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**THE INSTITUTIONAL LOGIC
OF PROGRAM MANAGEMENT
IN THE AUSTRALIAN
FEDERAL SPRAWL**

Christine Fletcher

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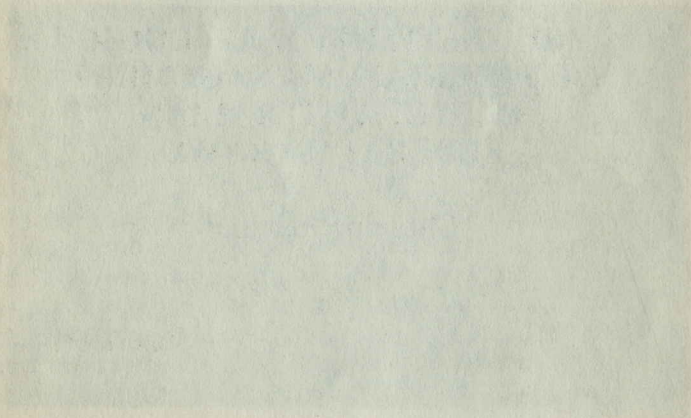
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THE INSTITUTIONAL LOGIC OF PROGRAM MANAGEMENT IN THE AUSTRALIAN FEDERAL SPRAWL

Christine Fletcher

An important question facing commonwealth and state governments in Australia today is how to develop and refine program management and evaluation strategies. As a general rule, much of the focus on program management in the Australian literature tends to deal with the administrative processes of the commonwealth government rather than complex multigovernment political processes.

The fact that Australia is a federal system and that federalism shapes the organisation of government is not always given due consideration in the policy literature.¹ Overall, the organisation of government is influenced by the way in which formal institutions are arranged by legal aspects of the system. Aside from encouraging a political response from a voluminous number of participants, these same aspects of federalism, through government and administrative structures, directly affect the scope of commonwealth and state government policy programs.

For commonwealth programs to achieve a degree of success, they require political endorsement from other governments. Endorsement is reflected in the manner in which other governments organise themselves around the particular program, either to bid for commonwealth grants that accompany the program, or simply because the various constituents represented by other governments make certain demands. Indeed, the more the commonwealth attempts to decentralise a program, the greater the risk that the program will be shaped by participants other than the commonwealth (note Gerritsen 1990). This is the most important feature of what is often termed the federal institution (for an example see Sharman 1990). In broad terms the federal institution includes the organisation of local and state governments and these government units can have a far reaching affect on programs financially supported by the commonwealth. But before turning to analyse the nether region of a program, there are some major features concerning federal arrangements in Australia which need to be clearly understood.

1. For a full analysis of federalism as an organising principle see Rufus Davis, (1967), 'The Federal Principle Reconsidered' in *American Federalism in Perspective*, Aaron Wildavsky (ed), Little Brown, Boston.

Programs and the federal institution

There are numerous ways to define federal institutions. Institutions can range from policy developments which are *institutionalised* into the political operations of governments, through to the constitutional props which formally support the divisions of power and the parliamentary functions of state and commonwealth governments (see Galligan & Uhr 1990).² At this level, federal institutions encompass all state, commonwealth and local bureaucratic structures which have their genesis in parliamentary deliberations. Unfortunately, theory with which to explain the puzzle of intergovernmental relations in Australia has been slow to develop (note Sharman 1990; Fletcher 1991).

During the 1970s and 80s, there was a strengthening of the focus on intergovernmental financial transactions (Mathews 1991) and this led to a shift of emphasis onto the federal dimension of specific public policy analyses (note ACIR 1981; Painter 1988). A recent, and comprehensive, example of the policy angle of intergovernmental relations in Australia can be found in Galligan, Hughes & Walsh (1991) but the contributors focus on transactions between two, rather than three, governments.

There is also a voluminous amount of literature aimed at the administrative aspects of policy program management and evaluation which, for the most part, is aimed at budgetary efficiency (Keating 1990). This tends to favour program developments in the context of one government structure rather than in any intergovernmental sense. For example, local governments are rarely analysed as program managers (but see Wettenhall 1988). In general, it seems that local governments are not credited (by other governments) as having enough political sophistication to enable them to discriminate in favour of, or against, either state or commonwealth policy objectives. Nonetheless, recent assessments by the Commonwealth Grants Commission (1991) on local government 'relative revenue raising capacities' (p. xvii) and the complex criteria developed by states, such as Western Australia (WALGGC), to distribute state general purpose funds to local governments tend to indicate the emergence of an important municipal management role for local governments in Australia.

The local dimension

The ACIR produced a fair amount of detailed information on local governments as a dimension of the federal system, as did Chapman and Wood (1984), but not much has emerged in the form of research on the

2. J.G. March & J.P. Olson (1989) provide a useful and innovative perspective on 'institutions' in *Rediscovering Institutions: The Organizational Basis of Politics*, The Free Press, New York.

role of local government in the patchwork of commonwealth/state program management. Yet, intergovernmental relations which include local governments are much more likely to include a wider range of community interests which, in reality, commonwealth and state programs are actually supposed to target.

These factors have been recognised by some analysts. Yeatman (1991), for example, suggests that 'new tasks of intergovernmental management will reshape the culture of governmental federalism ... in relation to the nongovernment players in whatever program context is at issue' (p. 2). In the broader context of providing services, the federal dimension of intergovernmental program management also includes local government.

In fact, local governments have a degree of political autonomy which irritates other governments, not just because of conflict over broader policy goals, but because local governments can limit the access rights of some local citizens to essential services. There may be economic reasons behind local government decisions, nevertheless, with pressure from local communities, some services are funded by program grants developed by commonwealth and state governments.

X Participation by other governments affects the role of local government. This is a major point; in the Australian federal system, local government has the scope to expand its role from one of a simple local service provider to one of municipal program manager. At the same time, it is not uncommon for commonwealth and state governments to provide various essential services to local citizens (note Grodzins 1966; Fletcher 1991).

Thus, local government moves from its most primordial form of bringing basic essential services to local communities to its place within the federal institution. Local government becomes part of the intergovernmental network of program management structures underwritten by the complex federal organisation. In the federal context, local governments set their own political agendas within the broad parameters of programs funded by both state and commonwealth governments.

The second major point highlighted by this approach is that it increases the need to dispense with the idea that local governments are regional governments. From time to time other governments have attempted to regionalise their own political objectives by trying to convince local governments to act as their agents.

Local governments and regional plans

On past occasions, local governments were discussed in terms of regional governments with political links to Canberra; such links were seen as

forged by the commonwealth to subvert or interfere with the power of the states (see Harris 1982). This view stems directly from a period of administrative divisiveness in Australian political history. During the 1970s the commonwealth government attempted to institutionalise its policy objectives into the federal system by pursuing a form of authoritative decentralised policy-making through commonwealth administrative changes and local governments. Chapman (1982) and Power and Wettenhall (1976) have discussed at length the commonwealth administrative and political conflict over proposed changes to bureaucratic structures and the prominence of local governments in the overall plan. Some policy observers claimed that the Australian federal system was 'ossified' and, apart from the commonwealth's ambition for power, much of the blame was laid at the feet of local governments for failing to anticipate the changing needs of their municipalities (see Power & Wettenhall 1976, p. 119, but see ACIR 1981; Wettenhall 1988).

It needs to be clearly understood, however, that the idea of local community policy objectives being fielded within specific regions is vastly different to regional policy from the perspective of commonwealth government administrators. *Intra-government* regionalisation of a commonwealth central agency is possible but only within a calculated range of one government's administrative apparatus. Other types of regionalisation which involve a 'central' government and 'local' governments may, to a degree, have limited use as an explanation for state/local relations although, even then, it excludes the commonwealth from intergovernmental relations. As a method for explaining the relationship between commonwealth and local governments in Australia, the centre-local model is unhelpful. Centre-local explanations may be of some use for describing relations between local and national governments in unitary systems such, as the type described by Rhodes (1988), but that's about the extent of it.

The commonwealth is limited in its ability to manage programs outside of its own jurisdiction. The commonwealth does not have the power to decentralise or regionalise state powers. Local governments in Australia are part of the state decentralising policy-making apparatus and intergovernmental program management of commonwealth programs is contingent on a fair amount of cooperation from within municipalities. Indeed, municipalities are themselves comprised of more pressures than simply one local government authority. All three spheres of government influence the political and economic shape of a municipality.

Furthermore, there is an important electoral dimension to the shape of a municipality. If the program management role of state, commonwealth and local administrators to succeed, governments themselves need the support of their constituency. This has been given consideration in the past but not from a federal/intergovernmental perspective; this was the point made by Yeatman (1991). Essentially, it means viewing local,

state and commonwealth program management activity within a federal *regime*, rather than as administratively supported independent governments with a clear hierarchical pecking order in administering commonwealth program operations.

Finding a suitable concept

Compared to the American policy literature, program management and evaluation analyses in Australia tilt towards the administration of one government (note CBPA 1990). The American literature is more concerned with complex federal factors and there are many useful hints for program evaluators and would-be implementation specialists in relation to American federal programs; Pressman and Wildavsky's study on implementation in 1973, Wildavsky on duplication and diversity in 1984, Elmore on 'backward and forward' mapping in 1982, Sabatier's 'bottom-up' approach in 1986, and Wong on public choice policy priorities 1989 are among those designed to explain political operations without oversimplifying policy-making in the federal environment.

American evaluators and managers also have a rich resource of intergovernmental relations literature to draw on. Much of it deals with concepts with which to explain the competitive pressures of political activity and coalition building in the American federal system. Anton (1989), Elazar (1984), Salamon (1986), and Grodzins (1966) view the American federal institution as the organisational catalyst in program development.

British policy-makers also have to confront a complex set of intergovernment circumstances but Britain is not a federal system. As a source of analytical support for policy concepts the British model is helpful for explaining policy evaluation processes which rest on concepts of administrative incrementalism but federal institutionalism looms large over program development in Australia and the British system is quite different in this respect (see for example Hogwood & Gunn 1984).

In Australia, as Yeatman (1991) suggests, the federal dimension of program management is still relatively unexplored. The main areas of importance are the intergovernmental networks and the electoral links between governments and citizens. Public administrators sometimes tend to overlook the fact that, through elections, governments have a performance obligation to their constituents.

Government programs and the electoral connection

Citizen representation in a municipality extends to all three spheres of government local, state and commonwealth governments. These are formal ties which legitimate the functions of various governments.

The electoral connection to program management does more than serve as a reminder of the political obligation of governments to organise around their constituents. It contributes to more comprehensive understanding of what Sharman (1988) terms a luxuriant federal landscape.³ For example, there are between 800 and 900 local government authorities in Australia and, all up, Australians are represented by 8,400 elected local government officials (ABS 1989).⁴ Australian citizens are also represented by a total of 631 elected state and territory officials. The sprawling federal electoral links act as the institutional monitors of government performance in Australia. Elections provide citizens with the chance to exert simultaneous pressures on the organisation of government.

The federal sprawl

Local, state and commonwealth government organisations are themselves aware of the importance of local governments in the context of locally delivered/commonwealth funded/nationally designed programs (OLG 1990). In fact, a significant proportion of local government operating grants are determined by state criteria established to administer commonwealth-general (and state-specific) financial assistance grants. State grants to local governments can be used for various programs but the state exercises the right to adjust a major portion of local revenue in response to expenditure profiles developed by state agencies to suit state policy objectives.

The confusion of this interorganisational activity bears the mark of what Lijphart (1984) terms the dual characteristics of consensus and majoritarianism in Australia. Indeed it is this federal confusion that underwrites the institutional flexibility. The same is true of the American system.

In the United States, local governments are not only enmeshed in the national political arena, but national and state governments are an essential part of the local arena (Grodzins 1966). The number of government units in the Australian federal system is small compared to the number of units in the American federal system but it does not follow that trawling through Australian federal institutions in search of program activities is any less complex (note Dahl 1967). Commonwealth and state governments have to account for the federal

3. Galligan, Hughes & Walsh (1991) provide an overview of intergovernmental literature in *Intergovernmental Relations and Public Policy*, Allen & Unwin, Sydney.

4. The variation in the number of local authorities in Australia is produced by including Aboriginal Community Governments, particularly those in the Northern Territory.

diversity when designing their programs since, in Australia, like the United States, local and state government autonomy is considerable.

In intergovernmental terms, state and local governments have an ongoing political and administrative working relationship with the commonwealth within the framework of state/commonwealth joint financial agreements and commonwealth program grants. Furthermore, for state represented citizens, commonwealth grants to local governments and other local organisations, are often a determinant of the type, or life, of a service that constituents are likely to receive. Commonwealth program money to local governments enables local governments to supplement the revenue that they receive from their state government.

It is simply not possible for commonwealth administrators to control or fully formulate programs on a national scale without support from state and local governments. In this exercise, not only does electoral representation have to be taken into account, but the strength of administrative power must be also more clearly recognised. Nationwide, local governments employ in the vicinity of 160,700 local public servants. This is more than matched by 1,156,300 state and territory appointed public employees and around 396,400 commonwealth officials (ABS 1989). Of course, only a small percentage of officials from three spheres of government are involved in developing programs, nevertheless, this muddled federal landscape needs to be seen as part of the general framework supporting the local delivery of commonwealth national programs. To help explain the prominence of federalism in program-formulation, the following section specifically illustrates these point with reference to Western Australia.

The Western Australian federal landscape

There are 91 state parliamentarians and 122,400 state public sector employees in Western Australia. In 1989, in the local sphere of government, there were 1,410 elected local government councillors, supported by 10,900 local government officials, representing 138 separate authorities in the state.

Commonwealth electoral representation is far less. In 1990, the citizens of Western Australia were represented by 26 people elected to the commonwealth parliament; the commonwealth itself employs approximately 24,500 individuals to perform public service functions in that state. In terms of local government there is a close correlation between appointed public administrators and elected local representatives. The number of local-government-elected officials to local public appointees in Western Australia is a ratio of 1:8. The commonwealth is next with a ratio of 1:950 and the state follows with a ratio of 1:1345. Clearly, in sheer numbers, state administrative power is far greater than

that of either local or commonwealth governments. Of course, the commonwealth's power lies not in its administrative presence, but in its revenue raising superiority over the states (Walsh 1990a). On the other hand, when revenue is converted to expenditure, the commonwealth must rely upon state and local authorities to develop their own incentives which the commonwealth itself can then turn into a program.

Commonwealth programs are hollow unless they contain the various design traits of state and local governments. Program links between local, state and commonwealth governments have organisational implications which are not always recognised.

Commonwealth program funds are pushed into shape by local demands, although the organisation of state functions, and state arrangements with the commonwealth, and local governments, influence the type (and range) of operations that local governments perform. From this angle, programs are responsible for extending the scope of intergovernmental relationships. Rose (1984) suggests that programs can be used by governments to perform an assortment of functions in a whole area of government once the potential of a program is recognised. But what is it that characterises a program?

In the American context, Anton (1989) suggests that programs may be nothing more than 'a blank page to be filled in by those who actually administer the new activity' (p. 110). There may be thousands of administrators involved in the mechanics of program delivery. In the Australian federal system, programs are useful for emphasising different aspects of different governments.

Program identification

Programs provide governments with the potential to exercise political control and enable citizens to obtain services. Harris (1982), for example, notes that many commonwealth programs which appear to erode the supervisory role of the state actually require support from state officials for policy to even approximate success (p. 71). Commonwealth programs targeting state citizens requires endorsement from the relevant state. On the other hand, programs also provide local organisations with institutional resilience, allowing connections to be made between state and local/municipal requirements and commonwealth government resources.

Commonwealth programs targeting local organisations have grown in popularity over several years. The number of commonwealth programs offered directly to local authorities throughout Australia grew from over 110 to around 140 between 1987 and 1989 (OLG 1987, 1988, 1989). In Western Australia, it was not uncommon for both the state and the commonwealth to offer what appeared to be the same program to local authorities. But offering a *similar* program does not necessarily imply

duplication. One program may carry the hallmark of both the state and the commonwealth, but that is often little more than a territorial demarcation reminder. In 1988 for example, state and commonwealth governments in Western Australia offered 73 programs to local government authorities (DLG 1987, 1988). Of these, 30 were funded by the commonwealth, 34 were initiated and funded by the state, and 9 were supported by grants from both the Western Australian government and the commonwealth (DLG 1988).

Strict rules giving one sphere of government ultimate authority over a program would destroy the program. The life of a 'national' program depends as much on local and state political vigour as it does on commonwealth grants. When the commonwealth is the donor government it builds a policy agenda into the program by encouraging local governments to apply for grants to pursue certain projects, keeping as close as possible to the strategic goals of the commonwealth. The commonwealth, like the states, depends on other parts of the federal organisation to effect program development. The Local Government Development Program (LGDP) provides an interesting example of this type. The Program's framework, and a global (national) budget, is formatted by the commonwealth but the actual LGDP contents are formulated by local government authorities participating in the Program. This tends to strengthen the commonwealth's program management strategies.

On the part of the commonwealth, the political success of the LGDP tends to be measured in institutional flexibility, rather than in terms of profitability achieved by local council groups. Furthermore, in an organisational context, the LGDP provides the commonwealth with scope for community influence than might otherwise be the case through direct encounters with local government authorities. Essentially, this means that the commonwealth requires assistance and cooperation from other governments for its program to be delivered. From an intergovernmental perspective, any municipal organisational changes that occur as a result of commonwealth program money is yet another complex link between governments. The most useful way to demonstrate this is to examine the LGDP within the context of a state. The following section gives a broad sketch of some financial and policy segments that characterised the Local Government Development Program in Western Australia during the late 1980s.

A perspective on the Local Government Development Program

There are variations in the priorities of local and state governments throughout Australia and the commonwealth throws open a fairly broad

policy agenda under the Local Government Development Program. The LGDP began in 1984–85 with a commonwealth budget of \$5m to cover national projects (LGDP 1986). This was largely incentive money to encourage local governments to develop local community projects that could incorporate the commonwealth.

The LGDP gave the commonwealth a view to a municipal dimension of a program, although the commonwealth could do little more than monitor the program management skills of the recipient local government. Once the LGDP was established, the annual Program budget shrank to \$2m a year before the program actually stabilised.

The commonwealth, and the Program recipient groups, established what can be termed the annual 'worth' of the LGDP grant, and this coincided with the formation of several local government grouping throughout various regions of the state, particularly in the metropolitan and south west regions. In actual fact, the local councils were attracted by commonwealth money and by the desire to achieve a type of effective local economic management profile demanded by their local constituents (see Wettenhall 1988). In 1986 alone, an additional six voluntary regional councils were formed, representing an Australia-wide increase of 23 per cent, the largest number of council organisations to form in any one year since 1974 (OLG 1990).⁵

In 1987 and again in 1988, the commonwealth allocated approximately \$2m for the LGDP Australia-wide. The following year saw a slight increase in the overall amount of 7.5 per cent (LGDP 1989). This is not apparent in the general breakdown of expenditure by function (see Tables 1–4). The tables are an indicator of both the commonwealth's strategic program agenda and the more specific agenda of the Program applicants (LGDP 1986, 1987).

At this level, the Program only really begins to have a distinctive policy shape when the various commonwealth and state agencies begin their examination process of local government applicants. This is part of the intergovernmental process between grantor and recipient governments. For example, once local applications are accepted on the first elimination round in Canberra, the commonwealth Office of Local Government siphons off potential grantees from the field of local government competitors and exposes applications to state local government organisations. A process of discarding early unsuccessful applications is then underway and the program begins to shape up.

5. The development of regional organisational councils began in the early part of the 20th century, however, the significance of 1974 stems from conflict between the Whitlam government's desire to weaken existing state boundaries through commonwealth/local regional councils administered by the now redundant Department of Urban and Regional Development (see Power & Wettenhall 1976).

During the LGDP development in 1990/91 Program, information was sought from state officials in both the Western Australian Department of Local Government and the state Local Government Grants Commission. At this point, a combination of factors begin to influence the program objectives. Agenda-setting is influenced by policy preferences of state administrators who, as a result of their technical expertise and experience, are caught up as arbitrators in the final selection process. By now the commonwealth's LGDP program has characteristics similar to those described by Salamon (1986) in his analysis of the American welfare program; according to Salamon, there is no such thing as a *national* program (p. 245). Instead of one national program there are hundreds of different decisions taken in different localities around the country. A similar case can be made in relation to the Local Government Development Program.

From a 'national' perspective (if indeed, there is such a thing) the LGDP has subclassification to which available funds are attached to account for different state responses. 'Nationally', 'economic development' was popular in 1985-1986 but completely disappeared in 1988-89. In Western Australia, there was a flush of grants for the first two years, nothing in 1987-88 and then a resurgence again in 1988-89. Judging by the tables, intergovernmental cooperation/relations was most popular in the larger states, such as NSW and Victoria in 1987-88, and then in Queensland and South Australia in 1988-89 (LGDP 1986-89).

In reality, responses to the LGDP are somewhat more complex than the tables convey. For example in 1989-90, the commonwealth's micro-economic policy agenda within the LGDP comprised

- Environmental Management
- Community Development
- Multicultural Access and Equity
- Personnel Development
- Management Development (OLG 1989, 169).

These policy areas are itemised by the commonwealth to encourage a greater hit rate on behalf of local and state institutions seeking commonwealth funds; that is, local organisations increase their commonwealth funding success rate by tying their grant applications as closely as possible to the items on the program menu.

Moreover, the items above are supported by another set of subprograms within the LGDP. These are commonwealth grants intended solely to promote intergovernmental relations, economic development, and regional cooperation. Once they receive a LGDP grant, local government organisations generally use the money to expand an assortment of local program management skills within the constituency represented by the organisation.

Program-user groups in this category are generally restricted to government associations, regional organisational councils and assorted state Departments of Local Government (OLG 1989, 175; for ROCs see ALGVRC 1990).⁶ Local government groups or organisations (particularly ROCs) are more likely to win commonwealth LGDP grants than the state government, at least in Western Australia. But it is still possible for the state government to benefit from commonwealth LGDP grants to local authorities. Commonwealth LGDP grants to a group of local councils probably relieve pressure on state politicians at times when the state government is reluctant to spend money on high-profile social issues. To some extent, the commonwealth subsidises state/local community service deliveries with LGDP grants. Plus, the LGDP encourages local council groups to develop their municipal management skills. This is clearly explained in the following section.

Organised municipal program management

The form of local government council groupings, or regional organisational councils, is shaped by a variety of objectives. Most councils are concerned with finding solutions to economic and social problems in their constituency and, if they develop skills as program management groups in the process, then so much the better. Of course, in financial terms, local government success in obtaining program funds springs from the ability of local groups to lobby the commonwealth (see for example WSROC 1989). According to the commonwealth, regional groups produce 'a scale of operation that relates well to the scale set by government agencies for their own administrative purpose' (OLG 1990, 13). For the unwary, this definition probably indicates a closer relationship between ROCs and the commonwealth than most local constituents are aware of. Unfortunately, the Western Australian state government does not proffer information on ROCs to match that produced by the commonwealth or by the ROCs themselves. Nevertheless, ROCs are comprised of local governments and as such, they form part of the state system of government. Therefore, organisations shaped by the Local Government Development Program should be seen as additions to the existing local government system, rather than as a new local order controlled by the commonwealth.

The South West Metropolitan Local Authorities Management Group (SWMLAMG) in Western Australia can be used to illustrate this point. SWMLAMG took shape in 1983 during a period of high youth

6. Attempts by the commonwealth to interfere in local and state government affairs during Whitlam's term as Prime Minister led the majority of regional council organisations to emphasise *voluntary* cooperation in 1990 in relation to their activities.

unemployment in the region. With a general unemployment rate of 27 per cent, SWMLAMG was attracted by the commonwealth's Community Employment Program (CEP). This explains why, primarily, SWMLAMG focused on community employment projects for developing economic management skills.

The Group

The six authorities which form the organisation govern adjoining urban, rural and industrially based constituencies including the City of Fremantle and the industrial corridor of Western Australia (Town of Kwinana). Member councils represent a total population of 210,574 individuals (OLG 1990, 83). Like any other region in Australia, citizens elect both state and commonwealth parliamentarians to represent them and provide them with services. Parliamentary representation in the region occupied by SWMLAMG stands at eleven Western Australian parliamentarians and three commonwealth parliamentary members (OLG 1990, 86). This provides a major connection between national and state legislators, and local governmental groups and citizens.

SWMLAMG operates under state legislation, namely, the *Town of Kwinana Act*, although SWMLAMG's elected constituent councils are legitimised under the Western Australian *Local Government Act*. And most local development activities are channelled through its constituent councils. There is also a further dimension to this group of local authorities. Funds for employment and training programs from the commonwealth Department of Employment, Education and Training funds are channelled through other organisations formed by the same group of councils but not through SWMLAMG itself.⁷

There are other types of groups formed by local government authorities, but these are organised by function rather than by program. Because there are no program ties between these groups and the commonwealth, they are not officially recognised as regional organisations by the commonwealth. Ironically, these groups are often able to expand their own resources and, in some cases, market their single function skills and generate their own profits. One such group in Western Australia is a five-member organisation known as the Eastern Metropolitan Regional Council (EMRC).

The functions of EMRC are controlled by a constitution and, on constitutional terms, the group cannot obtain program grants for welfare, employment or health; the constituent member councils of EMRC

7. The SWMLAMG secretariat and Management Groups also operates the South West Corridor Development and Employment Foundation (SWCDEF) and the South West Metropolitan Social Development Council (SWMSDC) (OLG 1987).

generally target these policy areas in the same way as any other local government authority. EMRC was formed exclusively for waste disposal.⁸ As an organisational grouping, EMRC executive members are elected from participating member local councils. Thus, despite its exclusion from LGDP participation as a *group*, EMRC does have direct access to the Program through the application of individual member councils.

Commonwealth/local program management relationships in Australia are contractual schemes but they do not extend to territorial challenges. Local government organisations have an institutional locale of their own within the federal sprawl but that same locale also bears strong state characteristics. Local government groups provide a hitching rail for the municipal management of commonwealth programs but these groups focus on meeting the demands of their constituents, rather than simply meeting commonwealth administrative objectives. The next section looks at the success rate of these particular municipal organisations in obtaining funds from the commonwealth Local Government Development Program.

Program management through program disaggregation

In 1985–86, three organisations in Western Australia successfully applied for LGDP funds within the policy area of 'economic development' (LGDP 1989). Two were ROCs and one was an organisation formed by local interests to expand economic development in the south-west region of Western Australia (note Moon & Willoughby 1990). Of the two ROCs, one was from the rural region of Geraldton, and the other was SWMLAMG.

In 1986, SWMLAMG received \$19,200 under the LGDP towards the employment of a community development officer. The funds were obtained through the commonwealth's subprogram of 'human services' and boosted by another \$25,000 for the appointment of an organisational Director and secretarial staff under the support subprogram of regional cooperation. The only other successful competitor under the human services program in the state that year was the Western Australian State Planning Commission (LGDP 1986).

Voluntary local government organisations (ROCs) are bulk handlers of commonwealth programs. In 1987, SWMLAMG obtained funds from

8. EMRC raised its own loans and had accumulated assets estimated at \$4.4m by June 1990. Since most of the group's profits came from waste charges EMRC's national target group were other councils interested in a waste disposal technology. ROCs such as SWMLAMG, on the other hand, have two types of target groups: the commonwealth, which SWMLAMG targets for funds, and policy recipients, or local government constituents, who stand to benefit from the policies developed by SWMLAMG.

the economic development component of the LGDP and in 1988 the group received funds for management development and intergovernmental cooperation. On some occasions member councils of SWMLAMG applied for grants as a single organisation. For example, using the community development component of the LGDP, the City of Fremantle received \$16,500 for multicultural activities in 1987. Generally though, most LGDP grants went directly to the group rather than to single local government authorities.

On one occasion three rural councils organised together specifically for the purpose of program management. Under the LGDP, the group proposed a three-council scheme for the '[d]evelopment of model corporate plans' (LGDP 1988). Also, the state Department of Local Government received \$35,000 in 1988 for proposing a project for increased participation of 'women and certain minority groups' in local government organisations (LGDP 1988). Community development projects from applicants ranged from reafforestation proposals to Aids education, housing, disabled youth programs, and the development of computer software.⁹

Essentially, the political effectiveness of groups directly results from their ability to manage programs. SWMLAMG was enormously successful in this respect. The organisation (including individual LGDP grants to Fremantle and Cockburn) received 2.5 per cent of LGDP Australia-wide funds over a 4 year period.¹⁰ This type of economic power allows local governments to reinforce their political authority and, consequently, effectively underwrite their place within the federal system.

Conclusion

Program management requires support from all three spheres of government and yet, not much is known about how the municipal dimension of program management operates. Program analysis is usually secured to commonwealth administrative processes where program

9. SWMLAMG was consistently successful in obtaining grants. Between 1986 and 1989, SWMLAMG, and two of its member councils, received 11 grants from the LGDP. The SWMLAMG organisation obtained \$195,900, of which \$35,000 was for administrative expenses in a two year period from 1986 to 1988. The balance of funds went to specific projects within the areas of intergovernmental relations, asset management, planning and development, information management, and staff development.

10. The Western Australia Department of Local Government also offers a local government incentive scheme known as the Local Government Advancement Program (LOGAP). LOGAP is used for local government councillor training schemes and general local government management requirements (DLG 1987, 24).

elements can be evaluated within the context of budgetary measures (see Walsh 1987; Cole 1988). From a cost efficiency perspective, this is helpful for administrators from one sphere of government but it says little about how programs are actually shaped by community pressures in the wider federal system.¹¹

In reality, there is more to program management than commonwealth administrative evaluations are able to control without support from other governments. Commonwealth programs, designed specifically to appeal to state and local governments, are pushed into shape by the demands of local pressures. Indeed, local governments will formally reorganise themselves into larger groups if they believe this increases their chance of obtaining a commonwealth grant. The commonwealth's Local Government Development Program is designed to encourage applications from local government groups but competition is fairly strong and the chances of local government success are likely to increase if groups can convince the commonwealth of their municipal management skills. The grantor government can streamline program processes in its own administrative organisation but programs such as the Local Government Development Program are vulnerable to the political functions of state and local governments.

Federalism distorts the political objectives of one sphere of government and programs such as the LGDP are designed in anticipation of this. In essence, municipal program management becomes institutionalised in by virtue of LGDP. Local management groups set their own agendas, imposing limits on the degree to which the commonwealth can 'regionalise' its own authority. This tends, also, to institutionalise diversity in the system.

Program management is not something that can be left to commonwealth administrators to effect. Program management, in public policy terms, depends on developing a clear concept of the Australian federal environment. This would help to understand the varied, and different, government institutions participating in, and democratically organised around, a specific program.

11. The commonwealth government has launched a number of well known investigations and financial management programs into reforming commonwealth administrative institutions to deal with public management problems (see Corbett 1991; RCAGA 1976; PAC 1982; RCA 1983; FMIP 1987). And there are continuous debates on the course of commonwealth and state government administrative reform (Harris 1990; Walsh 1990b; note *The Australian* 6.2.91) public sector management (Yeatman 1990; Painter 1987), administrative review procedures (Keating 1989; Uhr 1989) and program evaluation/management developments (Yeatman 1991; *Canberra Bulletin of Public Administration*, 63, 1991; Cole 1988).

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Table 1
Local Government Development Program
Summary of Funding 1985-86 \$

Functional Categories	National	NSW	Vic.	Qld	WA	SA	Tas.	NT	Total
Economic Development	208,160	145,000	150,000	250,000	122,000	83,000	28,000	—	986,160
Environmental Improvement	6,450	305,600	187,862	225,000	97,000	—	—	—	821,912
Housing Assessment	50,000	125,500	118,000	—	—	—	34,000	25,000	352,500
Human & Community Services	44,890	452,000	324,707	102,400	56,400	125,000	54,100	25,000	1,184,497
Organisational Development	114,300	173,000	214,248	115,000	56,100	98,000	38,000	—	808,648
Regional Cooperation	6,500	230,000	164,547	—	25,000	50,000	10,000	—	486,047
Training	79,200	140,000	35,000	—	22,000	34,000	6,500	5,000	321,700
Total	509,500	1,571,000	1,194,364	692,400	378,500	390,000	170,600	55,000 (a)	4,961,464

Note: (a) Does not include \$38,400 used to fund the National Awards for Innovation

Table 2
Local Government Development Program
1986-87 \$

Functional Categories	National	NSW	Vic.	Qld	WA	SA	Tas.	Total Allocation	Total Projects
Economic Development	68,140	119,380	89,500	205,500	126,600	104,000	40,000	753,120	31
Community Development	11,450	329,839	41,153	60,000	72,702	74,700	10,000	599,844	29
Regional or Intergovernmental Cooperation	43,000	204,000	135,000	—	—	—	28,036	410,036	13
General Development	129,500	46,500	30,000	—	—	—	7,000	213,000	8
Thematic Papers	24,000	—	—	—	—	—	—	24,000	9
Total Grants	276,090	699,719	295,653	265,500	199,302	178,700	85,036	2,000,000	90
Total Projects	19	27	13	10	7	9	5	—	90

Table 3
Local Government Development Program
1987-88 \$

Functional Categories	National	NSW	Vic.	Qld	WA	SA	Tas.	NT	Total Allocation	Total Projects
Intergovernmental Cooperation	86,500	57,000	73,850	—	15,600	56,472	—	—	289,422	12
Management Development	13,813	67,500	87,965	105,000	50,000	10,000	—	30,000	364,278	15
Economic Development	3,000	60,000	88,000	97,000	—	160,000	20,000	—	428,000	21
Community Development		97,300	49,000	70,000	46,500	35,000	30,000	—	327,800	13
Regional Cooperation		150,000	85,000	—	—	—	30,000	—	265,000	10
General Development	260,500	—	35,000	30,000	—	—	—	—	325,500	8
Total Grants	363,813	431,800	418,815	302,000	112,100	261,472	80,000	30,000	2,000,000	79
Total Projects	11	16	19	13	5	11	3	1	—	79

Table 4
Local Government Development Program
1988-89 \$

Functional Categories	National	NSW	Vic.	Qld	WA	SA	Tas.	NT	Total Allocation	Total Projects
Management Development	90,000	113,000	120,900	95,000	108,900	62,000	18,000	—	607,800	27
Community Development	—	93,000	42,000	59,000	46,500	40,900	—	30,000	311,400	14
Intergovernmental Relations	24,000	50,740	22,534	42,000	—	33,000	—	—	172,274	7
Economic Development	—	128,000	120,000	95,000	25,000	70,000	45,000	—	483,000	22
Regional Cooperation	—	30,000	46,000	38,000	15,000	—	30,000	—	159,000	7
General	222,511	—	—	10,000	—	—	—	—	232,511	7
Total Grants	336,511	414,740	351,434	339,000	195,400	205,900	93,000	30,000	1,965,985	84
Total Projects	11	19	17	14	9	9	4	1	—	84

Source: Commonwealth Office of Local Government, Local Government Development Program.

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