast majority of Australian elected representatives, which could suggest a local government role in democratising economic development interventions.

Table 1: Elected representatives

	Federal	State	Local*
NSW	48	135	1,494
VIC	37	128	631
QLD	30	89	530
WA	15	55	1,252
SA	11	69	716
TAS	5	40	280
ACT	2	17	0
NT	2	25	157
Total	150	558	5,060

* Councillor numbers by state compiled from council websites.

Sources: (ACT Legislative Assembly, 2015; Legislative Assembly of the Northern Territory, n.d.; Parliament of Australia, n.d.; Parliament of New South Wales, n.d.; Parliament of South Australia, n.d.; Parliament of Tasmania, n.d.; Parliament of Victoria, n.d.; Queensland Parliament, n.d.)

Local government organisations range from very large metropolitan councils offering a wide range of services to smaller rural local governments with more limited resources. Councils in Australia vary in size from the largest, Brisbane City Council in Queensland, which has an annual operating budget of \$2.9 billion (Quirk, 2015), serves a community of just over a million people and covers an area of 133,809 ha (ABS, 2015b) to Sandstone Shire Council in Western Australia with a population of 116 covering a land area of 3,266,650 ha (ABS, 2015e) which is comparable to the size of Belgium at 3,300,000 ha (World Bank, 2015). Sandstone’s operating budget in 2014 was \$3.4 million (Shire of Sandstone, 2014). Even within states there is great diversity. In NSW, for example, the largest local government in terms of population is Blacktown City Council which services a community of 313,057 residents, has a land area of 24,000 ha (ABS, 2015c) and an annual operating budget of approximately \$262 million (Blacktown City Council, 2014). In contrast, Urana Shire Council is the smallest local government by population with 1,251 residents, a land area of 335,600 ha (ABS, 2015c) and an annual operating budget of approximately \$7 million (Urana Shire Council, 2014). The vast majority of councils are classified as rural or regional creating a stark urban-rural divide (Aulich, 2005).

It is widely accepted that municipal governments make an important contribution to economic development (OECD, 2004), although promoting economic development is a relatively recent feature of the (official or otherwise) remit of local government in Australia. As Jones (2008) notes, prior to the 1980s economic development policy was largely the purview of Commonwealth and state governments. However, over the past 30 years – mirroring global trends towards decentralisation – roles have reversed to an extent that some consider local government to be the primary state actor in metropolitan and regional economic development (Beer and Maude, 2002). The South Australian Centre for Economic Studies suggest that this is due to ‘contemporary approaches to economic development strategies, the importance of ‘place-based’ approaches and new approaches to regional development that emphasise the development of human capital and the identification and mobilisation of local assets [which have] placed local government at the centre of economic development’ (South Australian Centre for Economic Studies, 2013a, p. 1). Moreover, they argue that ‘Partnerships with government, businesses and community leaders to develop ‘bottom-up’ strategies were necessary for local development and were identified as a core role for local government’ (ibid). Lennon (2014) puts this down to councils’ broad-ranging engagement with communities. Others have pointed out the contribution of the local government sector to local economies particularly in terms of their spending power and as an employer (South Australian Centre for Economic Studies, 2013b). In addition, the economic leadership role of local government is now increasingly acknowledged (Bentley, Pugalis and Shutt, 2016; Brooks, Vorley and Williams, 2016).

It is not our intent in this paper to contribute to augmenting the case for the active presence of local government in economic development, for this is readily accepted and has been summarised by Trousdale (2003) who highlights i) their democratic mandate, which provides legitimacy, ii) their involvement in complementary and competing processes, plans and initiatives, iii) their involvement in ‘business activity’ including regulation and infrastructure provision, and iv) the ‘global consensus’ of the need to reduce poverty. Local government clearly has an important role to play within the Australian federation. In view of the diversity of councils, which relates to the size of the population and land area as well as the range and scale of functions, budgets, physical, economic and social environmental and the varying state government legislative frameworks within which council operate (Aulich, 2005, p. 194), this poses some key policy challenges.

LOCAL GOVERNMENT IN AUSTRALIA IN THE 21ST CENTURY: ORGANISATION AND PROMOTION OF ECONOMIC DEVELOPMENT

Through this section we analyse the competing and contested roles of local government in economic development throughout Australia in the 21st Century. The organisation of economic development across federal, state and local government levels is complex – roles are opaque, overlapping, contested, assumed and/or absent. Broadly speaking, however, some of the key building blocks of governmental economic development institutional architecture can be summarised as follows.

At the federal level the Commonwealth Government is responsible for the administration of the Regional Development Australia (RDA) program which provides funding for 55 RDA Committees. These committees are intended to bring together ‘local leaders’ and work in partnership with state and local governments as well as regional stakeholders to develop economic plans for their region. At state level various state departments and agencies share responsibility for facilitating economic development within their jurisdiction. In NSW for example no single department is charged with overseeing economic development, but rather various departments, such as, the Department of Industry Skills and Regional Development, the Department of Planning and Environment and the Department of Transport undertake their respective programs and activities to promote growth in the state. This is in contrast to states, such as, Queensland and Victoria which have a Department of State Development, and a Department of Economic Development, Jobs, Transport and Resources, respectively. In Victoria this department is tasked with bringing together many of the key functions that drive economic development and job creation across the state. These include transport and ports, investment attraction and facilitation, trade, innovation, regional development and small business, together with key services to sectors such as agriculture, the creative industries, resources and tourism.

The remainder of this section is organised according to the five key strands of thinking that influence understandings of metropolitan and regional economic development discussed above, which relate to the aim of economic development, collaboration and co-responsibility, multi-scalarity, context, and process.

The Aim of Economic Development

The interpretation of LED [local economic development] can vary from council to council. (Local government officer, metropolitan council, WA).

In recognition that understandings of economic development differ across places and cultures including sectors and professions, during the interviews respondents were asked to provide their own interpretations of economic development and relate this to practical experiences. The responses varied significantly and appear to reflect diversity across the literature regarding the meaning and purpose of economic development (and similar notions). The responses ran along a continuum between a focus on supporting business and wealth creation to a broader interpretation which encompassed ideas of community development and sustainability; mirroring growth-focused and holistic definitions of economic development reviewed in part one.

Perhaps unsurprisingly, the respondents which focused on supporting businesses and wealth creation tended to occupy specific economic development roles within councils. For example, some officers whose primary role was to interface with and support local employers defined economic development in similar terms; emphasising business growth and development, and employment creation. On the other end of the continuum, respondents from local government associations or regional bodies tended to conceptualise local economic development more

broadly incorporating notions of sustainability and community development, as did community development local government officers and those officers performing a variety of roles. As one interviewee with a state-wide remit contended, “From a council’s point of view local economic development refers to anything that they can do to improve/expand their economy”. However, this same officer also observed that “Councils in particular are thinking more along sustainability rather than economic development lines. In WA it is more about population shifts and ensuring a sustainable community” (regional/peak body, WA).

In terms of the narrower growth-focussed and the broader, holistic interpretations of economic development, each can act as both enabling and constraining devices in terms of the role of local government in economic development. A growth-focussed conceptualisation of economic development can assist in prioritising this activity. A clearer remit, such as supporting business development, can act as an enabling device to secure political and financial support for undertaking a specific service. Conversely, it can also constrain the role of councils in this space i) if the council opts to focus on statutory responsibilities or ii) if other actors are of the view that growth-focussed economic development falls outside the parameters of the council. A broader, holistic conceptualisation of economic development can help to embed this within the *raison d’être* of a council, for example in terms of strategic goals and community strategic planning processes. What could be referred to as the institutionalisation of economic development by a council can, therefore, be utilised as an enabling device. Alternatively, holistic articulations can act as a constraining device if actors perceive economic development as linked to everything that a council does then it can become the responsibility of everybody and nobody, which can result in inertia.

Collaboration and Co-responsibility

Councils have to work with business themselves particularly through planning approvals processes by accompanying land use planners to meetings with businesses. We also need to provide regulatory advice for example with regard to environmental health regulations for small businesses. (Local government officer, metropolitan, WA).

The above interview extract is characteristic of the view of the role of councils from the operational perspective of local government economic development officers. What this serves to demonstrate is that the means by which economic development is pursued by many types of councils across Australia is about brokering, facilitating and information sharing. In other words, collaboration and partnership working, which features strongly in most accounts of economic development across the scholarly and applied literature (see, for example, UN-Habitat, 2009). Indeed, working with business (as the above quote identifies) and working through partnerships appears to be the *modus operandi* of the 21st Century economic development officer.

It is also apparent that collaboration with colleagues in the same organisation can be just as important as collaborating with neighbouring councils, other tiers of government, and sectors of the economy and society. For example, one interviewee argued that “Traditionally local government works in silos and this needs to be addressed for sustainable economic development to occur. Place shaping or a place based approach is much more appropriate for local economic development” (regional/peak body, TAS). Similar remarks could also be levelled at any government body or organisation more broadly. Throughout state government, for example, responsibility for economic development tends to be dispersed amongst various departments responsible for policy domains including infrastructure, transport, land use planning and industry. Notable exceptions are Victoria, Queensland and South Australia. For example, Economic Development Queensland, located in the Department of Infrastructure, Local Government and Planning, is a specialist land use planning and property development

unit that engages with state and local government, the development industry and the public to identify, plan, facilitate and deliver development and infrastructure projects. Such examples notwithstanding, responsibility for economic development at the state level tends to be shared amongst several government departments. Or as one interviewee put it:

In Western Australia responsibility for economic development is scattered across the state government apparatus – there is no department for economic development. (Local government officer, metropolitan council, WA).

This institutional architecture contributes to the fuzziness and lack of over-arching policy direction identified by interview respondents as a key factor shaping local governments' ability to undertake economic development.

Related to the above strand of thinking about the aim of economic development and how it is conceptualised, the perception that economic development is a co-responsibility involving multiple actors can act as both an enabling and constraining device. Given that in Australia councils are the level of government closest to citizens, a partnership approach to metropolitan and regional economic can position local government as key nodes of networks of partners. Nevertheless, partnership rhetoric can also be used to marginalise and constrain the role of particular partners. For example, RDA Committees are often scripted as being partnerships involving the three levels of government, yet in most cases the role of councils in these regional development organisations is peripheral.

Multi-scalarity

[economic development has to happen at a regional scale] our economy is bigger than our municipality. (Regional/peak body, TAS).

The scalar dimension of economic development would appear to also influence interpretations of economic development, particularly in terms of appropriate interventions. For example, those referring to area-based and community economic development had a completely different repertoire of policy and funding tools (e.g. use of libraries as community/economic assets) to practitioners working on regional-scale interventions (e.g. business innovation). This accords with the view of Malecki (1991, p. 7, emphasis added who observes that:

... the standard theory of economic growth and development has concentrated on quantitative changes, despite an increasing awareness that regional growth depends, often critically, on aspects that are understood only in comparison with other regions or nations. The facts of regional development suggest that it is not enough to rely on the concepts of growth without an equivalent concern for *the forces* which commit growth to take place, or prevented it from occurring. These are the concerns of regional development, whether examined at the national, sub-national or local scale.

The recognition that economic development is a multi-scalar activity involving multiple actors and institutions also led some practitioners to seek the 'perfect' scale. Of particular note, council officers tended to look towards the state-level for a clear economic development regulatory and policy framework, which in turn would inform strategy-making and implementation at regional and local scales. During the discussions many respondents pointed to the lack of a state level policy framework within which local governments could plan strategically:

The current Tasmanian government does not have an economic development strategy. Local governments feel they are working in a vacuum. (Local government officer, regional or rural council, TAS)

The lack of a state or national level policy on settlement patterns and population shifts means that councils are working in a vacuum. They end up competing against each other to attract

residents and businesses in what seems to be a zero sum game. There is no policy context within which local communities can operate and contextualise their work to build on their strategic advantages and develop their communities. (Regional/peak body, WA)

This was a clear source of frustration amongst local practitioners, although it was in tension with views that economic development is a ‘bottom-up’ and place-based exercise (see, for example, The South Australian Centre for Economic Studies, 2013a). However, such perspectives can be explained, in particular, by historical roles and contemporary capacity issues. In Tasmania, for example:

The previous Labor government took a large interest in regional economic development. Regional economic development plans were established and state government staff had responsibility for implementing these plans. The current Liberal government actively pulled out of the regional and local economic development sphere. There are no staff resourced to regional economic development nor are there plans. (Regional/peak body, TAS)

Articulations of economic development that envisage a ‘perfect’ scale can act as enabling and constraining devices. For example, viewing ‘the local’ as the most appropriate scale for economic development might warrant active local government involvement, whereas an interpretation that positions the nation as the most appropriate scale for economic development might constrain the role of councils. A multi-scalar perspective suggests that each level of government has a role to play, whereby precise roles and responsibilities are negotiated on a case-by-case basis. A multi-scalar perspective underpins the City Deals policy initiative.

Context

Many respondents also spoke of the need for flexibility in approaches to local economic development, “The approach and focus varies from location to location. Affluent and less affluent councils require different approaches” (local government officer, metropolitan council, WA). The challenge being that the organisational structure of local government can undermine their ability to be flexible. Similar to state governments, councils are often organised into smaller business units, which often become silos stifling collaboration and coordination across the organisation. This kind of organisation model may not lend itself to a flexible response to the community’s needs. Contextual factors can often politicise economic development in a particular place. For example, a severe drought in a farming region might encourage a council to undertake specific economic development activities to support the effected businesses and residents. Given the importance of context, place matters, these conditions are decisive in enabling or constraining the role of councils in economic development.

Process

Whilst there appeared to be consensus that there is no ‘quick economic fix’, conceptualisations of economic development as a longer-term process were often contradicted by short-term projects and funding/political cycles. Officers were clearly aware of and guided by longer-term strategies, but a strong view persists that the ‘challenges of the day’ continue to take precedence. Not surprisingly fiscal matters, particularly budgetary pressures and short-term, competitive funding arrangements, were frequently highlighted by interviewees. There tended to be a perception that this was the key barrier to councils performing a more active role in metropolitan and regional economic development. Nevertheless, as an important extension to the ‘three-legged stool’ model, Rural Councils Victoria suggest that the nature of the council, including its budget, should not influence whether a local authority engages in economic strategy: ‘regardless of the size and budget of the council. The scale of resources can range from a full team of dedicated officers to a conscious effort and application by

different team members across the council' (Rural Councils Victoria, 2014: 1). Such a perspective accords with the point made above about the institutionalisation of economic development.

CONCLUDING REMARKS

There has been a long held view that local government has a decisive role to play in metropolitan and regional economic development, although there is no agreed position concerning the precise functions that local government does or could perform. Since the 1980s, the role of councils in economic development has matured as they have become more active in this space as they collaborate and compete with neighbouring councils, other tiers of government, and special propose bodies, such as, regional development organisations. Through this paper we have analysed the varied roles of local government in economic development as understood by officers in local government and related bodies. By way of a review of theoretical literature and analysis of empirical material, we found local government practice mirrors the conceptual confusion associated with the notion of economic development. Such confusion in terms of the scope and nature of economic development is embedded in policy processes, where roles and responsibilities are often inchoate. This can both enable and constrain local government practice. In terms of the former, policy messiness can provide space for councils to provide a strong leadership role in economic development. In terms of the latter, policy messiness can constrain such leadership; leaving them hamstrung in terms of legislative powers, resources and, thus, the capacity to act.

Preliminary results indicate that the practitioner understanding and conceptualisation of economic development from a local government perspective is much more diverse and nuanced than present theory suggests. A particular narrative emerged from the interviewees which conveyed economic development as a distinct activity contingent on place (including institutional, political, social, economic and environmental context). It was a pragmatic recognition that councils have an important role in economic development, particularly in terms of 'greasing the wheels' as part of their broader public service remit, but that this would be conditioned by the place.

Given the complexity at metropolitan and regional economic development policy, a key policy implication is the need to open-up more space for dialogue between different tiers of government to help engender a shared understanding of economic development, including the roles of different actors. It is through such dialogue that economic development needs and opportunities as understood from multiple vantages will become clearer. Dialogue is an initial step in enhancing coordination and collaboration between the various levels of government and their respective departments and agencies, and between different sectors of the economy and society. This may help strengthen the legitimacy of local planning processes and help to fill existing policy vacuums.

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