



John Ravlic
Chief Executive

Local Government Managers Australia – National Office
ACELG Consortium Partner

LGMA

- 2500 members
 - CEOs, Executives, Managers and those aspiring to these positions
- States – Membership services, PD
- National
 - representing the interest of our members
 - Councils and CEOs have the capacity to meet the needs of their communities
 - Strategic advocacy – lobbying Canberra
 - Improvement of our sector and advancement of local government management
 - Local government - capacity building programs
- My views and not those of my employer

Skills Shortage and mining

- Briefing of my predecessor
- 2006 nobody talked about its different today
- Economic boom – twenty years
 - Property and construction boom
 - Engineering, planning, building and health
 - Minerals and resources boom
 - Engineering, trades, accounts, admin
 - Regional Australia – Emerald Qld 20% vacancy rates
 - Farming – drought saw many farm hands leave the land

GFC

- Unemployment, consumption and growth
- Softening of the labour market
 - IT, Finance and admin
- Little impact on mission critical roles
 - Engineering, planning, building, health
- Positive economic indicators
 - Lower interest rates
 - Unemployment <5% - US, UK 10%+
 - Consumer confidence down – savings up
 - Business investment up

GFC

- Bottom of the foodchain
- Salary and conditions not competitive
- Rampant economy
 - Driving demand for skills
 - Can't compete for talent on salary alone

Mining investment

- \$109 Billion mining investment coming on stream
- Demand for skills will reach pre-GFC levels
- Additional pressure on councils
 - To be innovative in retaining staff
 - Positioning councils as
 - A place based employer
 - An employer of choice
- Breaking of the drought
 - demand for farm hands – 10,000
 - additional competition for LG

Challenges ahead

- Structural reform
 - Northern Territory (**62**-16) Queensland (**157**-73)
 - Western Australia and NSW due shortly
 - NZ influence
 - Sydney and Adelaide Metropolitan governance
 - US & UK Influence
 - Role of Executive Mayor and Chief Executive
 - US & China Influence
 - New forms of municipal service delivery
- Skills shortage – war for talent
- Assets management
- Infrastructure planning

Challenges ahead – financial sustainability

- Financial sustainability
 - Australian and State government grants
 - PC rating – LG has capacity to rate
- Recent inquiries
 - Population shift to the coast + immigration
 - Insufficient investment in infrastructure backlog
 - Backlog grows at \$1B+ per annum
 - 169 councils unviable + 200 at risk
- Some 260 councils pop <10,000

Centre of Excellence

- National skills shortage strategy for LG
 - Innovative and effective projects
 - Collection and promotion
 - Sharing of experience and learning
 - Transfer to other councils
- Sharing best practice
- Network of practitioners building next practice



On Wednesday the 24th of June, 2009 former Prime Minister Kevin Rudd announced that \$8 million dollars in federal funding had been awarded to UTS and a consortium of academic and industry partners to establish the **Australian Centre of Excellence for Local Government (ACELG)**, the first of its kind in Australia.

Centre of Excellence – vision

World class local government to meet
emerging challenges of the
21st century Australia.

Centre of Excellence

- Build on existing local government programs and networks;
- Encourage innovation and best practice across local government;
- Foster good governance and strategic relations;
- Support action to improve local government workforce capability to address skills shortages and attract and retain new staff;
- Promote new and improved training and development programs; and
- Stimulate an informed debate on key issues for local government in coming decades.

Centre of Excellence

The Centre's mandate revolves around the enhancement of professionalism and skills in local government, showcasing innovation and best practice and facilitating a better informed policy debate.

Consortium Partners



UTS Centre for Local
Government



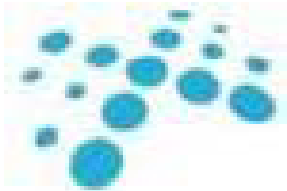
Institute of Public Works
Engineering Australia



University of Canberra



Local Government
Managers Australia



Australia and New
Zealand School of
Government

Program Partners:

- ECU
- CDU
- ANU

Guiding Principles

- **To be effective, the Centre must be grounded in and serve the local government system:** it must not be seen as an ‘outsider’ organisation or one pursuing esoteric academic interests
- **The Centre should be practice-oriented:** whilst research is essential to promote innovation and inform policy, it should be designed to lead to practical outcomes
- **The Centre should focus on adding value, filling gaps and seeding new initiatives:** as a general rule it should not duplicate or compete with existing programs
- **The Centre should be inclusive:** it should the active involvement of all those with expertise and ideas to contribute
- **Given limited resources, the Centre must focus on a limited number of strategic interventions**

ACELG Board



Hon Margaret Reynolds
Chairperson



Mr John Truman
IPWEA



Prof Attila Brungs
UTS



Ms Penny Holloway
LGMA



Prof John H Howard
University of Canberra



Ms Stephanie Foster
DITRD LG

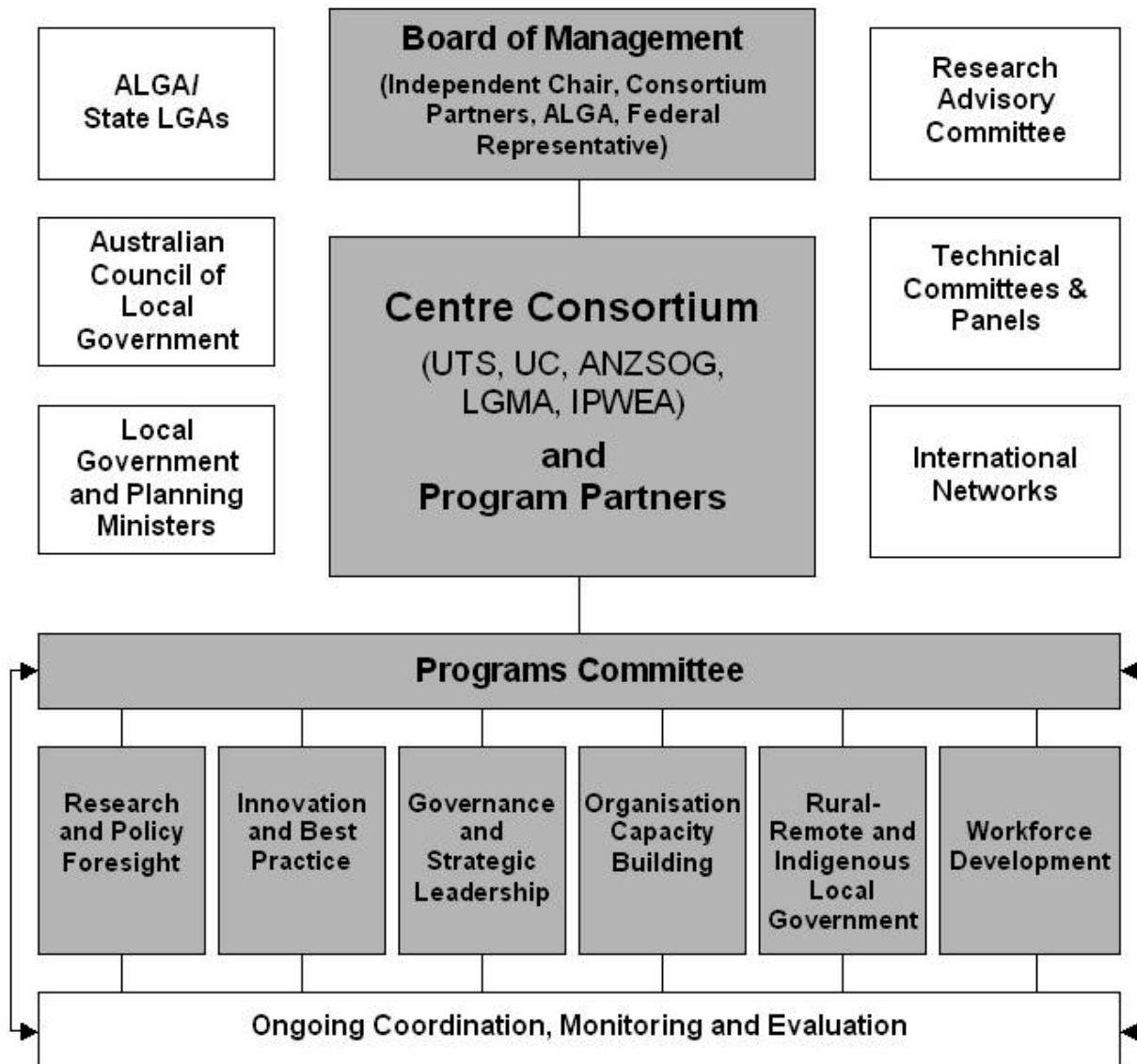


Mr Peter Allen
ANZSOG



Cr Geoff Lake
ALGA

Governance and program framework



Research and policy foresight

The objective of the research and policy foresight program is to support evidence-based policy formulation, promote informed debate on key policy issues and help address major challenges facing local government.

Innovation and best practice

The aim of the Innovation and Better Practice program is to disseminate across the local government network, examples of better practice in local government and to encourage experience sharing. The module provides an online space for local government practitioners to share their knowledge and experience -- and to learn from others.

During 2010 the program also intends to develop and facilitate a 'peer' review system that can provide an assessment mechanism across the sector.

Governance and strategic leadership

The objective of the program is to increase understanding of effective strategic leadership and to build the capacity of local government to achieve consistently high standards in leadership and governance.

Organisation capacity building

The objective of the organisation capacity building program is to build local government capacity in key areas of planning, management and service delivery.

Rural-remote and Indigenous LG

The objective of the Rural-Remote and Indigenous Local Government Program is to identify and address specific governance and capacity building issues facing rural, remote and Indigenous councils.

Workforce development

The objective of the workforce development program is to address specific skills shortages and gaps in the professional workforce, as well as broader requirements for enhanced expertise, and to establish local government as an employer of choice.

Centre's sustainability

- Government grant = \$8 M over 5 years
- Use the grant to establish an infrastructure and then work with the government and the sector to leverage the investment
- Consortium partners bring significant cash and in-kind contributions
- Independent review at the conclusion of yr 3
- Consider and explore a sustainable business model
 - The Australian government grant;
 - Commissions received from commonwealth and state government agencies wishing to work more closely with local government; and
 - Commissions received from councils, groupings of councils and Local Government Associations.

Conclusion

- Relevance = success
- it's critical for the work of the centre to be practice lead and for the results of its work to lead the practice
- long term challenge will be sustainability
- short term challenge to manage the sector's expectations of what can be delivered within the \$8m over five years
- the centre is seen as a prescription for much of the sector's ills
- In its second year the centre has generated significant activity
- **A better informed local government as it goes about significant transformation in the coming decade**

LG McBank

- NZ borrowings will more than double in the next decade to fund LG infrastructure needs
- NZ establishing a LG Financing Authority – owned and run by LG
- A number of the US and Canada States/Provinces have done the same
- Not news to Aus FinPro – SA LGFA
- Is it time to go National? Why?
 - Accessing Private Sector funds
 - Cheaper borrowings and better investment options
 - Improving the sector's financial literacy
 - Development of innovative financing products
 - Confidence to deal with the financial markets and market confidence in dealing with LG



Experiencing skill shortages?
UK HAS TALENT

Register your interest at www.lgma.org.au

Discussion and questions

www.ancelg.org.au

