



ACLG
AUSTRALIAN
COUNCIL
OF LOCAL
GOVERNMENT

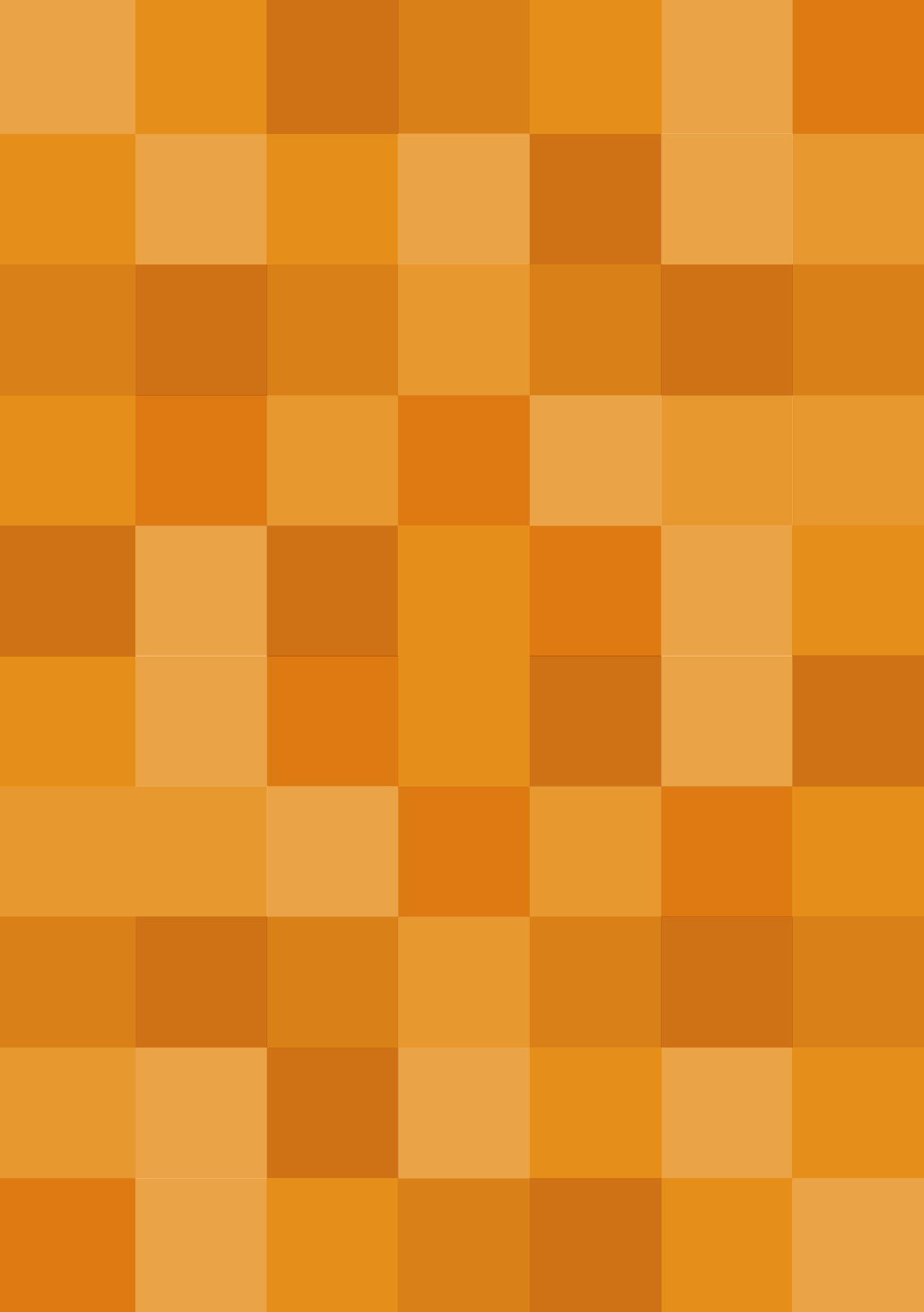
a new partnership

A BETTER DEAL FOR LOCAL COMMUNITIES

Local & Australian Governments Working in Partnership



Australian Government



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FOREWORD

We are living in a time of great challenges. We are facing a global financial crisis of a magnitude not seen since the Great Depression and powerful demographic and social shifts.

In these times of great pressure and rapid change the Australian Government is acting to address long-term challenges. The Government has outlined five key themes to enhance the strength and prosperity of our local communities and our nation.

- Building a more secure Australia
- Building a stronger Australia
- Building a fairer Australia
- Preparing for future challenges
- A new way of governing

We have already made significant progress in each of these areas. Local Government is an important partner, along with State and Territory Governments, as we strive to make further ground against these objectives.

Our partnership with Local Government, like Community Cabinet and the Australia 2020 Summit, demonstrates our Government's commitment to a new, more consultative way of governing.

Together, the Australian and Local Governments can work to build a stronger Australia by renewing community infrastructure, stimulating local economies and reducing red tape.

We can build a fairer Australia by working in unison on issues such as housing affordability and closing the gap between indigenous and non-indigenous Australians.

In partnership we can prepare for future challenges in key areas such as climate change and energy efficiency.

Working together, we can embrace a new way of governing based on community engagement and cross-government cooperation.

The Australian Government is putting forward this paper to assist in creating debate about the next steps in forging a new, nation-building partnership with local communities.

This historic first meeting of the Australian Council of Local Government provides us with an opportunity to address issues of local importance and national significance. We welcome this new era of partnership with Local Government and look forward to the benefits that this will deliver to all Australians and their communities.



The Hon Kevin Rudd MP
Prime Minister



Hon Anthony Albanese MP
Minister for Infrastructure, Transport, Regional
Development and Local Government



LOCAL GOVERNMENT IN AUSTRALIA

There is a long history of Local Government in Australia starting with the establishment of the Adelaide Corporation, the first local council, in October 1840.

Prior to Federation, Local Government provided democratic representation and facilitated the development of community identity. For example, the first municipality of Brisbane was established even before Queensland was declared a separate colony.

The local sphere of government was not recognised in the Constitution when it was passed by the British Parliament in 1900 or when the Commonwealth of Australia was inaugurated.

In 1974, the Whitlam Government sought to make explicit the Australian Government's powers relating to Local Government. This proposal went to a referendum, but was unsuccessful.

During the 1980s numerous conventions and advisory bodies made recommendations to recognise Local Government in the Constitution. The most prominent was the final report of the Constitutional Commission in 1988. The Commission noted that Local Government was in existence before Federation and it had grown markedly in scope and importance since then; and Local Government had a legitimate right to be recognised and consulted in the allocation of responsibilities and resources within the public sector.

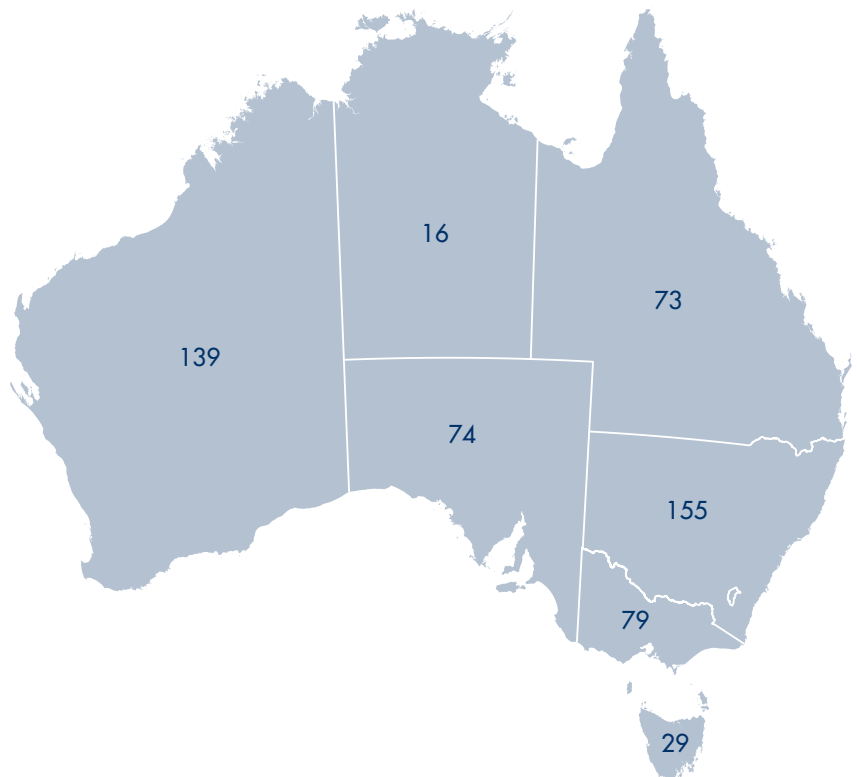
This led to the 1988 referendum which proposed the addition of a provision to the Constitution requiring each State to provide for a system of elected local government. This proposal was also unsuccessful.

1840	First Local Council established, Adelaide Corporation
July 1842	City of Sydney Government established
August 1842	Town of Melbourne established
1901	Commonwealth of Australia is inaugurated
1974	Commonwealth Government introduces the Program for Regional Development, providing the first Commonwealth funding grants directly to Local Government
November 2008	First meeting of the Australian Council of Local Government

LOCAL GOVERNMENT SNAPSHOT

Australia's 565 local governments are as diverse as the citizens that they represent. They range in population size from the small (30 Australian councils have fewer than 500 citizens) to the large (Brisbane City Council – 992,176 residents). They cover areas as expansive as 371,696 sq km (East Pilbara, WA) and as compact as 2 sq km (Peppermint Grove, WA). This diversity is reflected in the suite of services that different councils deliver to their respective residents.

2008 Australian Local Governments: 565



THE POTENTIAL FOR A STRONG RELATIONSHIP BETWEEN LOCAL GOVERNMENT AND THE AUSTRALIAN GOVERNMENT

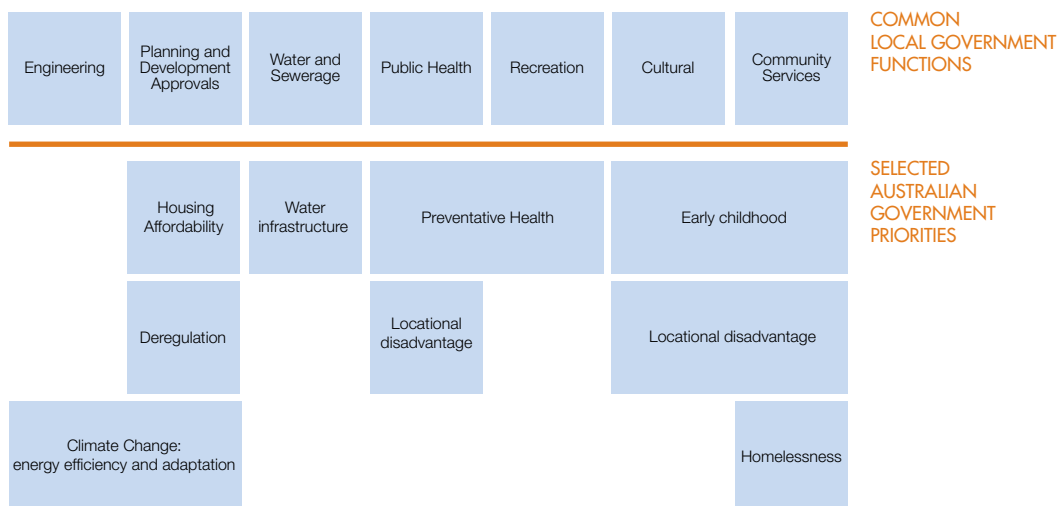
All spheres of government in Australia share a common goal of delivering services to improve the lives of Australians. Coordinating the delivery of these services across governments has great potential to achieve better outcomes for Australian communities.

Currently, the Australian Government makes its primary investment in councils' activities through the Financial Assistance Grants program, which totals \$1.9 billion in 2008/09. In recent years the Australian Government has also made targeted contributions to council activity through the Roads to Recovery and Black Spot programs. This year the Australian Government partnered with Local Government to increase the supply of affordable housing through the Housing Affordability Fund.

Various Australian Government departments also engage with Local Government to deliver services in areas of national significance, such as disability employment, family relationships and financial management services.

Through its relationship with the Commonwealth, States and Territories, and by its own efforts, Local Government has moved well beyond "roads, rates and rubbish". Councils now deliver a far greater range of services and infrastructure, including sporting and recreational amenities, water and sewerage, cultural facilities, child care, cemeteries and vaccinations. These services complement services provided at a national level – for example, many councils' efforts in supplying aged and disabled housing support the Australian Government's ageing and homelessness agendas. Likewise, councils' role in childcare is invaluable in the Australian Government's efforts to improve early childhood education and care. The diagram below depicts some intersections of Local Government and Australian Government priorities.

Chart 1: A sample of common areas of service delivery – Local Government and Australian Government



The increasing focus by all Governments on preventative health has been evident at the local level where proactive programs have been delivered through innovative Local Government-led models. “Geelong 21”, an alliance of councils, working with the Victorian and Australian Governments, has developed a “plan for healthy communities” (see case study box).

CASE STUDY: THE GEELONG 21 GROUP OF COUNCILS TAKE ACTION ON PREVENTATIVE HEALTH

Geelong 21’s three year plan includes the following


- preparing for population change by providing health data to guide regional resource planning
- developing healthy local transport solutions such as creating walking and cycling routes
- promoting greater active recreation activities for young people
- supporting healthy eating options through all local government activities.

The experience of the Geelong 21 councils provides a powerful example of the difference Local Government can make in fields like preventative health. Innovation and new models of partnership between governments can yield strong results.

The Government’s Education Revolution is complemented by a range of Local Government-led activities such as the education and training initiative conceived by nine councils in the Cradle Coast Authority in Tasmania (see case study box).

CASE STUDY: COUNCIL COLLABORATION ON ACHIEVING EDUCATION OUTCOMES IN TASMANIA

A group of councils worked with schools, colleges, and community and business organisations to shift outcomes in a region with low year 12 retention rates and low participation in tertiary education. The private and public sectors cooperated to build a community culture of life-long learning. This cooperation successfully increased school and college retention rates by helping young people develop education and employment strategies and supported their transitions from study to work.



Local Government and the Australian Government have great scope to improve coordination and achieve strong outcomes in line with national and community priorities. There are real opportunities for the two spheres of government to come together, with States and Territories, to make a significant contribution to the lives of Australians and the strength of their communities.

Standing in the way of these opportunities are challenges in three areas.

- Promote working partnerships to improve outcomes
- Build sustainable local infrastructure and financial management
- Responding to change through excellence and professionalism.

The Australian and Local Governments need to work together, both with immediate action and a longer term plan, to address these challenges. States and Territories also have a crucial role to play. This cooperative approach will allow Australia to progress towards a nation of cohesive, engaged, inclusive and fair communities.

PROMOTE WORKING PARTNERSHIPS

Through more creative and effective working partnerships Local Governments can create additional value for their citizens and increase the quality of service delivery.

CHALLENGE 1

PROMOTE WORKING PARTNERSHIPS TO IMPROVE OUTCOMES

There are many areas where services provided by Local Government at a local level complement service provision of the Australian and State and Territory Governments. Stronger partnerships in these areas will ensure that the whole is greater than the sum of the parts.

Some contemporary issues facing Australian society are sufficiently complex that they will not be effectively addressed by a single sphere of government, or by different spheres working in isolation. Dealing with housing affordability or addressing entrenched and multiple disadvantage in specific locations will only be achieved through a joined-up approach across the three spheres of government.

CHALLENGE

The relationship between the Australian Government and Local Government currently occurs between individual agencies on an ad-hoc basis with little systematic interaction.

Some councils deal with Australian Government agencies, delivering services on behalf of the Commonwealth through a purchaser-provider relationship. Many councils lodge submissions with government inquiries and studies – with an understandable focus on how the subject matter of the inquiry impacts on them or their community. Many councils actively lobby Government for support of particular projects they hope to implement.

The interests of Local Government are represented to the Prime Minister, Premiers and Chief Ministers at COAG by the President of the Australian Local Government Association (ALGA). There is now a greater level of engagement between the three spheres of government through COAG, as ALGA also represents Local Government on three of the new COAG working groups - climate change, housing and infrastructure. The President of ALGA is also a member of the Local Government and Planning Ministers' Council (LGPMC) which considers local government issues that can be addressed at the national level.

Until now, there has been no mechanism for the Australian Government to consult the Local Government sector as a whole on these issues of national and community importance. However, many of the issues facing local governments affect all local governments. A permanent and robust consultative mechanism is needed for stronger and closer engagement between the spheres of government.

RESPONSE

NOW

To deliver the best social, economic and environmental outcomes for communities all spheres of government must work together effectively and engage citizens in decisions. The Australian Government is committed to developing a strong relationship with Local Government that involves frank discussion, consultation, genuine cooperation and sharing of information.

Australian Council of Local Government

To strengthen the relationship between the Australian and Local Government, the Australian Council of Local Government (ACLG) is being established to:

- bring forward a range of ideas and positions from the Local Government sector for consideration by the Australian Government
- discuss strategic approaches for Local Government on issues where a national approach would be beneficial to deliver effective outcomes to local communities
- exchange information on significant current and emerging Local Government issues, experiences and initiatives
- promote cooperation between Local Government and the Australian Government in the development of public policy, strategies and programs affecting Local Government
- liaise with other advisory and consultative bodies on Local Government matters relevant to the activities of the Council.

ACLG will be chaired by the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP, with secretariat support provided by the Department of Infrastructure, Transport, Regional Development and Local Government.

Following its inaugural meeting, a smaller group will carry forward the work of ACLG between the annual meetings with mayors and shire presidents. ACLG will be comprised of representatives from peak bodies and stakeholders in the Local Government sector. From time to time as issues arise for ACLG's consideration, the Minister will invite other Australian Government Ministers and individuals able to make a contribution on Local Government issues to work with ACLG.

It is expected that ACLG will meet several times a year, including the annual meeting involving all mayors and local government stakeholders. To ensure local government issues are before the key Commonwealth – State local government forums in Australia, State and Territory Local Government and Planning Ministers have agreed that ACLG will meet once a year with the Local Government and Planning Ministers' Council.

Councils provide a voice for local communities. This voice will be heard more effectively through the establishment of ACLG.

Commonwealth Constitutional recognition of Local Government

The Australian Government is committed to taking steps towards the recognition of Local Government in the Commonwealth Constitution. As the sphere of government closest to the community, the Government believes that councils have a vital role in local and regional planning, decision making and infrastructure provision and maintenance.

The Australian Government reaffirms its commitment to a full and frank dialogue on the issue of Commonwealth Constitutional recognition and will progress through the ACLG any matters raised by the Australian Local Government Association convention to be held in December 2008 and other relevant contributions and ideas. The Government also recognises that Local Government must take the lead in educating the community and generating sufficient public support.

NEXT

Over time the Australian Government will look for opportunities to encourage greater coordination on urban planning and other important issues. These cross-government consultative and coordination mechanisms will be adaptive and able to respond quickly to emerging challenges.

A specific example of greater collaboration is in tackling entrenched disadvantage. As part of the social inclusion agenda the Australian Government has committed to improving the outcomes and opportunities for people living in areas characterised by multiple and entrenched disadvantage. A critical element of the Government's approach in these areas will be the development of dedicated and locally focused efforts to connect together different actions, encourage participation and commitment by members of the local community and support leadership and partnership across sectors and public agencies. Strong and enduring partnerships between all levels of government and the community will be central to the efforts to tackle the complex web of disadvantage in these local areas. Local Government, as the sphere of government with the closest links to the local community, will be a key partner.

More generally, community engagement processes undertaken by Local Government will inform Australian Government policy processes, and a two-way information flow will improve capabilities of both spheres of government.

This greater coordination will result in innovative, client-centred service delivery and more effective, joined-up government with greater citizen participation. Australians will enjoy a more seamless interaction with their governments, less confusion in distinguishing between the responsibilities of different spheres of government and will find that the voice of their community is being heard at a local, state and national level.

BUILD SUSTAINABLE LOCAL INFRASTRUCTURE AND FINANCIAL MANAGEMENT

To deliver better outcomes for communities, Local Government needs to carefully manage planning processes and anticipate infrastructure requirements that will support service delivery goals. Local Governments also need to have robust and publicly available financial and service delivery information to engage the community in decision making.

CHALLENGE 2

BUILD SUSTAINABLE LOCAL INFRASTRUCTURE AND FINANCIAL MANAGEMENT

CHALLENGE

Sustainable local infrastructure requires effective asset management. This means developing a framework that works assets harder, creates value from existing assets and uses the tools at hand to improve management strategies within a viable financial framework. It requires councils to carefully plan, anticipating infrastructure requirements that will support service delivery goals.

LOCAL GOVERNMENT'S ASSET POSITION

Local Government assets are estimated at \$214 billion with local roads comprising around 45 per cent of this amount (see Chart 2).

Estimates of the infrastructure backlog reflect one challenge

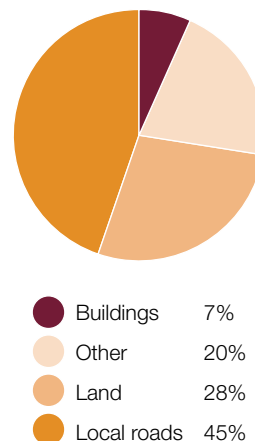
Local Government's asset position is not sufficiently understood. In their report *National Financial Sustainability of Local Government*, PriceWaterhouseCoopers noted that their ability to assess the financial viability of a range of councils had been constrained by a range of data limitations.¹ Reports from both Access Economics² and Roorda and Associates³ into Local Government finances in New South Wales noted that the published information was not adequate to calculate the level of investment in renewing and replacing assets.

The lack of accurate information on assets and asset management at the Local Government level means that the reported national figures can only provide a rough estimate of the overall need. Without a proper understanding of the value of their assets and the lifecycle costs of assets, Local Government cannot progress a national conversation about 'asset backlogs'.

The fact that they are only estimates reflects a bigger challenge

More important than any asset backlog is the consequence to the citizens and communities of councils making financial decisions on how to spend their revenue without an accurate understanding of their capital position – what assets they have and what condition they are in. Resources cannot be deployed efficiently and effectively over time without this information. Put simply, money will be wasted when assets are not maintained and are not used effectively – meaning higher rates and charges, or fewer services.

Chart 2: Local Government non-financial assets as at 30 June 2005



Source: ABS unpublished data.

1 PriceWaterhouseCoopers, 2006, *National Financial Sustainability of Local Government*, Commissioned by the Australian Local Government Association, p6.

2 Access Economics, 2006, *Local government finances in New South Wales: An assessment*, For the Independent Review Panel, Canberra.

3 Roorda and Associates, 2006, *The Present Condition and Management of Infrastructure in NSW Government*, For Independent Inquiry into the Financial Sustainability of Local Government.

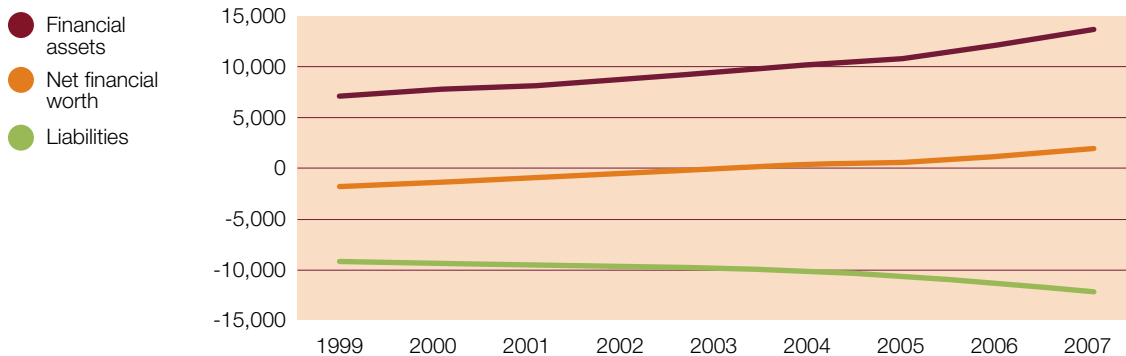
Many jurisdictions have recognised that making the best infrastructure investment decisions for their communities, within the confines of limited financial resources, is severely constrained when asset and financial management frameworks are inadequate. All States and Territories have agreed to implement nationally consistent financial and asset management frameworks for their Local Government sector. Adoption of these frameworks by councils is inconsistent where the framework is not legislated or there are inadequate programs to build councils' asset management capability.

Finances are strengthening across the sector, but vary across councils

Decisions about asset management and the discretionary provision of services must occur within each council's financial constraints. This requires effective financial management and planning.

Across the country the financial situation of Local Government has improved considerably over the last decade. ABS data presented below reflects that the net financial worth of Local Government increased from $-\$1.3$ billion in 1999/2000 to $\$2.3$ billion in 2007/8. This is a reflection of the dedicated work of many Local Government managers and elected representatives.

\$m Chart 3: Local Government financial assets

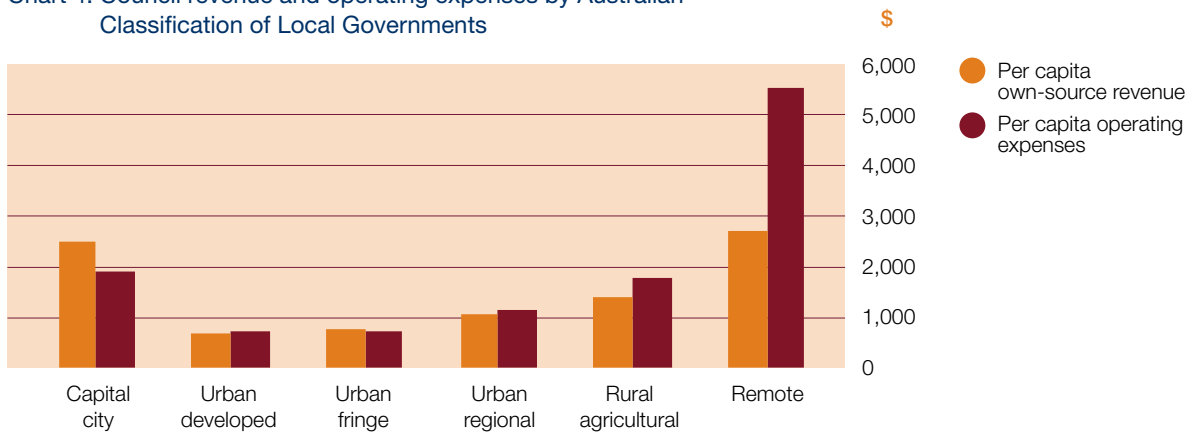


Source: ABS Cat. No. 5512.0 Government Finance Statistics (table 1).

While Local Government as a whole has improved its position, the financial position of individual councils can vary significantly. Many have strong financial positions, while others face financial challenges. Some councils have richer revenue bases and some operate more efficiently.

Some councils have higher cost structures because of their demographic or geographic situations. On average, councils in cities and urban areas have lower costs per capita than those in rural and remote areas. In the case of capital city councils, their higher expenditure is due in part to offering a greater range of services, which they are able to fund through their stronger revenue base.

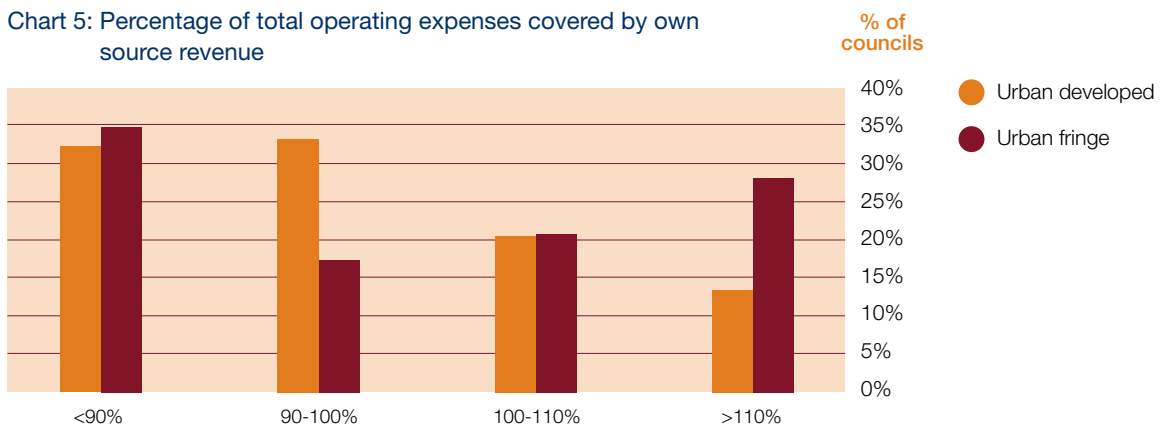
Chart 4: Council revenue and operating expenses by Australian Classification of Local Governments



Australian Classification of Local Government – Data is median value of annual panel data collected between 2001/2-2005/6. Source: Department of Prime Minister and Cabinet analysis based on unpublished ABS data and derived Productivity Commission data.

Within each of these categories, there is also significant variation. In both urban developed and urban fringe areas, over 30 per cent of councils do not raise enough revenue to cover 90 per cent of their operating expenses. Some councils raise significantly less revenue.

Chart 5: Percentage of total operating expenses covered by own source revenue



Distribution by Number of Councils – Data is panel data collected annually between 2001/2-2005/6. Source: Department of Prime Minister and Cabinet analysis based on unpublished ABS data and derived Productivity Commission Data.

Both limits upon raising revenue and physical characteristics that affect costs drive a range of financial pressures across different councils. Some councils face restrictions such as rate pegging, rating categories, mandatory rate exemptions and discounts, and the setting of certain statutory fees and charges below cost.⁴

While some jurisdictions have undertaken reforms to reduce costs, many councils are yet to do so.⁵ However, a number of councils have achieved significant economies of scale in service delivery by forming regional organisations of councils to provide services such as refuse collection and recycling.

The diverse characteristics of councils create individual challenges and unique financial pressures. However, sound and transparent financial management is a central tenet of all viable governments that engage their communities in decision-making and are capable of delivering the services that their citizens need.

RESPONSE

NOW

Meeting urgent infrastructure needs

There is an urgent need for improvement to Australia's community infrastructure. The costs of building and maintaining infrastructure are growing as community expectations of councils are increasing.

The Australian Government has recognised this need and has committed to providing a significant fiscal contribution to assist the most urgent infrastructure needs. Detailed through the Regional and Local Community Infrastructure Program, this funding will ensure councils have the opportunity to improve their essential infrastructure, and will also contribute to larger strategic projects. Once established, this funding will provide social, cultural, recreational, tourism and environmental facilities across Australia, improving social engagement and stimulating local economies.

Asset management improvements

The Australian Government considers effective asset management to be a fundamentally important capability of Local Government. In order for infrastructure funding to be spent most effectively, councils, like all governments involved in spending decisions, must have access to consistent data that effectively measures existing asset bases. Importantly, councils must also plan expenditure for renewal and maintenance of their assets.

⁴ Productivity Commission (2008) *Assessing local government revenue raising capacity*, Research Report, Canberra.

⁵ Productivity Commission (2006), *Waste management*, Report no. 38, Canberra.

States and Territories have made efforts to improve the asset management practices of their Local Government sector. All States and Territories have agreed to adopt and implement the financial and asset management and planning frameworks for Local Government developed by the Local Government and Planning Ministers' Council (LGPMC).⁶

The Australian Government encourages all councils to take further steps to adopt sound asset management practices and frameworks as soon as possible. The Government will look to further progress this matter through the LGPMC.

NEXT

In order to partner effectively with the Australian Government in supplying infrastructure and services to communities, councils could consider working towards the following objectives:

- an accredited asset and financial management plan
- published accurate annual reports (including the type, quantity and quality of services delivered), minutes of public meetings, long-term plans and decisions on their website.

ACLG could assist by identifying barriers that Local Governments face in meeting the following key elements of the Asset Planning and Management Framework endorsed by the LGPMC.⁷ The Government will take these barriers up through the LGPMC.

- Develop asset registers that identify and detail the condition of each of council's non-financial assets
- Value assets in the register through an independent assessment process and quantify the expenditure required to bring the assets to a satisfactory condition
- Distinguish expenditure on assets between renewing, maintaining, upgrading and expanding assets
- Develop an asset risk management strategy
- Consider non-asset service delivery solutions such as leasing, private/public partnerships
- Ensure there are clear links between the asset management plan and council's strategic documents

⁶ The framework is available at:

http://www.lgpmcouncil.gov.au/publications/doc/LG_Financial_Sustainability_Framework2.pdf

⁷ Ibid.

Strong asset management underpins effective and efficient delivery of services – and therefore the best use of taxpayer funds. Those councils that have sound asset management strategies or have made significant progress in introducing these strategies will be best placed to utilise Commonwealth funding to deliver community infrastructure.

Over time the Australian Government will look for opportunities to support councils that wish to explore new ways of working to reduce their costs. The Australian Government encourages councils to look at options for shared services, joint purchasing or sharing of resources and expertise as ways to capture the benefits of economies of scale.

The Australian Government can also help Local Government in achieving scale economies. The Australian Government is currently introducing coordinated procurement contracting arrangements for common areas of procurement, with a view to getting better value for money. When these coordinated contracts have been established, the Australian Government will look at offering the opportunity to Local Governments to join these arrangements so that the aggregated purchasing power of both the Australian and Local Governments can be leveraged to obtain the best value for money.



RESPONDING TO CHANGE THROUGH EXCELLENCE AND PROFESSIONALISM

More professional Local Government staff and enhanced planning systems will increase the capacity of Local Governments to respond to change and better plan for service delivery needs now and in the future.

CHALLENGE 3

RESPONDING TO CHANGE THROUGH EXCELLENCE AND PROFESSIONALISM

CHALLENGE

The Australian Government believes that good governance is underpinned by keeping in touch with the community and consulting widely. It also believes in high standards of integrity and accountability. These standards and beliefs are central to the Australian Government's agenda of promoting a new way of governing.

This new way of governing provides a platform for all government decision-making and action. It is integral to good governance at the national and local level. By working together, good governance can become a central tenet of Local Government, rather than an aspiration. Based on this platform of good government, Local Governments can focus on delivering the services that matter to their citizens. Local Government will then be better positioned to respond to social, demographic and environmental change and lead their local communities in an environment of high ethical standards, probity and transparency.

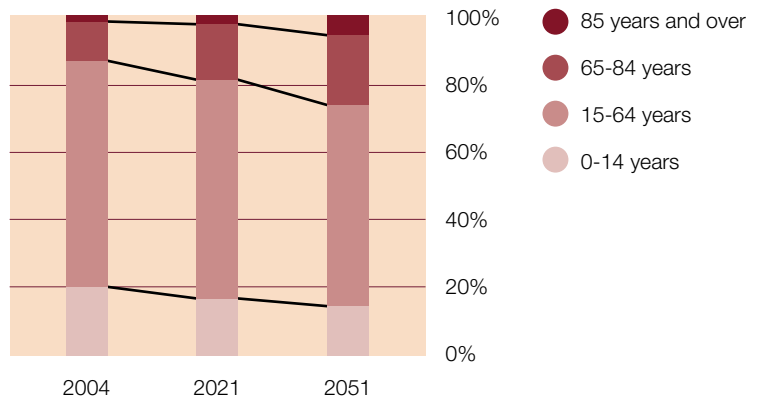
This new way of governing will promote increased community engagement and therefore enable councils to more readily respond to change. An ageing workforce, and a population comprised of people with increasingly diverse cultural and linguistic backgrounds means councils need a highly skilled workforce able to deliver services in a rapidly changing landscape. Attracting and retaining this workforce will be a challenge in an environment of skills shortages. This requires a Local Government sector that is capable of developing strategies to adapt to significant demographic and social trends.

DEMOGRAPHIC CHANGES

A number of demographic factors will impact on the Australian population in the coming decades. These will not be felt equally across Australia, so will not be felt equally across councils. Australia will experience an ageing of its population over the next twenty to fifty years – so in all areas the mix of services that councils will need to provide must adapt.

The proportion of the Australian population over 65 is expected to increase from 13% in 2004 to 26% in 2051.⁸

Chart 5: Australia's population by age

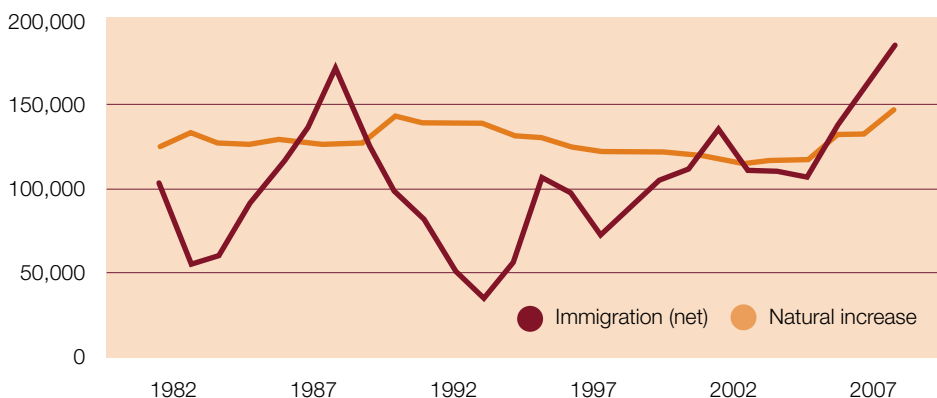


Source: ABS Cat. No. 1301.0 and Productivity Commission unpublished data.

⁸ ABS Cat. No. 1301.0.

Along with an ageing population, a second demographic change is associated with the changing structure of the population. Immigration currently contributes around half of the population growth in Australia. Up to 40% of immigrants have non-English speaking backgrounds.⁹ This creates new challenges in adapting service delivery to a new customer base.

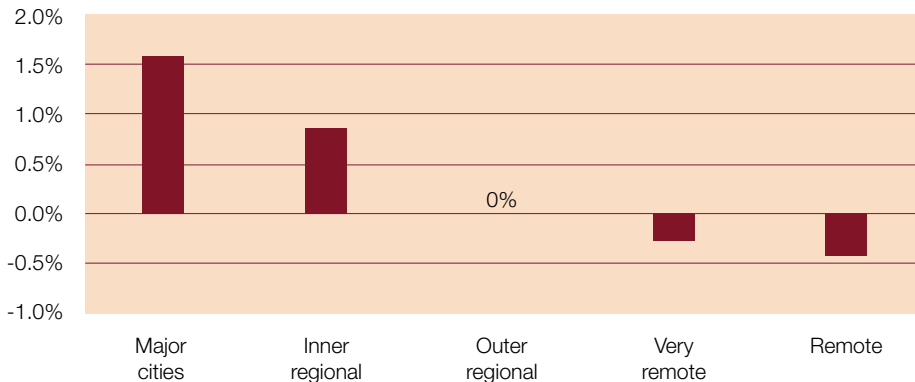
Chart 6: Annual increase in population



Source: ABS Cat. No. 3101.0 and 3105.0.65.001.

Importantly, these demographic changes will not be felt equally across the country. Population growth is highest in Australia's major cities while many rural and remote regions have experienced population decline. This trend is expected to continue. Moreover, the impact of immigration on population growth is greater in the major cities.

Chart 7: Population growth by area per year



Source: ABS Cat. No. 4102.0 Australian Social Trends, 2008.

⁹ ABS Cat. No. 4102.0.

Planning for population change is complex – especially when the change involves not only the overall level of population, but also the age and make-up of the population. It requires an understanding of how demand for services will change and an appreciation of the impacts of this change on cost and revenue.

Areas facing population decline need to plan for down-sizing of operations and look for shared models of delivery to maintain the scale needed to ensure efficient operations. Population growth areas require agility to scale up fast, put in place new infrastructure and adapt service provision to new communities entering the area.

Where there are significant changes in the age profile of the population, councils need to be able to scale up or scale down particular services or develop new services to meet the needs of their new communities. Where the population make-up is changing, councils run the risk of continuing to provide services that are not appropriate for the new demographic profile in their shires. Understanding and anticipating these trends is important in ensuring that services are well targeted and of a high quality.

A significant driver of councils' ability to respond to change and service the needs of citizens is the capability of the workforce. Workplace skills, combined with a foundation of robust systems, transparent information and decision making, and sound infrastructure, define the capacity of councils to innovate, form partnerships and govern in a manner best suited to local communities.

A skilled workforce is required in order to generate an agile and responsive Local Government. Unfortunately, like many sectors of the economy, Local Government is suffering from skills shortages and councils, particularly in regional areas, struggle to attract and retain skilled staff. These shortages are more acute in areas such as management, engineering and urban planning.

Attracting and retaining skilled staff, ensuring the ongoing training and development of personnel and establishing Local Government as an employer of choice are significant challenges.

This problem has been recognised at the State level and State Governments are undertaking valuable work in collaboration with State Local Government associations and the Local Government Managers of Australia. Some states have implemented specific strategies including graduate recruitment and vocational education programs. However, across Australia there is lack of coordination and uptake of these training opportunities which address local government managerial needs.

NOW

The Australian Government has recognised the importance of a highly skilled Local Government workforce. The ability to effectively plan across service delivery, infrastructure and demographic trends is particularly important, as is the ability to think strategically about new operating models.

It will always be the primary responsibility of Local Governments, and States and Territories working with Local Governments, to ensure that Local Governments have the skilled professionals they need. However, the Australian Government is currently considering ways to put more permanent supports in place to enhance the professionalism of Local Government.

NEXT

The Australian Government will take these issues forward in the LGPMC to identify opportunities for both the Australian and State and Territory Governments to better support Local Government in addressing this major challenge. Specifically the Australian Government will take forward the implementation of a Local Government sector workforce strategy through the LGPMC.

The ACLG has a crucial role to play in providing input to the Australian Government as it shapes its responses to these challenges. The Australian Government looks forward to working closely with the ACLG to ensure that Australian Government policy interventions are well targeted and Local Governments have the workforce they need and the capacity to train them to meet the challenges that they will face.

THE WAY FORWARD

The way forward for Local and Australian Government cooperation is underpinned by a joint commitment to a new way of governing, a way of governing that celebrates cooperation rather than avoids it, that engages the community rather than alienates it, and that produces tangible results for Australians and Australian communities.

Together with the Australian Government, and State and Territory Governments, Local Government can build a stronger nation by increasing the resilience of local economies. To achieve this, gains must be made in infrastructure and financial management and transparency.

Together, the Australian Government, State and Territory Governments and Local Government can build a fairer Australia that engages more citizens more effectively in their communities and provides equal opportunities for all. However progress must first be made in communication channels and consultation mechanisms. The Australian Council of Local Government is a great start.

Together, these spheres of Government can prepare for future challenges. Information can be shared more effectively and local innovation can be captured and propagated to deliver enduring national benefits. Improved information will enable Local Government to be more innovative and responsive to changing dynamics.

Services can be delivered more effectively, when and where a changing population needs them.

A new era of partnership between the Australian and Local Governments will deliver a better deal to local communities by ensuring that their voice is heard more effectively and by increasing the quality of local infrastructure and service delivery.



