

MAV Reform Agenda

The Future of Local Government

Top Teams

Asset Management

Shared Services

The 2000s

- Probably the greatest period of change in the history of LG (R2R, Hawker, AusLink, Intergovernmental Agreement, PWC, Rudd)
- More major change to come: financial crisis, climate change, peak oil, funding shifts
- Wealthy Councils vs small rural Councils with real financial stress
- Need for LG to present sophisticated approach to federal financing of Councils: need for credible, quality processes and data

Why have FOLG?

- For over 100 years LG has been the poor relation of government in Australia
- Major decisions about LG have always been taken by State and Federal Governments:
 - Number of Councils in Australia:
 - 1901: 1067
 - 1991: 826
 - 2008: 550
- 'LG cannot think for itself: it is re-active, not pro-active'
- Councils have long term plans, what is the LTP for the LG sector? What is it trying to achieve? How?
- LG: welcome to the world of 'issues': where the urgent crowds out the important

FOLG

- 3 Summits: 2005-7
- **Summit 4: 27-28 May 2009**

FOLG to date

- LG is in the business of 'community building'
- **The vision for LG:** 'to be recognised for facilitating the building of strong and successful communities' (Future of LG Summit 1)
- The LG sector needs to drive the change/reform agenda.....or other levels of government will continue to do it for us

3 FOLG Frameworks

1. Accountability:

- to our communities

2. Shared Services

- quid pro quo

3. Performance

- how effective and efficient is LG?

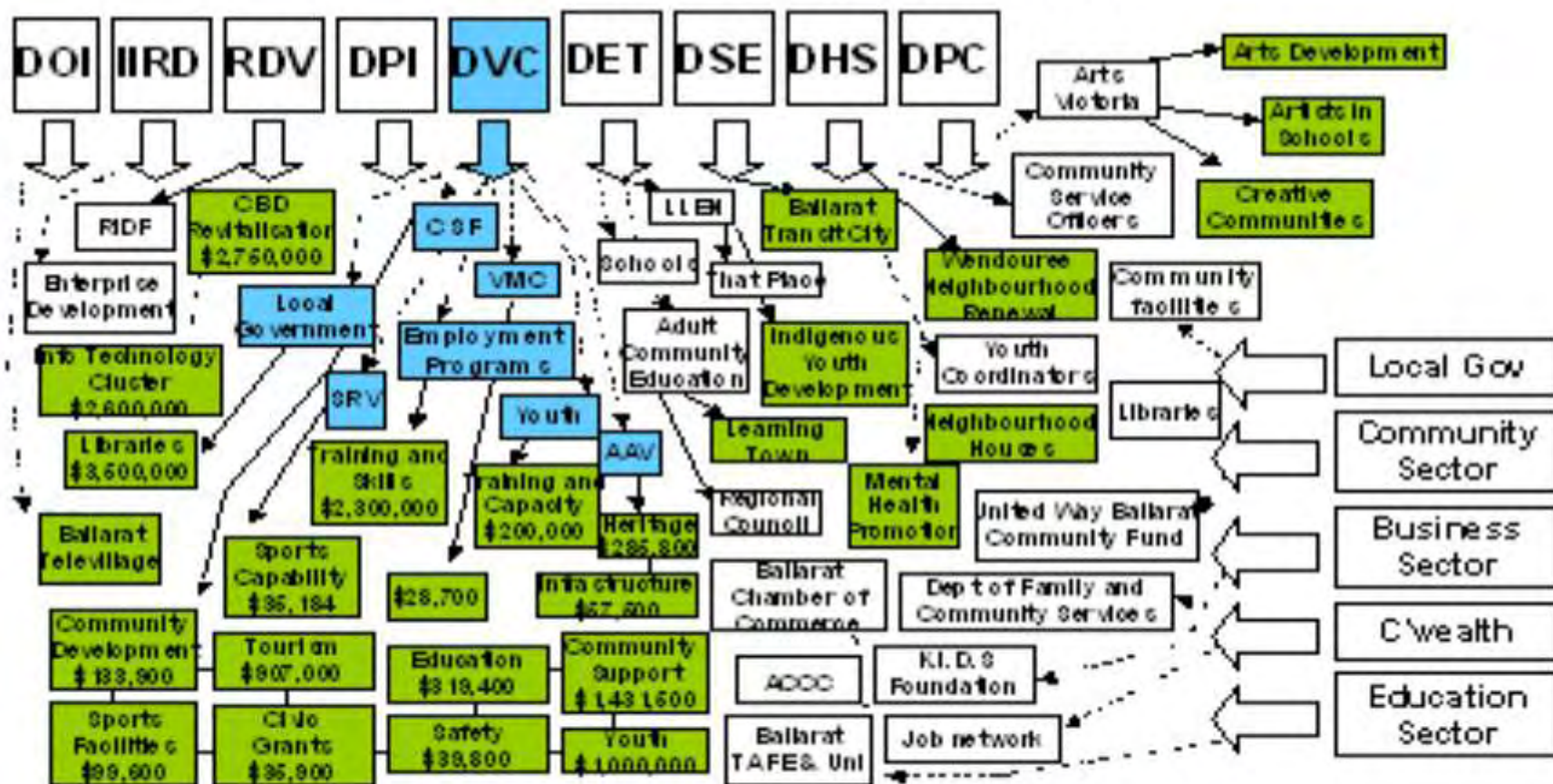
Accountability

- Not just at the ballot box, not just financially, but also between elections
- Perspective accountability: we know what is important to our communities because we involve them in the planning process (How?)
- Community planning: bottom up, place based

FROM

Policy decisions lack spatial awareness

Illustrative example of % of community strengthening resources delivered for Ballarat since 1999



BUT not addressing local community priorities

TO

Wombat community plan priorities

- 1. Improved aged care facilities and services**
 - 2. Retention of youth**
 - 3. Relocate primary school**
 - 4. Invest in water recycling**
 - 5. Improved access to broadband**
 - 6. Upgrade community centre**
 - 7. Improved community transport**
 - 8. Develop a road safety strategy**
- > Role of LG? Maximise well-being, but not to 'do' everything: be an enabler via strategic alliances

Case study: Good outcomes

- 25% of population involved in annual CP process (meetings etc)
 - 900 involved in community leadership activities (project co-ordinators)
 - 96% of priorities successfully implemented
 - #1 community satisfaction
 - Attracting millions of additional dollars and support resources
- > Democracy in action

Funding

- **Canberra does not want to fund LG... but it does want to fund communities**
- **Role of LG as facilitator: we know what is important to communities**

Top Teams (UK > Victoria)

- Many Councils do not put in the effort to establish agreed ground rules at the start of a Council term
 - How are we going to work together?
 - Agree on roles and responsibilities
 - Improved relationships between politicians and managers
 - Alignment: develop joint ownership of Council performance
 - Who leads and who manages?

1. Why is it such hard work?

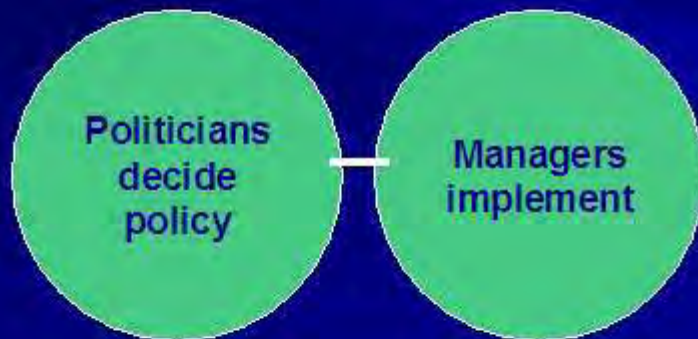
'It feels like we come from different planets'

A cultural gulf but one which leading politicians and managers have to bridge if they are to lead council services

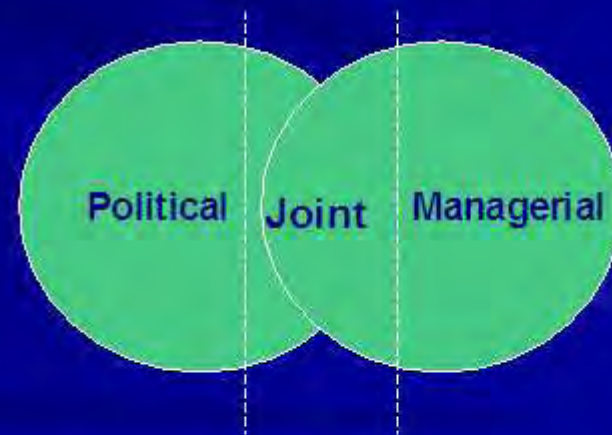
Who leads and who manages?

Joint local leadership

Assumed model



Realistic model



Top Teams: moments of truth

- **Speed dating:** Councillors and senior managers
- **Performance Management:** we receive hundreds of pages of notes for each Council meeting: we want 3-4 pages and a traffic light system
- **Strategic Planning:** where have we come from? Where are we going? Golden Age or Doomsday? What would the key steps be? Great outcome!
- **Temperaments:** at last I know why he is the way he is!

Top Teams

- Is your Council involved?
- 3 workshops
- Small cost
- It's your decision

Step Asset Management program

- Started in Victoria: all Councils involved
- Now spread nationally

Road Networks – Bridges

Bridge collapse caused by radical loading change



49

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OBJECTIVE OF ASSET MANAGEMENT

To provide the desired asset
& level of service,
in
both *functionality & presentation,*



in the most

cost effective manner,

for

present and future customers



The 8 key “Elements” of AM



- ⇒ **Policy** framework to support AM decisions
- ⇒ Knowing what assets we **own**
- ⇒ Understanding asset **condition** & expected **life**
- ⇒ Knowing where **\$ spent** – mtce, renewal & operations
- ⇒ Knowing what ‘**levels of service**’ community need
- ⇒ A process to establish **priorities** & allocate **funds**
- ⇒ Knowing **long-term funding** requirements - **\$ Gap**
- ⇒ Having documented **Service & Asset** Man Plans.

Prime Minister Rudd 11/08

- 'The **quality** and transparency of financial management varies greatly across different local governments.
- 'Successive reports have noted **difficulties** in obtaining the level of information necessary to calculate the level of local infrastructure investment that is now needed to renew and replace existing infrastructure assets.
- 'We **need to know** what we've got, what condition it is in, whether it needs to be repaired and how much it costs to maintain.
- 'But implementation has been **patchy**.
- 'The Commonwealth will also consider making its future **infrastructure investments** linked to the implementation of nationally consistent asset management systems.

Questions for your Council

- Does your Council have an asset management plan for all classes of assets?

Shared Services

- LG wants more funding: *please answer this question*
- *(In the UK: 2.5% back office cost reduction each year)*
- FOLG (Co-operation Framework)
- Councils Reforming Business Funding
- 6 projects
 - ICT (25 Councils)
 - Records Management: all Councils
 - Maternal and Child Health: all Councils
 - Property data: all Councils
 - Land use data: TBA
 - Front of house (eg. environmental health, planning): 13 Councils