



# Project Plan 2009-14

University of Technology Sydney  
University of Canberra  
Australia and New Zealand School of Government  
Local Government Managers Australia  
Institute of Public Works Engineering Australia

December 2009



An Australian Government Initiative

# Contents

---

## Introduction

### 1. Context

- 1.1 Background
- 1.2 Operating Environment and Challenges
- 1.3 The Consortium

### 2. Strategic Framework

- 2.1 Vision and Mission
- 2.2 Governance
- 2.3 Board of Management, Director and Programs Committee
- 2.4 Program Areas
- 2.5 Consultation and Communications
- 2.6 Critical Success Factors

### 3. Implementation and Budget

- 3.1 Staging of Implementation
- 3.2 Budget
- 3.3 Sustainability
- 3.4 Risk Management

### 4. Program Delivery

- 4.1 Research and Policy Foresight
- 4.2 Innovation and Best Practice
- 4.3 Governance and Strategic Leadership
- 4.4 Organisation Capacity Building
- 4.5 Rural-Remote and Indigenous Local Government
- 4.6 Workforce Development

## Introduction

---

This Project Plan has been prepared in accordance with Item 1.10 of the Schedule to the Funding Agreement between the Commonwealth of Australia and University of Technology, Sydney in relation to the Australian Centre of Excellence for Local Government (ACELG). It sets out proposed activities and milestones, and reflects the Vision, Guiding Principles, Programs and Service Delivery Requirements contained in Items 1.3 to 1.6 of that Schedule, as well as the budget components in Table 1.

The Project Plan covers the period from the date of execution of the Funding Agreement (22 June 2009) to 31 December 2014. This is somewhat longer than the term of the Agreement itself, which expires on 30 June 2014. However, the ACELG consortium is committed to ongoing operation of the Centre for at least two years beyond that date and has budgeted accordingly.

The Project Plan will be reviewed annually by the Centre Board and adjusted as necessary to address changing circumstances, needs and priorities. These will be assessed through regular consultation with the local government sector and other key stakeholders. This initial Project Plan is based in part on preliminary consultations with local government stakeholders in all States and the Northern Territory, but in large measure reflects commitments made by the consortium in its proposal for Commonwealth funding. A more extensive consultation process is planned for the first half of 2010, which will inform the Board's first review of the Project Plan later in the year.

Section 4 of this Plan sets out in some detail proposed activities over the first 3.5 years of operation. Key deliverables during 2010 will include:

- The first ANZSOG Excellence in Local Government Leadership program
- A new national Emerging Leaders program for middle managers, including a Graduate Certificate in Local Government Leadership
- The third national Local Government Skills Forum
- A 'Green Paper' on Indigenous employment in local government
- A Local Government Workforce Development Blueprint
- Guidelines on Asset Management for Small Communities
- A national assessment framework to measure progress in improving asset management and long-term financial planning
- A national strategy to address the special capacity-building needs of small rural-remote and Indigenous local governments
- Launch of the Innovation and Knowledge Exchange Network and website to highlight best practice
- A special LGMA Management Challenge to develop strategies for increased women's participation in over 100 councils across Australia
- Assistance for the Australian Local Government Women's Association to implement its gender equity accreditation and awards program
- An upgraded Business Excellence Framework for local government
- A new national research and policy development program, including initial projects on strengthening local democracy and new options for more effective service delivery
- A series of national minimum data sets for key programs: asset and financial management, workforce development, women in local government.

# 1. Context

---

## 1.1 Background

A local government Centre of Excellence was originally proposed in the 2007 National Skills Shortage Strategy. The Strategy proposed a ‘virtual’ centre ... *to showcase, promote and develop best practice in Local Government workplace developments, as well as all aspects of good governance and Local Government management.*

At the Australian Council of Local Government (ACLG) meeting in November 2008, the Prime Minister announced funding support for a Centre of Excellence *to showcase innovation and best practice across local government and encourage the adoption of innovative practices and solutions.* He made specific reference to financial planning and asset management. The Request for Application documentation subsequently issued by the Department of Infrastructure, Transport, Regional Development and Local Government (DITRDLG) added that the Centre should assist local government to achieve a leading role in policy debates, a nationally coordinated approach to training and development, and to become an employer of choice.

## 1.2 Operating Environment and Challenges

There are currently around 560 local governments across Australia, ranging from small remote communities and rural shires with small populations scattered over vast areas, to large, densely populated metropolitan cities. These local councils are divided into seven State and Territory systems. Australian local government is thus extremely diverse in terms of both the size and characteristics of local government areas as well as legislation, functions and political culture. Nevertheless, there are also many common characteristics across all seven systems and amongst the great majority of individual councils. Moreover, since the mid-1970s the federal government has played a major role in funding local governments throughout the country and in promoting national policy and program frameworks. A national Centre of Excellence can build on shared experience and objectives, whilst responding where necessary to diversity.

The next decade seems likely to be one of intense challenges for local government. A number of underlying major issues are coming to a head at a time when all governments will need to exercise considerable fiscal restraint in the aftermath of the global financial crisis. Australia appears to have weathered the crisis quite well, and in the short term local government has benefitted from a substantial injection of additional funds as part of the federal government’s economic stimulus, but policy settings will increasingly reflect the need to restore the budget surplus and repair the national balance sheet.

Critical national issues demanding attention will include:

- The financial sustainability of local government as a whole and smaller councils in particular
- The need to ensure adequate funding of local infrastructure – both new infrastructure to respond to rapid population growth and repairs and maintenance
- The impacts of an ageing population on both service needs and the local government workforce – but also the opportunities offered by a growing population of healthy, well educated and socially concerned retirees
- Climate change and environmental management

- Fragmented governance of Australia’s metropolitan areas and major cities
- Housing affordability and social inclusion
- Closing the wellbeing gap between Indigenous and other Australians
- Regional economic development
- National productivity.

To contribute effectively to national agendas and to address its own sector challenges, local government needs to improve the way it works and to position itself effectively in a changing federal system. This will require, among other things:

- A greater and more widespread understanding of key policy issues
- A willingness to embrace new responses to changing agendas
- An appreciation that 21<sup>st</sup> Century local government is much more than just service delivery
- Improved strategic management and political governance
- Innovative approaches that enable councils to achieve better results with available resources
- Concerted efforts to address gaps in workforce skills and management expertise
- Creation of a much greater depth of leadership talent that can guide the local government sector towards an enhanced position in the system of government.

There is, in short, a need for transformational reform – not imposed from above but emerging from local government’s own efforts to respond to the challenges it faces. Local government must pursue excellence by pushing the boundaries of knowledge and practice: it must meet and exceed the expectations of its constituents and partners.

### **1.3 The Consortium**

The ACELG consortium includes the largest dedicated Centre for Local Government in Australia (at UTS); the University of Canberra (UC), which for many years hosted the former Australian Centre for Local Government Studies; local government’s two largest professional institutes – Local Government Managers Australia (LGMA) and the Institute of Public Works Engineering Australia (IPWEA); and the Australia and New Zealand School of Government (ANZSOG) – a unique collaboration of Australian and New Zealand governments and universities that offers Australia’s premier public sector executive leadership program.

In addition, there are three ‘program partners’ to provide support in specialist areas and extend the consortium’s national reach: the Australian National University (ANU); Charles Darwin University (CDU); and Edith Cowan University (ECU).

The consortium also has strong links to a wide range of local government organisations across the English-speaking world, including the Commonwealth Local Government Forum, UK Improvement and Development Agency, International City County Managers Association (USA), International Federation of Municipal Engineering, and universities in the UK, Canada, USA, New Zealand and South Africa.

ACELG will be headquartered at the University of Technology, Sydney (UTS), with offices also in Melbourne and Canberra.

## 2. Strategic Framework

---

### 2.1 Vision and Mission

Our vision highlights the pursuit of excellence. It is:

***World-class local government to meet the emerging challenges of 21<sup>st</sup> century Australia.***

**At the end of its initial five years, the Centre will have brought about enduring improvements in local government's capacity and performance.**

To achieve this vision, the Centre's **mission** is to provide:

- A national network and framework within which local government organisations, government agencies, academic institutions, training bodies and other key stakeholders can collaborate in areas of mutual interest
- Research and development capacity to support policy formulation, drive innovation and help address the challenges facing local government
- Leadership in promoting informed debate on key policy issues
- A clearing house for the exchange of information and ideas, identifying, showcasing and promoting innovation and best practice in local government
- Inputs to capacity building programs across the local government sector, with an initial emphasis on long term financial sustainability and asset management
- Workforce development initiatives including education, training and skills development for both staff **and** elected members
- Leadership development programs for both senior and emerging leaders
- A specialist focus on the particular needs of local government in rural and remote areas, including Indigenous local governance.

We have applied the following **guiding principles** for the Centre's role:

- 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 seek 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.

## 2.2 Governance

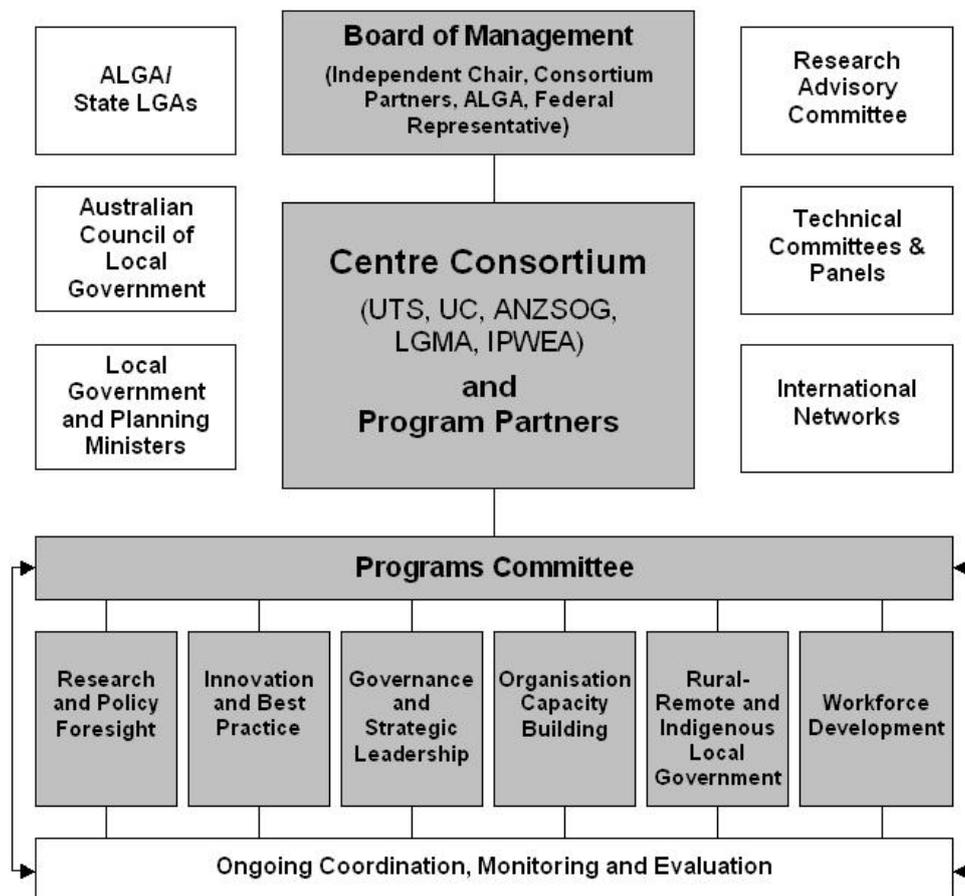
To give effect to the guiding principles set out above, ACELG will operate within the governance framework shown in Figure 1. The aim is to position the Centre as an integral part of the local government network, with effective working links to key national bodies and other stakeholders, so that it can draw on – and add to – the collective expertise and experience of the local government sector and its major partners.

Important features are as follows:

- A small, manageable core consortium, supported by specialist program partners
- A Board of Management including an independent chair and representatives of the Australian Local Government Association (ALGA) and the Federal Minister
- Reporting channels and accountability and working links to the Australian Council of Local Government (ACLG), Local Government and Planning Ministers Council (LGPMC), and Local Government Associations (LGAs).
- Specialist inputs from advisory committees, technical panels and international partners
- Ongoing evaluation of the Centre’s programs and achievements to identify emerging issues and needs, and to ensure continuous improvement.

Key elements of the governance framework will be codified in a Collaboration Agreement between consortium members.

**Figure 1: Governance and Program Framework**



## 2.3 Board of Management, Director and Programs Committee

The primary role of the Board of Management will be to ensure the good governance of the Centre and that it operates in accordance with this Project Plan. The Board will appoint a Centre Director who will manage the core secretariat group at UTS, coordinate program activities and exercise financial control.

The Director will also work with a Programs Committee chaired by a Board member and comprising relevant officers of each of the consortium and program partners. The Programs Committee will plan, monitor and evaluate activities in each of the six program areas, and report to the Board at least every six months on progress and any issues or concerns arising.

### Board Membership 2010

Hon Margaret Reynolds	Chairperson
Prof Attila Brungs	University of Technology, Sydney
Prof John H Howard	University of Canberra (chair of Programs Committee)
Mr Peter Allen	Australia and New Zealand School of Government
Ms Penny Holloway	Local Government Managers Australia
Mr John Truman	Institute of Public Works Engineering Australia
Ms Stephanie Foster	Department of Infrastructure, Transport, Regional Development and Local Government
Cllr Geoff Lake	Australian Local Government Association

## 2.4 Program Areas

As shown in Figure 1, the consortium features a framework of six program areas. These are:

- Research and Policy Foresight
- Innovation and Best Practice
- Governance and Strategic Leadership
- Organisation Capacity Building
- Rural-Remote and Indigenous Local Government
- Workforce Development.

The programs reflect a practice-oriented approach to the major challenges and areas of potential advancement within Australian local government. They flow logically from research and policy development, through identification and dissemination of innovation and best practice, to on-the-ground improvement via strategic leadership, organisation capacity building and workforce development. The Centre will also give special attention to the capacity building needs of small rural-remote and Indigenous local governments.

## 2.5 Consultation and Communications

A substantial part of the Centre's first year of operations will be occupied with extensive consultations across the local government sector and with other key stakeholders in order to ensure that programs are soundly based and reflect agreed issues and priorities.

Throughout its subsequent operations the Centre will seek to maximise consultation and communications with its stakeholders in the following ways:

- Establishment of a Centre of Excellence network of websites for dissemination of information to the local government sector, building on the resources and facilities of consortium and program partners
- Development of an online Innovation and Knowledge Exchange Network for open access across the local government sector and amongst its key stakeholders
- Direct industry access via practitioner partners' existing networks, memberships and communications infrastructure (eg. newsletters, journals, websites – including related commercial media)
- Convening periodic search conferences and ideas forums for the local government sector and key stakeholders
- Courses and other learning programs in all States and Territories offered by a wide range of partner organisations and universities, including the ANZSOG network and Charles Darwin University, Edith Cowan University, and the Australian National University. This will include delivery in rural regions.

## **2.6 Critical Success Factors**

Critical success factors for the Centre will include:

- Delivering agreed outputs and outcomes in order to achieve excellence and bring about necessary transformational change
- Effective engagement with all key stakeholders, and consistently applying the guiding principles set out in section 2.1 above
- Building a valuable knowledge base and offering valued expertise
- Focusing on new ways of thinking and working and emerging agendas, rather than revisiting old debates
- Making good use of international networks as a source of fresh ideas and comparative experience
- Exercising real influence in terms of future directions for local governance
- Putting in place a sustainable operation beyond the initial 5-year funding agreement.

### 3. Implementation and Budget

#### 3.1 Staging of Implementation

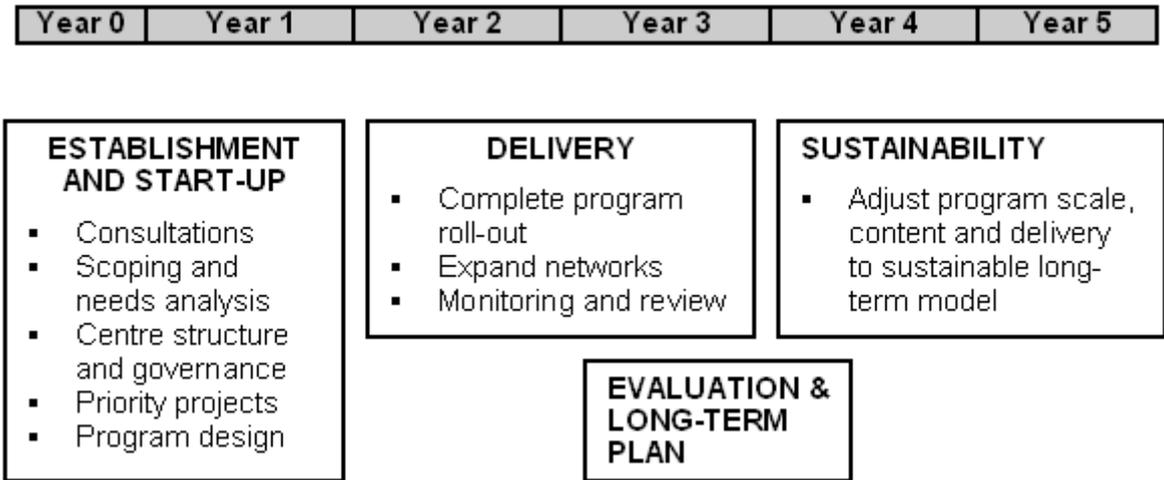
Figure 2 summarises the consortium’s implementation strategy. This is designed on the basis of the key program areas identified in Figure 1, which are described in detail in section 4. Operation of the Centre over the first five years will be in three phases:

- **Phase 1** (Years 0-1) covers the Centre’s establishment and initial operations over the first 12-18 months. This will focus on background research and data collection, liaison with stakeholders, and launching priority activities under each key program area.
- **Phase 2** (Years 2-3) represents the peak working phase of the Centre, during which a wide range of programs will be rolled out in order to bring about a substantial and lasting boost to local government capability and effectiveness. A major review will be conducted at the end of this phase.
- **Phase 3** (Years 4-5) would involve bedding down sustainable longer term operations at either the higher or lower level.

Towards the end of Phase 2 (late in Year 3), a major evaluation of the Centre’s progress will be conducted. Membership, terms of reference, reporting arrangements and timing will be determined by the Minister. From the consortium’s perspective, the review would need to include consideration of:

- What has been achieved, what adjustments need to be made and what longer-term plans should be put in place
- The local government sector’s willingness to support ongoing operations, **either** at a modest level that can be resourced along similar lines to the Centre’s current operation, **or** at a substantially higher level, perhaps along the lines of the UK Local Government Improvement and Development Agency (IDeA).

**Figure 2: Implementation Stages**



## 3.2 Budget

The proposed budget is set out in Table 1. It is based on the following approach:

- The Centre's own activities will be relatively limited: mostly it will seek to **invest** in and operate through the established programs of the Consortium members and program partners
- A build-up of activity over Years 0-3, followed by consolidation and implementation of a sustainable long term model (unless support is generated for a larger ongoing organisation as discussed in section 1.6)
- Retention of about \$2m in invested capital from the endowment to support operations beyond Year 5
- Matching of that income stream with ongoing in-kind contributions by the consortium members and program partners; subscriptions paid by local councils; research grants; fee income etc to generate long term sustainable revenues.

### 3.2.1 Investment Strategy

A grant of \$8million has been received as a single payment from the Federal Government. This allows the Centre to invest substantial funds on a rolling basis providing a specific release of revenue each year to contribute to program delivery.

As the lead organisation, the University of Technology, Sydney (UTS) will be responsible for the management of the financial and investment plans of the Centre. Accordingly, the endowment payment will be invested in accordance with the UTS investment strategy. This adopts a conservative approach. Funds are invested predominantly in term deposits, with the yearly draw-down requirement placed in a cash management arrangement. UTS will not charge any service fee.

Within the budget presented below interest has been calculated on the basis of an average 4.25% in 2009; 5.2% in 2010 and 5.5% pa thereafter. If low-risk opportunities arise to secure a higher rate of return, they will be adopted.

### 3.2.2 Income

As shown in Table 1, the consortium has adopted an ambitious yet achievable program for the Centre. It estimates that the total establishment and operating costs for the Centre over 5.5 years will be around \$22m. This will be funded by drawing down \$6m from the endowment; \$2.3m in cash contributions and \$10.46m in kind from consortium members; \$1.28m in interest; and \$2.2m from a range of other sources (research grants, consultancy fees, subscriptions etc).

The calculation of in-kind contributions is limited at this stage to the core consortium members. It is envisaged that further – or alternative – contributions will be made by program partners and others as the Centre's operations expand.

In years 4 and 5, as the Centre moves toward a sustainable model, it is anticipated that it will have developed a relevant and significant reputation as an organisation that can deliver quality services to help meet the critical challenges facing local government. This would justify a

subscription model, which could contribute approximately \$0.8m over the final two years and additional sums thereafter, underpinning continued operations.

### 3.2.3 Expenditure

The expenditure of the Centre has been divided into two broad areas: core staff and secretariat expenses, and program development and delivery.

Expenditure on the core secretariat will be kept to around a quarter of cash outlays. However, the secretariat will make substantial contributions of staff time, especially that of the Director and a research officer/fellow, to a number of program activities. Other core staff will include an Assistant Director to co-ordinate operations, a project officer responsible for program support and communications, and part-time administrative support. Office facilities are being provided by UTS as a component of its in-kind contribution.

As detailed in Table 2, program development and delivery will be funded from a pool of \$8.1m in cash plus considerable in-kind contributions. This Project Plan sets out a broad division of activities into the six program areas: priorities will be adjusted in light of experience and further consultation. Annual Action Plans and detailed budgets will be prepared for each program as a basis for expenditure control (see section 4).

Program management will be devolved to the relevant consortium members and program partners. Funding allocations are intended to cover both program operations and any additional staff required. Again, management costs will be kept to a minimum to ensure that as much funding as possible is available for specific projects and services, and considerable in-kind support – including office facilities and senior-level academic and professional inputs – will be provided by consortium members and program partners.

**Table 1: Budget Summary**

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Cash Revenue \$000</b>							
<b>Principal</b>	<b>8000</b>	<b>7570</b>	<b>6235</b>	<b>4985</b>	<b>3790</b>	<b>2850</b>	
Interest	160	340	300	220	155	105	1280
UTS		300	300	300	300	300	1500
UC		100	100	100	100	100	500
ANZSOG		20	20	20	20	20	100
IPWEA		20	20	20	20	20	100
LGMA		20	20	20	20	20	100
Other Income		50	200	450	700	800	2200
<b>Total Income</b>	<b>8160</b>	<b>8360</b>	<b>7195</b>	<b>6115</b>	<b>5105</b>	<b>4215</b>	
<b>Cash Expenditure \$000</b>							
Core Staff	145	550	580	610	640	670	3200
Secretariat Expenses	45	75	80	85	90	95	455
Programs	400	1550	1550	1625	1525	1450	8100
<b>Total Expenditure</b>	<b>590</b>	<b>2175</b>	<b>2210</b>	<b>2320</b>	<b>2255</b>	<b>2215</b>	<b>11755</b>
Drawdown of Principal	430	1335	1250	1195	940	850	<b>6000</b>
<b>Cash Balance</b>	<b>7570</b>	<b>6235</b>	<b>4985</b>	<b>3790</b>	<b>2850</b>	<b>2000</b>	
<b>In-kind Contributions and Expenditure \$000</b>							
UTS		850	850	850	850	850	4250
UC/ANZSOG		798	798	798	798	798	3990
IPWEA		222	222	222	222	222	1110
LGMA		222	222	222	222	222	1110
<b>Total</b>							<b>10460</b>

**Table 2: Programs Budget**

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Research and Policy</b>			200	250 (100)	250 (150)	250 (150)	250 (150)	<b>1200 (550)</b>
<b>Innovation and Best Practice</b>	Knowledge Exchange	100	200 (100)	250 (100)	250 (100)	250 (100)	200 (100)	<b>1250 (500)</b>
<b>Governance and Leadership</b>	ANZSOG	75	225 (20)	50 (20)	50 (20)	50 (20)	50 (20)	<b>500 (100)</b>
	Emerging Leaders		75	100 (50)	100 (50)	75 (50)		<b>350 (150)</b>
	Other		50	100	100 (50)	150 (100)	150 (100)	<b>550 (250)</b>
<b>Organisation Capacity Building</b>	Financial & Asset Management	125	250 (20)	250 (20)	225 (20)	200 (20)	200 (120)	<b>1250 (200)</b>
	Other		100 (50)	100 (50)	150 (100)	150 (100)	150 (100)	<b>650 (400)</b>
<b>Rural, Remote, Indigenous</b>			150	150	150			<b>450</b>
<b>Workforce Development</b>	Practice Unit	100	200 (20)	200 (20)	200 (20)	250 (220)	250 (220)	<b>1200 (500)</b>
	Course Dev't		100	100	150 (100)	150 (100)	200 (150)	<b>700 (350)</b>
<b>Total</b>		<b>400</b>	<b>1550</b>	<b>1550</b>	<b>1625</b>	<b>1525</b>	<b>1450</b>	<b>8100 (3000)</b>
Consortium Partners*			160	160	160	160	160	<b>800</b>
Subscriptions						300	500	<b>800</b>
Other Sources			50	200	450	400	300	<b>1400</b>
<b>Total Other Income</b>			<b>210</b>	<b>360</b>	<b>610</b>	<b>910</b>	<b>1010</b>	<b>3000</b>

Figures in brackets indicate the amount of the total funding to be provided from sources other than the Commonwealth endowment and interest earned ie partner contributions and other income (grants, fees, subscriptions etc)

\*UTS contribution of \$300K pa allocated to core staff and secretariat expenses (see Table 1) and not shown here

### 3.3 Sustainability

The underlying sustainability of the Centre under this model derives from the guaranteed continuing operations of the consortium members, all of which are sustainable in their own right and able to make an ongoing contribution. There is no need for the Centre per se to become a large, self-sustaining entity: to do so it would almost certainly have to enter into competition with existing providers and this would be contrary to the operating principles set out in Section 2.

However, if the local government sector, perhaps in collaboration with the federal government, decided at the end of Year 3 to support a major new capacity building organisation along the lines of the UK Improvement and Development Agency, the approach outlined above would be modified accordingly.

### 3.4 Risk Management

The main areas of risk that might be associated with the Centre are addressed briefly below.

Area of Risk	Management
Unforeseen changes in the policy environment eg on the part of the government	Centre's governance structure provides close engagement with key government agencies at State and federal levels
Disruptions within local government sector due to changes in policy and/or personnel (elected members or senior management) – limiting scope for implementation of programs and best practice	Centre will establish wide-ranging networks across the sector, drawing on consortium partners' established links, and will also engage closely through governance arrangements with local government associations
Lack of effective cooperation from key stakeholders – some may seek to compete with the Centre	Centre will be positioned as essentially non-competitive and will promote collaborative effort. Governance will be highly consultative.

Lack of uptake of Centre programs, advice etc	Federal funds will be used to ensure that Centre's programs are high quality and soundly based on research. Centre will put major effort into communications and promotion.
Under-performing investments	UTS will adopt a conservative approach and has a sound track record
Reduced support from partners	Consortium members have made firm commitments that are within their demonstrated capacity. Range of partners means that responsibilities can be re-allocated if necessary.

## 4. Program Delivery

---

Sections 4.1 to 4.6 provide a brief overview of the intended content and approach under each of the six program areas. Details of program components, outputs, outcomes and milestones for Years 0-3 are then presented in Table 4. It is too early to set out detailed proposals for Years 4-5, and in any event it is envisaged that the program for those years will be subject to the outcomes of the comprehensive review of ACELG in the latter half of Year 3. However, preliminary proposals for those years will be included in later iterations of this Project Plan.

As noted previously, two of the key principles for the effective delivery of the Centre's programs and services are:

- Identify and build on existing networks, programs and services to ensure efficiency in the Centre's activities and operations and avoid duplication.
- Identify and address gaps in existing networks, programs and services to ensure that the Centre's activities and operations are targeted, effective and responsive to the needs of local government.

These principles reflect a recognition that there is a host of existing avenues and opportunities for the delivery of programs and services to local government. The consortium's ability to fulfil the vision for the Centre of Excellence will depend on the development of a strong evidence base for determining the Centre's activities; the establishment of good relationships and active collaboration with other service providers; and the identification and *dissemination to those providers* of new and innovative models for service and program delivery on a non-competitive basis.

To complement the framework set out in Table 4, the Centre will adopt annual Action Plans and detailed budgets for each program. These will be prepared by the lead partner/s for each program, assessed by the Programs Committee, and presented to the Board for formal adoption.

### 4.1 Research and Policy Foresight

This program will have two main objectives:

- To provide a strong evidence base to underpin the work of the Centre and to identify and explore issues facing local government that warrant further research
- To support local government in policy development.

The first stream will focus on new areas of research and policy development to address gaps in the evidence base for the Centre's activities, and for the advancement of local government nationally. Research initiatives in this stream will underpin the Centre's policy and program initiatives and will support other research efforts undertaken by governments in partnership with industry and research organisations. These will assist in offering practical responses to current and future challenges.

The second stream will draw on existing research and policy initiatives at a national and international level in fields relevant to local government. It will provide local government with insights into current and emerging issues, and establish an effective foundation to

promote informed national discussion and debate, and to present a distinctive local government view.

The Centre will thus seek to:

- Act as a lead agency in *facilitating and informing* debate on current and emerging challenges for local government
- Provide further research and technical support to develop effective responses to those challenges.

The consortium strongly endorses the need to enhance local government's capacity in this area. As the Australian federation evolves, notably through the establishment and/or further development of a range of intergovernmental institutions and mechanisms, local government must be in a position to play a constructive role in informing and addressing national agendas – such as those set out by COAG. Currently it is poorly resourced to do so. It is clear, therefore, that the Centre should be available to assist the Australian Local Government Association and the Australian Council of Local Government in articulating local government's policy positions.

Through a partnership with these organisations, the Centre can be highly effective in generating discussion and debate of current and emerging issues for local government, and in exploring options to successfully address these challenges involved.

The Centre can also facilitate debate through its own programs and communication channels, including conference and seminar presentations by key personnel and mainstream media attention. It is also intended that the Centre would develop appropriate resources, such as its website and a periodic newsletter or bulletin, to better inform the local government sector and other interested parties about the nature of emerging issues and challenges.

## **4.2 Innovation and Best Practice**

Most organisations see innovation as a way to increase efficiency and productivity, often by using new methods and technologies to improve service delivery, work processes, and management practices. However, innovation is also concerned with transforming organisations and the way they interact with their constituencies – to fundamentally change the way in which resources available are used to deliver results.

The Centre will progressively identify achievements and best practice across all key areas of local government activity, both within Australia and overseas. This work will focus on developing a clearer understanding of the practices, strategies, attributes and behaviours that characterise innovative local governments and identify the specific supports, initiatives and actions that need to be undertaken to deliver innovation outcomes.

Prior work will be referenced, including work funded under the former Local Government Development Program (LGDP) and by State/Territory local government departments. In addition, new case studies will be undertaken covering the dimensions of innovation identified above and in differing contexts (metropolitan, regional, rural, remote). *Best Practice Guides* will be prepared from this material for dissemination to councils and for use as a teaching and learning resource in other Centre programs.

This program will also support the operation of an *Information and Knowledge Exchange Network* to be developed during the first full year of the Centre's operations. The network will

be based on the principles of knowledge management and knowledge transfer, and will involve the following attributes: referencing (an electronic ‘library’ of resources relating to innovation and best practice in local government); translation (creating meaningful information for end users—often from research results); publication (electronic access to monographs, papers, reports, guides, multimedia); and transmission and brokerage (direct communication with secondary providers and end users). A specialist will be appointed to manage the Network.

### **4.3 Governance and Strategic Leadership**

Issues of governance and strategic leadership are critical areas for attention in both the administrative and elected arms of local government nationally, and the Centre will give priority to improving performance in these fields. It will source and seek where necessary to improve existing training and education programs, and will also develop appropriate new programs to provide local government with a comprehensive array of opportunities for skills development. The primary objective of these programs will be to foster an understanding of the paramount importance of strong strategic leadership and good governance practices and to build the capacity of local government to develop and adopt consistent and high standards in leadership and governance.

In its early stages, the Centre will develop and deliver two major national programs:

- A leadership excellence program for senior managers *and* elected members to be offered through the ANZSOG network in parallel with similar programs offered to federal and state officials
- An emerging leaders program to be managed by LGMA and UTS, and networked nationally, that will build on current initiatives such as the Management Challenge, and programs already offered by LGMA State Divisions and Local Government Associations.

The Centre will also undertake specific projects in the field of governance, for example examination of alternative approaches to business excellence, and options for greater use of arms-length entities in service delivery. Another key area of activity will be support for efforts to increase women’s participation in local government, amongst both councillors and senior managers.

### **4.4 Organisation Capacity Building**

A principal aim of the Centre will be to build the capacity of local government to work as an effective partner in the Australian system of government. Over the initial 5 years of operations, this will require initiatives across a wide range of national agendas.

The Centre’s early focus will be on the two most pressing issues currently faced by local government nationally, these being the planning, maintenance and renewal of public assets and infrastructure, and the long term financial sustainability of local councils. In this regard, the program will draw heavily on the expertise, experience and participation of practitioner partners to provide national guidance in identifying, developing and promoting the adoption of successful models of asset management and financial planning.

Local government thrives on practical tools, case studies examples and guidance. It has, however, suffered from difficulties in developing and implementing coordinated national programs. The Centre will seek to consolidate national approaches in priority areas – and

deliver programs using practical workshops, tools, guidelines, online models and templates in partnership with the sector. It will also support strong communities of practice, networking peers and experts in the process of capacity building. These communities will also provide the practitioner reference for further enhancement and ongoing development of the programs.

In later years this program will extend across other fields such as climate change, sustainability and environmental management, social inclusion and community development, urban planning and governance, economic development etc. There will be a structured approach to identifying and pursuing new priority areas, including convening technical advisory panels.

#### **4.5 Rural-Remote and Indigenous Local Government**

Small rural-remote and Indigenous councils operate in a different context to urban and provincial councils. They are typically resource-poor and highly dependent on grants. They experience severe difficulties in attracting and retaining staff. Often the key issue is not so much one of improvement, as of establishing and maintaining basic capacity in the first instance.

At the same time, their communities look to councils to ensure that adequate health services (particularly primary health care), education (including tertiary education), transport, and arts, cultural and recreational facilities are provided. They expect local government not only to be a competent service provider, but also to be an advocate, facilitator and partner in service delivery by Commonwealth and State/Territory governments.

The Rural-Remote and Indigenous program will initially seek to identify those areas in which the Centre can most usefully assist these councils, and the best means of providing assistance. An important area for research and policy development, building on recent studies into the financial sustainability of councils, will be to consider what other policy interventions by federal and State governments are needed to complement any assistance the Centre may be able to provide.

The program will involve scoping studies and developing case examples drawn from both previous and contemporary studies, and sharing of information and 'lessons learned' through the Information and Knowledge Exchange Network to be developed under Program 2.

In terms of delivery of education and training to remote councils, it cannot simply be assumed that extensive online provision of information and/or distance education programs, are the best options. Early in its operations the Centre will undertake a major project to determine the most effective and appropriate methods for delivery of learning programs to the local government sector, particularly in rural and remote regions. Anecdotal evidence suggests that in many cases distance education may not be preferred or most effective means of delivery. A lack of uptake of such services would amount to inefficiencies and wastage of the Centre's and partners' resources. Other delivery models including block learning programs and selective regional delivery need to be considered.

#### **4.6 Workforce Development**

Technological and demographic changes in Australian society are dramatically changing the national workforce and this is particularly evident in local government. A key issue is the skills shortage threatening a number of areas of local government activity. However, the need

for workforce development is much broader than that: continuous improvement and adaptation to change is essential for effective service delivery and to enable local government to respond to emerging challenges.

The Centre will address two key factors in implementing its Workforce Development program:

- Local government is an employment and economic driver that delivers key social, environmental and economic services to communities across Australia.
- To be effective, local government requires a skilled workforce and must compete effectively with other governments and the private sector to attract and retain suitable staff.

The Centre will therefore support a wide range of activities to enhance skills, employment diversity (including gender and age equity) and career paths; facilitate provision of professional development opportunities; improve the public image of local government; and showcase the sector as an employer of choice. In so doing, the Centre will build on the previous work of the LGMA-convened Workforce Development Committee, Government Skills Australia and established providers of education and training. It will only deliver programs itself where there are gaps in provision that cannot readily be addressed in other ways.

**Table 4**

**Program 1: Research and Policy Foresight**

**Objective: To support evidence-based policy formulation, promote informed debate on key policy issues and help address major challenges facing local government**

Component and Lead Partner/s	5-year Outputs and Outcomes	Activities and Milestones		
		Years 0- 1	Year 2	Year 3
Coordinate, commission and/or undertake research projects to address key issues <b>(UC)</b>	<ul style="list-style-type: none"> <li>▪ Broad dissemination of research studies and papers that support evidence based and effective policy formulation and implementation</li> <li>▪ Well-supported seminar program</li> <li>▪ ACELG seen as valued source of research and policy advice</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prepare research strategy discussion paper and convene forum/s to identify gaps/priorities</li> <li>▪ Establish Research Committee</li> <li>▪ Formulate program for Years 1-3</li> <li>▪ Initiate Phase 1 research projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete Phase 1 projects and disseminate results through research digests, occasional papers and seminars</li> <li>▪ Establish research monitoring and evaluation systems</li> <li>▪ Launch Phase 2 projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete Phase 2 projects and disseminate results through research digests, occasional papers and seminars</li> <li>▪ Launch Phase 3 projects</li> </ul>
Provide research-based policy support to ACLG, LGPMC, ALGA, DITRDLG, <b>(UTS/UC)</b>	<ul style="list-style-type: none"> <li>▪ Better informed policy proposals and debate</li> <li>▪ Research findings demonstrably translated into practice</li> <li>▪ Positive feedback from stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consult on key policy/research needs and establish frameworks for collaboration</li> <li>▪ Provide specific policy inputs as required (within resources)</li> <li>▪ Convene seminars and roundtables to explore key issues and promote policy debate</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain regular consultations with key stakeholders</li> <li>▪ Provide specific policy inputs as required (within available resources)</li> <li>▪ Convene seminars and roundtables to explore key issues and promote policy debate</li> </ul>	<ul style="list-style-type: none"> <li>▪ As for Year 2</li> </ul>

**Program 2: Innovation and Best Practice**

**Objective: To promote exchange of information and ideas, and to identify, showcase and disseminate innovation and best practice in local government**

Component and Lead Partner/s	5-year Outputs and Outcomes	Activities and Milestones		
		Years 0- 1	Year 2	Year 3
Prioritise sector needs and establish and operate Innovation and Knowledge Exchange Network (UC)	<ul style="list-style-type: none"> <li>▪ Fully operational IKEN with regularly updated content that provides an adequate data base to facilitate innovation across key areas of local government activity</li> <li>▪ High level utilisation of Exchange database and free flow of information and ideas across sector</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consult practitioners and stakeholders to prioritise sector needs and interests</li> <li>▪ Determine most effective methods to fill gaps and source knowledge bases for IKEN</li> <li>▪ Establish website and populate with information and best practice examples</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to populate, monitor and update IKEN as required</li> <li>▪ Develop 'broker' and 'translation' roles</li> <li>▪ Ongoing consultation to update needs and priorities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain and expand IKEN (within available resources)</li> <li>▪ Seek regular feedback on effectiveness and adjust as required</li> </ul>
Showcase successful models and examples of best practice (UC)	<ul style="list-style-type: none"> <li>▪ Documentation and dissemination of a wide range of examples of innovation and best practice</li> <li>▪ Increased sector participation in showcasing and awards programs</li> <li>▪ Increased sector uptake of innovation and best practice</li> </ul>	<ul style="list-style-type: none"> <li>▪ Undertake and publish case studies of best practice models in key areas</li> <li>▪ Establish peer review mechanism to validate best practice examples</li> <li>▪ Assist practitioners to showcase best practice</li> <li>▪ Link to national awards programs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prepare further case studies</li> <li>▪ Assist practitioners to showcase best practice models</li> <li>▪ Maintain links with national awards programs</li> </ul>	<ul style="list-style-type: none"> <li>▪ As for Year 2</li> </ul>
Instigate practice-based innovation pilot programs (UC)	Implementation of a series of pilot programs focused on specific areas of service delivery	<ul style="list-style-type: none"> <li>▪ Determine key area/s of deficiency/need</li> <li>▪ Establish partnerships with interested organisations</li> <li>▪ Secure support for and implement at least one pilot program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Secure support for and implement at least one pilot program</li> </ul>	<ul style="list-style-type: none"> <li>▪ As for Year 2</li> </ul>

**Program 3: Governance and Strategic Leadership**

**Objective: To increase understanding of effective strategic leadership, and to build the capacity of local government to achieve consistently high standards in leadership and governance.**

Component and Lead Partner/s	5-year Outputs and Outcomes	Activities and Milestones		
		Years 0- 1	Year 2	Year 3
Develop and deliver a prestigious national executive governance and leadership program for senior managers and elected members, benchmarked against leading Australian and international practice <b>(ANZSOG)</b>	<ul style="list-style-type: none"> <li>▪ Ongoing annual delivery of a self-funding program</li> <li>▪ Improved understanding of the need for excellence in strategic leadership and management</li> <li>▪ Positive feedback and strengthening of sector leadership</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish Steering Committee, International Reference Group and Program Design Group</li> <li>▪ Conduct extensive consultations as and complete program design</li> <li>▪ Hold first program in late 2010</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete evaluation report</li> <li>▪ Review and adjust program as required</li> <li>▪ Hold further program</li> </ul>	<ul style="list-style-type: none"> <li>▪ As for Year 2</li> </ul>
Develop and deliver a national emerging leaders program for middle managers <b>(LGMA/UTS)</b>	<ul style="list-style-type: none"> <li>▪ Ongoing annual delivery of self-funding programs</li> <li>▪ Emergence of a future generation of leaders in local government committed to the pursuit of excellence</li> </ul>	<ul style="list-style-type: none"> <li>▪ Upgrade and re-position LGMA Management Challenge</li> <li>▪ Consult with sector to design nationally - networked Emerging Leaders and Graduate Certificate (see Program 6)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Evaluate and further upgrade Management Challenge</li> <li>▪ Launch the Emerging Leaders program and Graduate Certificate</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain upgraded Management Challenge</li> <li>▪ Review and maintain the Emerging Leaders program and Graduate Certificate</li> </ul>
Identify and address specific governance issues <b>(UTS)</b>	<ul style="list-style-type: none"> <li>▪ Completion of a series of studies, workshops, seminars etc that explore issues in leadership and governance and provide clear directions for improvement</li> <li>▪ Issues are clearly articulated and practitioners have access to a range of useful resources to support better governance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Review existing frameworks for business excellence in local government and determine future needs</li> <li>▪ Scope a range of models for enhanced strategic leadership and local governance</li> <li>▪ Assemble data base on women in local government and support initiatives to enhance women's participation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Upgrade/promote frameworks for local government excellence</li> <li>▪ Promote debate on alternative approaches to strategic leadership and better governance</li> <li>▪ Identify other key issues and undertake further projects as required</li> <li>▪ Disseminate findings and hold discussions on ways forward</li> <li>▪ Maintain data base and support as required for enhanced women's participation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify other key issues and undertake further projects as required</li> <li>▪ Disseminate findings and hold discussions on ways forward</li> <li>▪ Maintain data base and support as required for enhanced women's participation</li> </ul>

## Program 4: Organisation Capacity Building

**Objective: To build local government capacity in key areas of planning, management and service delivery**

Component and Lead Partner/s	5-year Outputs and Outcomes	Activities and Milestones		
		Years 0- 1	Year 2	Year 3
Identify sector capacity gaps and support development of national frameworks and standards in priority areas (IPWEA, LGMA, UTS)	<ul style="list-style-type: none"> <li>• A more consistent and better coordinated national approach to improving local government performance</li> <li>• National standards or guidelines adopted in key areas of planning, management and service delivery</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify and assemble necessary baseline data<sup>^</sup></li> <li>▪ Formulate national assessment framework for improved asset and financial management</li> <li>▪ Support implementation of federal Reform Fund</li> <li>▪ Establish working relationship with LGPJC and LGPMC</li> <li>▪ Consult widely to identify further priority areas for capacity building</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish communities of practice and peer networks in asset and financial management</li> <li>▪ Identify and address ongoing needs for data collection and information systems<sup>^</sup></li> <li>▪ Identify further priority areas and promote coordinated responses</li> <li>▪ Maintain support for implementation of federal Reform Fund</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify further priority areas and promote coordinated responses as required</li> <li>▪ Establish further communities of practice as resources permit</li> <li>▪ Maintain data collection and information systems</li> </ul>
Develop specific capacity building resources (IPWEA, LGMA, UTS)	<ul style="list-style-type: none"> <li>▪ Availability of a range of operational tools, guidelines and other capacity building resources to facilitate improved performance</li> <li>▪ Capacity building resources widely utilised and demonstrable improvement in skills</li> </ul>	<ul style="list-style-type: none"> <li>▪ Asset management for small communities<sup>^</sup></li> <li>▪ Tools and guidelines for long term financial planning<sup>^</sup></li> <li>▪ Examine impacts of climate change and responses required<sup>^</sup></li> <li>▪ Establish frameworks for regional collaboration<sup>^</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop a range of Practice Notes for integrated, long term asset and financial management</li> <li>▪ Develop further resources in response to agreed priorities as resources permit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Embed integrated asset and financial management as essential part of business</li> <li>▪ Address issues of sustainability in communities</li> <li>▪ Develop further resources in response to agreed priorities as resources permit</li> </ul>

<sup>^</sup> Subject to supplementary funding

**Program 5: Rural-Remote and Indigenous Local Government**

**Objective: To identify and address specific governance and capacity building issues facing rural, remote and Indigenous councils**

Component and Lead Partner/s	5-year Outputs and Outcomes	Activities and Milestones		
		Years 0- 1	Year 2	Year 3
Identify priority capacity building needs and feasible delivery options for small rural-remote and Indigenous local governments <b>(ANU/CDU/ECU)</b>	<ul style="list-style-type: none"> <li>▪ Accurate assessments of needs and issues</li> <li>▪ An agreed ongoing program of policy development and capacity building focused on those distinctive needs and issues</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete scoping studies of priority needs and options to deliver training and capacity building support</li> <li>▪ National roundtable to review findings and determine initial priorities</li> <li>▪ Formulate national strategy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop data system/base to inform ongoing policy and program development</li> <li>▪ Promote and undertake (subject to resources) applied research to fill information gaps and support program development</li> <li>▪ Monitor progress and update priorities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain research effort (subject to resources)</li> <li>▪ Monitor progress and update priorities</li> <li>▪ Identify funding sources and partners for ongoing program</li> </ul>
Coordinate, commission and/or deliver tailored activities to address specific issues and needs <b>(ANU/CDU/ECU)</b>	<ul style="list-style-type: none"> <li>▪ Timely and effective completion of a series of agreed activities</li> <li>▪ Good uptake of tailored programs and positive feedback</li> <li>▪ Observable improvements in capacity and governance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish reference group to plan and oversee activities and engage partners</li> <li>▪ Commence design of specific activities to respond to identified priorities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Launch pilot education and training and other capacity building activities in partnership with other providers and government agencies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to roll-out education, training and capacity building activities</li> </ul>

**Program 6: Workforce Development**

**Objective: 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’**

Component and Lead Partner/s	5-year Outputs and Outcomes	Activities and Milestones		
		Years 0- 1	Year 2	Year 3
Formulate and implement national workforce development strategy and related measures to make local government an employer of choice <b>(LGMA)</b>	<ul style="list-style-type: none"> <li>▪ Ongoing implementation of tailored programs to address workforce and skills issues, as part of a national strategy to ensure that the sector has the necessary expertise to match its responsibilities</li> <li>▪ Local government adopts ‘New Ways of Working’ and is broadly regarded as an employer of choice</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish Practice Unit and reference group</li> <li>▪ Convene third National Skills Forum</li> <li>▪ Finalise Local Government Workforce Development Blueprint linked to LGPMC’s national workforce strategy</li> <li>▪ Develop minimum national data set^</li> <li>▪ Implement Workforce Blueprint priorities to address skills gaps and other needs for enhanced expertise, and to promote ‘New Ways of Working’</li> <li>▪ Formulate Indigenous Employment Program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to implement Workforce Blueprint priorities</li> <li>▪ Maintain data set^</li> <li>▪ Develop further guidelines, tools etc</li> <li>▪ Explore linkages with broader public sector programs</li> <li>▪ Launch programs to promote local government as an employer of choice</li> <li>▪ Commence implementation of Indigenous Employment Program^</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain and expand roll-out</li> <li>▪ Maintain data set^</li> </ul>
Coordinate, commission and/or deliver training programs to address priority needs <b>(UTS)</b>	<ul style="list-style-type: none"> <li>▪ Increased availability across Australia of education and professional development programs that address workforce priorities</li> <li>▪ Programs better coordinated and delivered appropriately to different target groups</li> <li>▪ Strong positive response</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inventory of current programs to identify gaps and options for additional programs and preferred delivery modes</li> <li>▪ Survey, issues paper and consultations to determine priorities</li> <li>▪ Design new Graduate Certificate in Local Government Leadership</li> </ul>	<ul style="list-style-type: none"> <li>▪ Launch Graduate Certificate</li> <li>▪ Upgrade and adapt existing UTS graduate program in local government management for national networking</li> <li>▪ Establish partnerships and networks to develop and deliver other new/updated programs as required</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure development and delivery of new/updated programs as required</li> <li>▪ Launch networked graduate program</li> <li>▪ Maintain Graduate Certificate</li> </ul>

^ Subject to supplementary funding