

SEVENTH BOARD MEETING

Draft Minutes of Meeting held in Canberra on Friday 29 April 2011

Present

- Hon Margaret Reynolds, Chairperson
- Prof Attila Brungs, DVC Research, UTS
- Penny Holloway, Local Government Managers Australia
- John Truman, Institute of Public Works Engineering Australia
- Prof John H Howard, Pro-Vice Chancellor (Development) UC
- Peter Allen, Deputy Dean, ANZSOG
- Stephanie Foster, Deputy Secretary, DRARDLG
- Adrian Beresford-Wylie, CEO, ALGA (representing Cllr McCaffery)

In Attendance

- Prof Graham Sansom, Director ACELG
- Melissa Gibbs, Assistant Director ACELG
- Prof Ian Thynne, Charles Darwin University
- Prof Atique Islam, Edith Cowan University
- Paul Bateson, Program Coordinator, Innovation and Best Practice
- Chris Champion, CEO, IPWEA

Item 1: Welcome and Apologies

The Chairperson welcomed all those present, particularly Paul Bateson, the new Program Coordinator, Innovation and Best Practice. She also thanked the University of Canberra for its hospitality in arranging the lunch for Board members and invited guests before the meeting.

Apologies were received from Prof Attila Brungs, DVC Research, UTS; and Cllr Genia McCaffery, President, ALGA.

Item 2: Minutes of Meeting held on 10 December 2010

John Truman sought a correction to show that he did in fact attend the December meeting. He also pointed out a minor typing error.

Resolved:

That the minutes of the meeting held on 10 December 2010 be adopted as a correct record, subject to noting John Truman's attendance and the correction of the typing error.

Item 3: Matters Arising

The Board discussed at some length whether after 18 months operation ACELG was gaining traction across the local government sector and starting to achieve the level of impact necessary to secure its longer term sustainability. Key points to emerge were:

- The large number of ACELG projects that are due to come to fruition during 2011 and the opportunities that will provide to strengthen ACELG's presence
- The need to enhance ACELG's communications efforts and wherever possible to 'tailor' messages to different sectors of local government, especially given the breadth of ACELG's activities
- The need to launch the Innovation and Knowledge Exchange Network and website (IKEN) as quickly as possible, preferably at the time of the ALGA General Assembly in June
- An offer by ALGA to provide an exhibition stand for ACELG at the General Assembly at no charge
- The importance of a productive working relationship with the federal minister
- Board members' concerns about the current lack of a local government ministers' council (or something similar) to provide a national focus and sounding board for ACELG programs and products, which was a key element of the original business model
- The critical link in terms of impact between research and development activities and associated capacity building or training programs
- The possibility of appointing ACELG 'ambassadors' or 'associates' to increase ACELG's presence at conferences and other local government gatherings, and also supporting Board members to undertake such speaking engagements.

Stephanie Foster advised that discussions on the issue of a local government ministers' council were continuing and that there will certainly be opportunities for ministers to meet periodically. The Director highlighted the importance of a meeting of ministers or at least senior officials around the middle of 2011 in order to progress key national LGRF projects.

The Assistant Director tabled examples of promotional material now being produced as part of ACELG's communications efforts.

Resolved:

- **That the Director report on proposed steps to address the issues raised at the next meeting, and that the Board agenda include a standing item for discussion of progress made**
- **That ACELG accept ALGA's offer of an exhibition stand at the General Assembly with a view to launching IKEN.**

Item 4: Annual Report 2010

The Assistant Director tabled the 2010 Annual Report. She advised that it would be circulated to all councils, local government associations and other key stakeholders.

Resolved:

That the Annual Report be adopted and circulated.

Item 5: Secretariat Update

The Director reported on recent appointments and activities, including his extended visit to the UK and Europe in March. He also highlighted the large number of events planned over coming months.

Resolved:

That the information be noted.

Item 6: Report of Programs Committee (attached)

The Director tabled the report of the Committee's meeting held on 18 April.

6.1 ANZSOG Excellence in Leadership Program

Peter Allen reported that targeted marketing of the ANZSOG program had been very successful and it would definitely proceed in July and September 2011. He advised that ANZSOG had successfully re-negotiated nearly all the scholarships offered in 2010.

The Director reported that:

- UC-ANZIG has agreed to provide a scholarship, which will be used to fill the gap in scholarships for male applicants in South Australia
- The Board sub-committee had agreed that ACELG should (a) top-up WA scholarships to the same level as others (ie \$10,000 – this will cost ACELG about \$10,000); and (b) offer its own scholarship in Tasmania to fill the gap there.

The Director noted that the comparable program in the UK – the 'Leeds Castle' program – is also heavily supported by subsidies and scholarships, with a net cost about the same as the proposed ANZSOG-ACELG program. This suggests that ongoing scholarships/subsidies will be required in future years.

Board members expressed their satisfaction with the progress made.

6.2 Agreement with SAI Global

The Director advised that an agreement has been finalised with SAI Global for a review of the Australian Business Excellence Framework as it relates to local government, including background research and preparation of an implementation manual. The agreement is fully consistent with the directions set by the Board. Work is expected to be completed by the end of 2011. An initial research report is nearing completion.

6.3 Northern Australia Household Water Management Project

Further discussions have been held with the Office of Northern Australia and agreement reached on Phase 1 of the Northern Australia Household Water Management Project. This will largely be carried out by the UTS Institute for Sustainable Futures, with links to work Dr Michael Limerick is already conducting for ACELG on the role of local government in providing services to remote Indigenous communities. A Work Order has been issued under ACELG's Deed of Agreement, and Phase 1 runs until August 2011. It is expected that discussions on possible future work will commence in the near future.

6.4 Local Government Reform Fund Projects

ACELG has been funded to undertake four substantial pieces of work under the LGRF:

- Completion of the local government ministers' national workforce strategy
- Initial implementation of the strategy and compilation of an associated national data set
- A practice note on long term financial planning
- A national assessment framework for asset and financial management, again linked to development of associated data sets.

Successful completion of this work will depend on cooperation with and from states and territories, and ideally would be linked to related activities funded by LGRF. ACELG could convene one or more national roundtables to bring together key players involved in relevant LGRF-funded projects.

Board members again noted the need for a meeting of local government ministers or senior officials is to obtain state/territory sign-off on planned later stages of these projects.

6.5 Confidential Item

Item 7: Innovation and Best Practice Program Strategy

The Program Coordinator tabled a draft program strategy including both broad directions and a detailed workplan for 2011.

The Director advised that, as foreshadowed at the December meeting, it is proposed that the third component of the original program design: ‘Instigate practice-based innovation pilot programs’ has been dropped. This component is not viable under current circumstances.

The Director also advised that the Programs Committee had reviewed the draft strategy at its meeting on 18 April and whilst endorsing it in principle, wished to highlight the potentially very heavy workload on the program coordinator and hence the importance of:

- Avoiding over-promising and unrealistic expectations of IKEN
- A staged approach to strategy implementation, especially website development
- The need to share the load of IKEN website management by making use of other ACELG resources to support particular communities of practice eg IPWEA on asset management, LGMA on workforce development
- Close liaison generally with other program areas and coordinators.

It is proposed that a small steering committee (effectively a sub-committee of the Programs Committee) be established to work with the program coordinator and promote a coordinated effort. This would include Prof John Howard as chair, Prof Mark Evans, John Ravlic, Chris Champion and Melissa Gibbs.

John Howard tabled a supplementary paper proposing an innovation incentives program to improve and strengthen organisational and service delivery performance. The suggested approach is designed to achieve “excellence through innovation” and the program could complement or potentially replace the current national innovation/excellence awards which tend to duplicate a wide range of other awards programs. It could flow directly from preparation and dissemination of an innovation issues paper and video planned for the second half of 2011.

Board members welcomed the program strategy and Prof Howard’s proposal. They highlighted the importance of focusing on practical application of innovation and best practice, including peer review of case studies and examples of best practice and a significant role for professional associations in steering the program. They also agreed that alternatives to the current plethora of awards programs needed to be explored.

Resolved:

- **That Board members provide any further comments on the draft strategy directly to the Program Coordinator**
- **That authority be delegated to the Programs Committee to endorse the finalised strategy, including deletion of the original component ‘Instigate practice-based innovation pilot programs’**

- **That Prof Howard's proposal be endorsed in principle, and ACELG seek discussions with the federal department and the ALGA on ways forward.**

Item 8: Research Progress Report

The Research Program Manager presented a report on progress with:

- Preparation of research papers
- Recent and planned seminars and roundtables
- The ACELG Research Partnerships Scheme
- The establishment of a Local Government Researchers Network
- Research monitoring and peer review systems
- New members of the Research Advisory Committee.

Penny Holloway endorsed the appointment of an additional practitioner to the Research Advisory Committee.

The Director advised that the planned workshop on community visioning would have to be postponed due to the ill-health of one of the partner organisers.

Resolved:

That the information be noted.

Item 9: Program Plans and Budgets for 2011

The Director tabled finalised program plans and budgets for 2011. He reported that the direction and content of the plans are essentially the same as those presented to the Board at its December meeting, but with a number of significant amendments and additions that should be noted, particularly a number of major new projects and budget lines resulting from successful grant applications and other funding agreements.

The Director advised that further work is needed to finalise specific projects and expenditure in four key areas:

- Four research projects to be undertaken as part of the Innovation and Best Practice program using unspent 2010 funds
- Implementation projects for the Rural-Remote and Indigenous Local Government strategy – to be determined in consultation with the Reference Group
- Implementation of the Workforce Blueprint
- Implementation projects for Learning in Local Government – currently under discussion following the recent Workforce Development Forum.

A table summarising the overall budget position is attached. It shows that:

- A total of \$7.199m was carried forward from 2010, including \$6.795 of the \$8m seeding grant held by UTS. This is considerably greater than budgeted and will result in increased interest earnings in 2011
- A total of \$3.648m is planned for expenditure in 2011 – this will require a substantial increase in project management effort and \$50,000 has been made for additional project support in the secretariat.
- Even with that level of expenditure in 2011, the total carry-forward to 2012 will still be more than \$600,000 ahead of the Project Plan budget – this could facilitate a review of current program priorities and allocations under the original Project Plan.

Resolved:

- **That the Board approve the finalised programs plans and budgets for 2011**
- **That authority be delegated to the Programs Committee to approve detailed project descriptions and schedules for the Innovation and Best Practice, Rural-Remote and Indigenous Local Government, Practice Unit and Learning in Local Government programs.**

Item 10: ALGA State of Road Assets Report

The Director reported that a letter has been received from the CEO of ALGA seeking a financial partnership with ACELG to prepare an annual report on the state of local government road assets. He advised that initiative would relate to ACELG's work in asset management, and that ACELG could identify funds to partner with ALGA on a 50:50 basis for 3 years (ie contribute \$16,500 pa), provided the upfront cost of \$59,000 had already been met from other sources – perhaps LGRF.

Adrian Beresford-Wylie provided further background on ALGA's proposal. Board members were generally supportive of the concept.

Resolved:

That ACELG agree in principle to provide matching funds for 3 years up to a total of \$50,000, and support an approach by ALGA for LGRF funding for initial development costs.

Item 11: Other Business

No matters were raised.

Item 12: Future Meetings

It was agreed that the Director would liaise with Board members to finalise dates and locations.

Budget Summary

Item	2010 Budget	2010 Actual	2011 Project Plan	2011 Budget	Planned c/f to 2012	Notes
Income \$000s						
Principal c/f by UTS	7570	7635#	6235	6795		Increased c/f due to extra interest/income + underspend
Funds c/f by Partners		242		404		
Interest	340	345	300	350		\$30K owing from 2010
UTS	300	300	300	300		
UC	100	100	100	100		
ANZSOG	20	20	20	20		
IPWEA	20	20	20	20		
LGMA	20	20	20	20		
Other Income	50	240	200	1264		2010: WILG 200K; LGASA 40K 2011: see below
Total	8420	8922	7195	9273		
Expenditure \$000s						
Core Staff	550	509	580	580		All staff now in place
Secretariat Expenses	75	96	80	80		2010 inc \$22K spent on IBP
CLG Staff Support				50		Project back-up
Research and Policy	(nil)200	(40)101	(100)250	(160)398	50	(LGASA/LGNZ + matching grants + COMSEC)
Innovation & Best Practice	200	100	250	320	46	2011 expd net of 'special payment' by UC to offset some 2010 costs
Governance and Leadership						
• ANZSOG	225	180*	50	119	25	
• Emerging Leaders	75	50	(50)100	(40)100	15	(Mgt Ch – LGMA)
• Governance Imp	50	50	100	(62)162		(SAI Global)
• Women in LG	nil	(200)79	nil	(200)275	46	(ALGWA; data project, ANZSOG scholarships)
Organisation Capacity Building						
• Financial/Asset Mgt	250	264	250	(377)601	137	(LGRF – LTFP + NAF)
• Other	(50)100	nil	(50)100	(225)195	80	(LGRF – Data sets)
Rural-Remote and Indigenous LG	150	73*	150	(150)341	35	(Northern Australia Water)
Workforce Development						
• Practice Unit	200	120*	200	(50)327	25	(LGRF – Workforce strategy)
• Course Dev't	100	100	100	100		
Total	2175	1722	2210	3648		
Drawdown of Principal	1325	840	1250	1403		
Balance c/f by UTS	6245	6795	4985	5392		
Funds c/f by Partners		404		233		
# Adjusted to allow for 2010 income actually received in 2009 and delayed program payment to ANZSOG						
* Net of minor income items						
2011 Other Income: LGRF 'data' projects \$652K; Northern Australia \$150K; Women in Local Government \$200K (inc ALGWA, Data, ANZSOG scholarships); Research grants \$120K; SAI Global \$62K; LGMA Mgt Challenge \$40K; LGASA/LGNZ Consolidation \$40K						