



# A Capacity Building Strategy for Rural-Remote and Indigenous Local Government

March 2011

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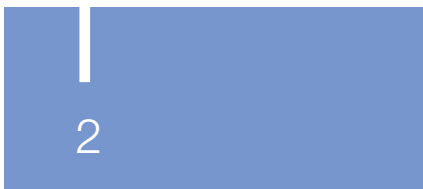
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An Australian Government Initiative

Prepared for ACELG by Dr Robyn Morris, Edith Cowan University

Australian Centre of Excellence for Local Government  
 PO Box 123 Broadway NSW 2007  
 Tel: + 61 2 9514 3855  
 acelg@acelg.org.au | www.acelg.org.au



# Acronyms

|                 |                                                                                 |
|-----------------|---------------------------------------------------------------------------------|
| <b>ACELG</b>    | Australian Centre of Excellence for Local Government                            |
| <b>ALGA</b>     | Australian Local Government Association                                         |
| <b>ALT</b>      | Aboriginal Lands Trust                                                          |
| <b>CDU</b>      | Charles Darwin University                                                       |
| <b>CEO</b>      | Chief Executive Officer                                                         |
| <b>COAG</b>     | Council of Australian Governments                                               |
| <b>DEEWR</b>    | Department of Education, Employment and Workplace Relations                     |
| <b>ECU</b>      | Edith Cowan University                                                          |
| <b>FaHCSIA</b>  | Department of Families, Housing, Community Services and Indigenous Affairs      |
| <b>FAGs</b>     | Financial Assistance Grants                                                     |
| <b>GEWDA</b>    | Goldfields-Esperance Workforce Development Alliance                             |
| <b>IBSA</b>     | Innovation and Business Skills Australia                                        |
| <b>IPWEA</b>    | Institute of Public Works and Engineers Australia                               |
| <b>LGANT</b>    | Local Government Association of the Northern Territory                          |
| <b>LGASA</b>    | Local Government Association of South Australia                                 |
| <b>LGAQ</b>     | Local Government Association of Queensland                                      |
| <b>LGMA</b>     | Local Government Managers Association                                           |
| <b>LGNZ</b>     | Local Government New Zealand                                                    |
| <b>LGPMC</b>    | Local Government and Planning Ministers' Council                                |
| <b>LGRF</b>     | Local Government Reform Fund                                                    |
| <b>NGO</b>      | Non-government Organisation                                                     |
| <b>NT</b>       | Northern Territory                                                              |
| <b>NTDHLGRS</b> | Northern Territory Department of Housing Local Government and Regional Services |
| <b>ORIC</b>     | Office of the Registrar of Indigenous Corporations                              |
| <b>RCG</b>      | Regional Collaborative Group                                                    |
| <b>RPA</b>      | Regional Partnership Agreement                                                  |
| <b>WA</b>       | Western Australia                                                               |
| <b>WALGA</b>    | Western Australian Local Government Association                                 |



## 1.0 Introduction

This paper presents a strategy for the next phase of the Rural-Remote and Indigenous Local Government Program of the Australian Centre of Excellence for Local Government (ACELG). The strategy is the culmination of an extensive research and consultation process. Its aim is to identify key steps in building the capacity of small rural-remote and Indigenous councils across Australia – and especially in the north – to deliver adequate and appropriate local government services to their communities.

The paper has four elements:

- First, it outlines the purpose of the Rural-Remote and Indigenous Local Government Program and provides an overview of the background work completed to date to support the development of this strategy.
- Second, it identifies the strategic priorities that emerged from this background work and the guiding principles that have shaped the strategy.
- Third, for each of the strategic priorities it gives an overview of relevant background information drawn from scoping studies and gaps in which ACELG could play a role, followed by a tabular summary of the key issues, outcome sought, and a proposed action plan.
- Fourth, it presents an overview of how the strategy can be implemented.

It must be emphasised at the outset that such a capacity building program is a huge task and one that goes far beyond the remit and resources of ACELG itself. However, ACELG believes it can make a useful contribution in framing an agenda for action, and in working with the states and Northern Territory, local government associations, professional institutes and others to take a number of critical next steps. This is consistent with ACELG's designated roles in supporting policy development and promoting innovation and best practice.

## 2.0 Background

### 2.1 The Rural-Remote and Indigenous Local Government Program

ACELG's Rural-Remote and Indigenous Local Government Program is one of six broad areas of activity identified in the Centre's Project Plan 2009-14. The Plan states that:

*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 the ACELG Innovation and Best Practice Program.*

*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 the 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.*

The overarching 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 across Australia. Accordingly, one of ACELG's key deliverables for 2010 was the development of "a national strategy to address the special capacity building needs of small rural-remote and Indigenous local governments." ACELG committed to undertaking scoping studies of the priority capacity building needs and options for delivering training and capacity building support for rural-remote and Indigenous Councils. It also vowed to conduct a national Roundtable to review the findings of the scoping studies to determine the initial strategic priorities to address. The following sections provide an overview of the work that has been completed to date.

## 2.2 Scoping Studies

As foreshadowed in the Project Plan, ACELG commissioned three scoping studies to identify the key issues impacting on small rural-remote and Indigenous councils, and to develop a range of initiatives that could better equip these councils to provide sustainable local governance for their communities.

ACELG commissioned Edith Cowan University (ECU) in Western Australia, and Charles Darwin University (CDU) in the Northern Territory to undertake scoping studies in those two jurisdictions. The Local Government Association of Queensland (LGAQ) had already completed a study into the capacity building needs of non-amalgamated councils in that state, which it made available to ACELG. In addition, ACELG separately commissioned Dr Michael Limerick to undertake a scoping study into the capacity building needs of Indigenous councils in Queensland to complete the picture.

## Context of the Scoping Studies

There are currently some 560 local governments in Australia. About 40% of these councils are located in Western Australia (139), Northern Territory (16) and Queensland (73). Of these 228 local governments, 112 were targeted by the four scoping studies – 70 in WA, 8 in the NT and a total of 34 in Queensland (18 non-amalgamated councils and 16 Indigenous councils). These cohorts of local governments differ in both their character and the legislative frameworks in which they function.

Both the NT and Queensland have undergone an extensive compulsory local government reform process in recent years. These resulted in a substantial reduction in the number of local governments within each jurisdiction. In addition, both jurisdictions have brought former Indigenous community councils under their 'mainstream' local government legislation. By contrast, in 2009 the WA government embarked upon a voluntary local government reform process that is still underway. Furthermore, WA has no distinctively Indigenous local councils. Rather, it has numerous rural-remote councils with a substantial Indigenous population and significant numbers of remote Indigenous communities located within their boundaries.

Prior to the 2008 local government reform process in the NT, the majority of residents in rural-remote areas lived in communities that came under the jurisdiction of 55 small and highly dispersed Indigenous community government councils that had been established through voluntary incorporation. The reforms saw 51 of the 55 community government councils in rural-remote areas, together with Jabiru Town Council and Tennant Creek Town Council, amalgamated into eight 'Shires'. These eight largely Indigenous councils were the focus of the NT scoping study.

Under the 2007-8 state-wide reform process in Queensland, 97 'mainstream' and 20 Indigenous councils were amalgamated to create 73. These amalgamations only affected the Indigenous councils in the Torres Strait and Northern Peninsula Area: the remainder were left with unchanged boundaries. Also, a group of 18 mainstream councils that were considered to have capacity issues that could not be resolved through boundary change were exempted from amalgamation. Under the reform process, Indigenous councils were also transitioned to Shire Council status and brought under the same legislative framework as other local governments, albeit with some minor variation to reflect the different land tenure and circumstances of Indigenous communities. The 18 non-amalgamated mainstream local governments formed the focus of the LGAQ study conducted in 2009. Sixteen local governments that govern discrete Indigenous communities were the focus of the ACELG scoping study in 2010.



In WA, there are a total of 70 small rural-remote local governments. Twenty-two of these have a substantial Indigenous population and significant remote Indigenous communities located within their boundaries. Many of this group of councils currently provide very limited or no municipal services to those remote communities. The WA scoping study focused on these 22 councils and 48 other small mainstream local governments, mostly in the wheatbelt.

The three scoping studies employed varied methodologies that included desktop research, ethnographic fieldwork, qualitative interviews (individual and group), discussion papers, forums and surveys. Nonetheless, a high degree of commonality in the capacity building needs and issues emerged across the different jurisdictions, as well as between the rural-remote local governments in general and the Indigenous councils or mainstream councils with a high proportion of Indigenous residents.

All the studies highlighted the simple fact that small rural-remote and Indigenous councils are overwhelmingly resource-poor and highly grant dependent, and experience extreme difficulties in attracting and retaining sufficient staff with the skills and aptitude required to work in complex and challenging environments. Any strategy must address these systemic issues if initiatives relating to other capacity building priorities are to be successful.

### 2.3 National Roundtable

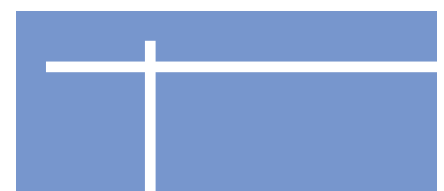
Following the completion of the scoping studies, ACELG convened a national Roundtable in Canberra on 29-30 July 2010. Recognising that local governments play a vital role in shaping and positively influencing rural, remote and Indigenous communities, an important aim of the Roundtable was to further explore this role and to identify actions that would help these councils deal with the particular challenges they face. Participants included representatives of federal and state departments, local government associations, professional institutes, local government practitioners, academics, and ACELG consortium and program partners.

The four scoping study authors presented their findings to the Roundtable. An open forum and small group workshops then enabled participants to discuss at length the priority needs identified and to consider what actions might be incorporated into a national capacity building strategy.

From this process a series of common themes were distilled. These were:

- **Expectations and role** – government and community expectations of rural-remote and Indigenous local government, the unique role it plays in the system of government, and the concept of ‘mainstreaming’
- **Remoteness** – the unique challenges facing this group of councils due to their remote location, size, and scope of services provided
- **Compliance costs** – the burden of legislative compliance and administration of grant-funding
- **Governance challenges** – including the need to build the capacity of councillors and staff and encourage more effective community engagement
- **Strategic issues** – the vital role councils play in economic development, community building and strategic long-term planning, and the impact of withdrawal of central government services
- **Workforce development** – staff recruitment and retention; building the Indigenous workforce; the special skills and leadership role required of Chief Executive Officers (CEOs) in remote Australia
- **Councillor and staff development** – new approaches to training, peer support, mentoring, networking, education pathways
- **Council support services** – including sharing best practice resources, staff and councillor exchanges
- **Structure and relationships** – including structural reform, regional collaboration, shared services and inter-governmental relations
- **Organisation capacity** – financial sustainability and asset management
- **Appropriate systems** – for financial and asset management, human resources and IT generally.

Following the national Roundtable, ACELG circulated a framework of initial thoughts on the priority components of a capacity building strategy to the participants and jurisdictions for comment and feedback. ACELG has now combined the scoping study findings, the Roundtable outcomes and stakeholder views on the framework of priority components into this paper.



## 2.4 Strategic Priorities

A synthesis of the scoping studies, outcomes of the national Roundtable and subsequent input from participants, jurisdictions and other key stakeholders, resulted in identification of the following strategic priorities for capacity building:

1. Role and Expectations of Rural-Remote and Indigenous Local Government
2. Local Government Service Delivery to Remote and Indigenous Communities
3. Financial Capability and Asset Management
4. Statutory and Administrative Compliance
5. Governance Development and Community Engagement
6. Senior Management Capacity and Support
7. Workforce Development
8. Regional Collaboration and Resource Sharing
9. Appropriate Operational Systems
10. External Engagement and Relationship Building.

It is important to recognise that the strategic priorities are not mutually exclusive but are highly interdependent and often overlap. For example, the quality of governance in Indigenous councils in Queensland was identified as a critical underlying factor that affects financial management and council performance (Limerick, 2009; Indigenous Council Task Force, 2009). In addition, “the inability to recruit appropriately qualified staff and high staff turnover has often been stated as a cause of poor governance and financial issues” (Auditor-General of Queensland, 2006).

Building the capacity of rural-remote and Indigenous local government is necessarily a long-term endeavour. Experience has shown that short to medium term ‘quick-fix’ strategies do not provide sustainable improvement in building the capability of councils (see for example Limerick, 2010). Major systemic issues confront rural-remote and Indigenous councils and may require generational solutions. The electoral cycle can also present a substantial barrier to developing and sustaining the long-term strategies needed to make significant inroads in building the capacity of these councils. History has shown that maintaining adequate resources and political interest waxes and wanes with this cycle. Nonetheless, such hurdles are not sufficient reason for again placing this critical issue in the ‘too hard basket’. Rather, they require the development of an approach that leverages off synergies that can be established between the numerous stakeholders – government departments, local government associations and the like – and accepts political sentiment as a constraint within which we must operate, taking advantage of opportunities as they arise.

ACELG is by no means resourced to single-handedly roll out a comprehensive program of activities across rural-remote Australia to build the capacity of these councils. It can, however, act as a catalyst and outline a strategic framework to provide a focus for capacity-building efforts. Within this framework, ACELG can perform facilitation, coordination and integration roles that seed ideas for new initiatives, build consensus and support for national capacity-building activities, and facilitate the formation of partnerships that will bring about enhanced governance and service delivery.

## 2.5 Guiding Principles

The following sections present a discussion and proposals for each strategic priority. The proposals have been shaped by the following principles.

- Support for rural-remote and Indigenous local councils in building their capacity should acknowledge their diversity, the unique challenges they face, and the distinctive role they play in the local government system.
- Research and policy development should be practice-oriented and facilitate collaborative efforts amongst key stakeholders across all spheres of government, the private sector and civil society.
- Implementation should focus on a limited number of strategic interventions that add value by filling gaps and seeding new initiatives, and that promote innovation and best practice.

## 3.0 Strategy Components

### 3.1 Role and Expectations of Rural-Remote and Indigenous Local Government

#### *Why this is important*

The current demands and expectations placed on rural-remote and Indigenous local government are unsustainable, especially if they are permitted to grow unchecked. To ensure these councils have the capacity to deliver an acceptable scope and standard of services to their communities in the long term, there needs to be a better fit between the funding and resources available and the expectations placed on them. More realistic expectations might be created by establishing a baseline of core local government responsibilities that can be adequately funded and are within the delivery capacity of small councils.



## Capacity building needs

This priority area relates to the underlying capacity of rural-remote and Indigenous local governments and involves two related issues – the impact of government policies, including the withdrawal of some local services by government agencies; and community expectations. In the scoping studies concern was expressed about the capacity of councils to provide even an adequate range of basic local government services, let alone take on responsibility for additional high-value essential services (eg in health) that normally come under the auspices of other organisations.

Rural-remote councils are commonly expected to provide a greater range of services than their regional and urban counterparts. More so, Indigenous councils often carry the burden of administering social programs and operating essential services and enterprises that would otherwise be the responsibility of government agencies, non-government organisations or the private sector.

Rural-remote and Indigenous local government has often assumed a 'provider of last resort' role in order to ensure the sustainability of small communities. Councils are typically the central institution within those communities and so are expected to fill the gap when services are not adequately provided by the normal mainstream providers. The scoping studies revealed that amongst other things, councils in rural-remote areas are often involved in providing health, education, banking and television transmission services. These non-core functions may have to be performed without any or adequate funding support or training.

This trend has been exacerbated by local government increasingly being viewed by the other spheres of government as the preferred means of delivering services to rural-remote and Indigenous communities. This is evidenced in the federal government's recent move to transfer responsibility to councils for municipal service delivery in remote Indigenous communities (discussed under 3.2).

The progressive retreat of government agencies to major towns not only limits local resident access to services, but can also prove detrimental to normal local government operations. When councils step in to fill the gap it takes their focus away from 'core business' and stretches their capacity to deliver municipal services. There has also been a history of councils accepting additional responsibilities on the basis of substantial grant funding, only to see that funding withdrawn or reduced down the track. Councils have thus become very wary of state and federal governments.

In addition to the pressures of community expectations and withdrawal of services, the capacity of rural-remote and Indigenous councils is also challenged by unrealistic policies and demands of the other levels of government. The scoping studies in WA and Queensland particularly noted concern about 'one-size-fits-all' approaches taken by government agencies, without due consideration of the appropriateness of the functions expected or the requests made of different rural-remote and Indigenous councils. Poor inter-agency communication and coordination are also problematic for councils as the duplication and inefficiencies that result place unnecessary demands on them.

The governance, administration and scope of service delivery expectations of rural-remote and Indigenous local government have thus grown over time and placed a heavy managerial and financial burden on these small and generally under-resourced councils. In view of the very limited capacity of councils to expand their revenue streams and other resources to maintain the scope of functions they are performing into the future, a review and moderation of community and government expectations appears essential.

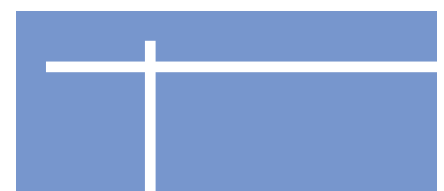
## Existing Programs and Activities

Currently there are no known programs and activities occurring around the roles and expectations of rural-remote and Indigenous local government that could provide helpful evidence or a basis for action to address the key issues outlined.

## Gaps

The main gaps under this strategic priority relate to:

- Clarity on the current extent of the expected role of rural-remote and Indigenous local government by local communities and other levels of government.
- Specification of what scope and standard of services can be reasonably expected of various classes of rural-remote and Indigenous local governments, in order to provide a baseline against which actual service delivery can be compared.
- An understanding of what constitutes a sustainable model of rural-remote and Indigenous local government and what is needed to achieve this.





## Plan of Action

| Key Issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Outcome Sought                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>The capacity of rural-remote and Indigenous local government is burdened by the provision of a wider scope of services than 'mainstream' regional and urban councils in response to community and government expectations.</li> <li>Local government is increasingly seen as a preferred means of delivering services in rural and remote areas.</li> <li>Rural-remote and Indigenous local councils are under-resourced relative to the expectations placed on them and the responsibilities assumed.</li> </ul> | <ul style="list-style-type: none"> <li>Shared understanding of what should constitute 'core' local government responsibilities in rural-remote and Indigenous councils that can be delivered sustainably.</li> <li>Realistic expectations of the broader roles and functions of rural-remote and Indigenous local governments.</li> </ul> |

| Strategies and Actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Develop a discussion paper that provides:</p> <ul style="list-style-type: none"> <li><b>An overview of the current situation including -</b> <ul style="list-style-type: none"> <li>A typology of rural-remote councils (eg small rural, Indigenous and large amalgamated) with a comparative description of their structures, functions and operations</li> <li>A comparative analysis of the legislative role and functions of rural-remote and Indigenous councils under the Local Government Act in each state</li> <li>An assessment of current and emerging federal, state/territory and community expectations of the roles to be played and services provided</li> <li>A broad assessment of the costs of 'remoteness' (eg costs of housing and transport, lack of NGO and private sector providers etc) and 'Indigenous disadvantage'</li> <li>Analysis of current funding arrangements relative to expected outcomes</li> <li>Case studies of successful practice by small rural-remote and Indigenous councils</li> </ul> </li> </ul> |

| Strategies and Actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li><b>Options for the future such as -</b> <ul style="list-style-type: none"> <li>Agreement on a baseline level of core services that it is reasonable for federal and state governments and local communities to expect, against which actual services provided can be assessed</li> <li>A framework and process for monitoring and evaluating levels of service delivery against the agreed baseline</li> <li>A tailored cost indicator for remote councils</li> <li>Funding arrangements to underpin financial sustainability, including alternative approaches to how federal FAGs are distributed (see 3.3)</li> </ul> </li> </ul> |

## 3.2 Local Government Service Delivery to Remote Indigenous Communities

### Why this is important

Under the Closing the Gap agenda of the Australian government, there is an expressed commitment to improving the lifestyle and wellbeing of Indigenous people. Providing a range and standard of services to remote Indigenous communities equivalent to that found in mainstream rural-remote communities is the right thing to do, but the current standard of infrastructure and service delivery in remote Indigenous communities is typically very poor. Making a realistic assessment of local government capacity, finding additional resources and formulating a sustainable model for service delivery are central to attaining Closing the Gap outcomes. The potential roles of a range of different service delivery providers, including local government, need to be considered, and a collaborative 'whole of government' approach warrants careful consideration.

### Capacity building needs

This priority area builds on strategic priority 3.1 by focussing on the appropriateness of local government as the preferred means of delivering municipal and/or essential services to remote Indigenous communities. The Bilateral Agreements for Indigenous Affairs between the Commonwealth and State/Territory governments seek to 'mainstream' the delivery of municipal and essential services to remote Indigenous communities through a transfer of responsibility to local governments. However, as previously noted, remote Indigenous councils already provide a much wider range of services than mainstream local government. The non-government and private sectors in remote areas are limited or non-existent, placing the burden principally on local government unless other innovative solutions can be identified.



Since the implementation of local government reform in the NT and Queensland in 2008-09, service delivery to most Indigenous communities has undergone a 'normalisation' process. Former Indigenous community councils have been given Shire Council status and now come under the same legislative framework as the rest of local government. In the NT 20 rural-remote Indigenous communities have been identified as future growth towns and 15 of these are amongst the 29 sites identified across Australia for receiving attention under the Remote Service Delivery National Partnership Agreement. This is expected to have a profound effect on the role and capacity of Shire councils in the NT, which will be used as program and service delivery agencies by and for the Territory and Australian governments. The ability of these councils to form collaborative service delivery partnerships with the other tiers of government, NGOs and the private sector is seen as a critical success factor (Michel *et al*, 2010).

A feature of remote Indigenous communities across all jurisdictions is that they are under-funded on a per capita basis relative to the roles and responsibilities they perform and their circumstances. In Queensland, this gap in municipal services funding was identified in 2008 and government action has been taken to redress the shortfall (Limerick, 2010). Nonetheless, this continues to be an issue in the NT and is a serious concern for WA councils with remote Indigenous communities.

In WA, the signing of the Bilateral Agreement of Indigenous Affairs (2006-2010) co-opted a large number of small rural-remote councils to deliver municipal services to remote Indigenous communities within their boundaries. The 22 affected councils are now grappling with the many challenges that this presents. Amongst the main concerns raised are:

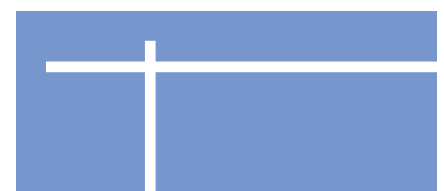
- Inadequate resources to service remote areas
- Lack of clarity around what constitutes an Indigenous community and what services will need to be provided and to what standard
- Land tenure arrangements that affect rateability of land as well as access to and ownership of infrastructure
- Inadequate knowledge of current costs of delivering services to remote Indigenous communities
- Current sub-standard nature of infrastructure in remote Indigenous communities
- Limited power of councils to enforce environmental health provisions in Indigenous communities

- A history of Commonwealth and State governments circumventing local government involvement and requirements
- A history of poor relations between some Indigenous communities and local governments.

These rural-remote councils are seeking to have these issues addressed to assist them in assessing what is needed to perform the role expected of them under the Bilateral Agreement. Clarification on many of these matters will also help to determine whether local government is in fact the most appropriate service provider.

### *Existing Programs and Activities*

- In the NT, studies supporting the development of Territory Growth Towns and Remote Service Delivery models have been conducted. In addition, the Coordinator-General for Remote Services has established a Service Delivery Coordination Unit to oversee the coordination and integration of policies and services. A baseline of services and infrastructure is being mapped and appropriate standards established.
- The WA Department of Local Government has embarked on a major scoping and costing exercise for providing local government services to the 260 remote Indigenous communities. The Department recognises the need to examine approaches to remote service delivery elsewhere and to evaluate a range of alternative delivery models and funding options. It is currently considering the option of conducting research on this issue with ACELG.
- FaHCSIA has an expressed interest in better understanding the costs to government of delivering local services and making informed decisions about what institutions are best placed to deliver them most effectively. FaHCSIA recognises the need for better engagement with potential service providers, a more cooperative approach and a national strategy that provides greater transparency around grant funding, accountability for service delivery outcomes and service delivery options (personal communication, Indigenous Economic Development FaHCSIA).
- The Wiluna Development Project together with the RPA in WA provides a good case example of how an intergovernmental partnership approach to remote community service delivery is helping to build local government capacity and greatly enhanced local community outcomes (Morris, Callaghan & Walker, 2010). This concept and framework might be readily extended to help improve service delivery in other remote communities.



- The WA Department of Indigenous Affairs is working on a systems framework to help better coordinate the delivery of services to Indigenous people in the State. This framework might be useful in examining the feasibility of an intergovernmental delivery model for service delivery to rural-remote and Indigenous communities.
- Work has commenced in Queensland to look at alternative innovative service delivery models for remote Indigenous communities. One current study is evaluating a large Indigenous NGO as a service delivery option (Limerick – personal communication October 2010).

### Gaps

A number of gaps need to be addressed. These include:

- The range of service delivery and funding options for effectively meeting the local service needs of remote Indigenous communities needs to be identified and evaluated.
- Ensuring transparency around how services are delivered, how they are funded and accountability for outcomes.
- Developing inter-government approaches to service delivery and partnership agreements between the spheres of government to provide a framework and strategic direction for support that needs to be provided to local government.

### Plan of Action

| Key Issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Outcome Sought                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Providing services to remote Indigenous communities is particularly demanding and to date has not been fully costed.</li> <li>• In the current legislative environment the expected role and responsibilities and level of funding for local governments to provide and maintain local services and infrastructure in remote Indigenous communities are unclear.</li> <li>• Given the capacity constraints facing small remote councils, the appropriateness of local government delivering services to remote Indigenous communities, the extent to which they can realistically play a role and the funding arrangements for performing this role need to be assessed.</li> <li>• Options for collaborative models service delivery need to be articulated.</li> </ul> | <ul style="list-style-type: none"> <li>• A shared understanding of the role local government can realistically play in delivering local government and essential services to remote Indigenous communities.</li> <li>• An improved understanding and appreciation of the full cost of providing services to remote Indigenous communities.</li> <li>• A coordinated inter-government approach to service delivery in remote Indigenous communities</li> </ul> |

### Strategies and Actions

- Building on the actions in strategic priority 3.1, research the capacity of local government to deliver core municipal and other non-core services to remote Indigenous communities. This would involve:
  - An overview of current challenges to service delivery to remote Indigenous communities and likely future funding scenarios
  - An assessment of who is available to deliver non-core local government services and at what cost
  - Analysis of alternative and innovative service delivery models (eg unincorporated areas of NSW, SA Lands Trust, State Government institutions, large Indigenous NGOs) – how do these work, what are their strengths/benefits and weaknesses compared to a system of local government
- Reviewing the progress of the NT reform of local government and continuing challenges
- International comparisons – particularly Canada
- Examining the feasibility of an inter-governmental approach to remote community service delivery (including joint planning, shared service delivery contributions etc)
- An examination of opportunities to extend resource sector partnerships with Indigenous communities to provide support for the establishment of Indigenous enterprises that can deliver local government services to remote Indigenous communities on an individual or regional basis.

### 3.3 Financial and Asset Management

#### Why this is important

Financial and asset management is a key area in which rural-remote and Indigenous local government often fails. The long-term sustainability of these councils depends on building this capability. It should be recognised, however, that while strong financial and asset management is a necessary foundation for good council performance, alone it does not guarantee this. Nonetheless, under new legislation in Queensland, the NT and WA, local governments already are or will be required to develop long term financial and asset management plans. For many rural-remote and especially Indigenous councils the concept of asset management planning is entirely new.



## Capacity building needs

Financial sustainability and asset management are key challenges, especially for rural-remote and Indigenous local government, and the need to build capacity has long been recognised. The fact that many rural-remote and Indigenous councils are resource poor, lack an adequate own-source income base, and so rely heavily on external grants, only heightens the need to make the best possible use of what they have. Without effective capacity building in these core areas other initiatives are unlikely to succeed.

The financial capability and long term sustainability of rural-remote and Indigenous local government is linked to a wide range of internal and external factors. These include:

- A fundamentally inadequate level of funding and resourcing for the role and responsibilities expected of them (see strategic priority 3.1)
  - The low percentage of own-source revenue relative to total operating revenue due to a limited rates base from having a small/declining population, non-rateable Indigenous lands and/or a loss of rateable land resulting from federal/state government decisions.
  - The relatively limited scale of federal financial assistance grants (FAGs)
  - Reliance on volatile grant revenue streams with short funding cycles and contract income to cover basic operational costs and essential services.
  - Inflexible government funding programs that only provide for capital expenditure but not recurrent funding for ongoing maintenance, nor the development of social infrastructure.
  - A large and growing backlog of sub-standard infrastructure, especially in remote Indigenous communities, with depreciation costs of assets often outstripping councils' discretionary income.
  - High construction and maintenance cost associated with harsh environmental conditions, remoteness, small scale of operations and deficient skills.
  - Growth in some rural-remote areas outstripping council capacity to support new infrastructure development.
  - Limited elected member understanding and scrutiny of financial matters, and hence insufficient council commitment to strengthening internal controls
  - An inability to attract and retain qualified financial officers, engineers or works supervisors.
  - Financial implications of future leasing arrangements for local government infrastructure in remote communities on Aboriginal land subject to land tenure restrictions.
- Legislative constraints that prevent local government pursuing low risk revenue generating enterprises.
  - Changes to the Community Development Employment Projects (CDEP) program that now preclude the use of CDEP participants for local government related projects and services.

## Existing Programs and Activities

- The federal government's Local Government Reform Fund will support a substantial expansion of state/territory efforts in WA, NT and Queensland to assist councils with asset and financial management, including specialised assistance to Indigenous councils.
- In Queensland, the State government is providing considerable assistance to Indigenous councils to help them manage their long-term financial sustainability.
- In 2009-2010 the Department of Infrastructure and Planning launched an Asset Management Advancement Program to help councils develop and implement asset management plans.
- Tailor made training and support in the form of intensive coaching and mentoring of individual councils is proving to be highly successful. Even though asset management is a crucial component of local government operations, the low priority given it to by Indigenous councils prompted the State government to provide their CEOs and finance managers with an asset management master class covering best practice asset management and whole-of-life asset cost calculation (Dorizas, 2010).
- Under the local government reform process, the NT government introduced an asset management and financial planning framework. Addressing these issues is a function of the Local Government Accounting Advisory Committee that operates under the NT Local Government Act.
- In WA actions being taken to better support local government in building its financial and asset management capabilities including:
  - Financial assistance given to country local governments to build their planning capacity through the Country Local Government Fund.
  - A new sector-wide integrated planning and reporting framework incorporating training in financial and asset management planning, launched by the Department of Local Government in October 2010. Councils forming a RCG or a RTG under the local government reform agenda can access funding to develop these plans.



- Through ACELG’s Organisation and Capacity Building Program, the Institute of Public Works and Engineers Australia (IPWEA) is developing tailored guidelines for asset management in small, remote communities. The draft guidelines have been piloted in some remote areas in WA and will be rolled-out during 2011. ACELG is also preparing guidelines on long term financial planning which will be released late in 2011, although these are not specifically targeted at small councils at this stage.

### Gaps

Much of the current activity in all jurisdictions involves putting in place legislative requirements supported by financial planning and asset management frameworks and initial training packages. However, ongoing support and tailored training using appropriate methods of delivery to build and maintain the financial and asset management skills of staff and councillors in rural-remote and Indigenous local government remains uncertain.

### Plan of Action

| Key Issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Outcome Sought                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Small rural-remote and Indigenous councils are highly dependent on grants for financial survival.</li> <li>• Assets are often built without regard to ongoing maintenance obligations or making provision for funding their full depreciation.</li> <li>• Many rural-remote and Indigenous councils do not have accurate asset registers for monitoring and planning asset management.</li> <li>• The financial literacy and skill of rural-remote and Indigenous council staff and elected members is limited.</li> </ul> | <ul style="list-style-type: none"> <li>• Improved financial and asset management literacy and practices of elected members and council staff in rural-remote and Indigenous local government.</li> </ul> |

### Strategies and Actions

- Extend the mapping and gapping analyses under strategic priorities 3.5 and 3.7 to include likely longer term availability of financial and asset management training and support for rural-remote and Indigenous councils
- Support the development of a tailored financial planning guideline and tools for small councils
- Convene a meeting of jurisdictions towards the end of the main implementation phase of the federal Local Government Reform Fund to compare methods used and progress made in improving asset and financial management in rural-remote and Indigenous councils, and to consider ongoing efforts.

## 3.4 Statutory and Administrative Compliance

### Why this is important

A heavy compliance burden is impeding the capacity of rural-remote and Indigenous local government to deliver good services to local communities. By identifying unnecessary red-tape, and streamlining and coordinating reporting and compliance requirements to make them more appropriate for small councils with limited professional staff, accountability can be enhanced and resources released into core service delivery.

### Capacity building needs

Rural-remote and Indigenous local governments in Queensland, WA and the NT report operate within different legislative frameworks. Nonetheless, in all cases the extent, complexity and rigidity of statutory and administrative compliance placed on local government is often viewed as excessive relative to the human resource capacity of small councils. There are two main elements to this: legislative and reporting compliance, and the compliance demands of managing and administering special purpose grants.

The level of compliance required is such that rural-remote and Indigenous councils often struggle to keep pace and may become non-compliant simply due to a lack of capacity to meet the demands placed on them. Also, legislation affecting local government is often framed without recognising the diversity of size, capacity, resources, skill, physical location and other circumstances of councils. The use of state- or territory-wide ‘one-size-fits-all’ approaches is questionable.



As previously noted, rural-remote and Indigenous councils typically derive a comparatively high proportion of revenue from tied grants. Also, many deliver services on behalf of government agencies. Thus, administering tied grants and government agency programs forms a large part of their functions. Funding comes from multiple sources with different accountabilities, accounting practices and reporting requirements. Typically these requirements are neither coordinated nor streamlined. At the same time, the people expected to account for funds are frequently untrained and under-resourced, severely limiting their capacity to comply. Furthermore, a local government that is in breach of any particular requirement may have its funding withheld for all grants. This can have substantial cash flow implications.

To address the problem of compliance there is a need for both demand reduction and capacity building. For example, the new Queensland Local Government Act 2009 aims to allow greater flexibility to better meet the diverse needs of local government and reduce the overall compliance burden. At the same time, recruitment and training of council staff needs to reflect the reality that an adequate level of compliance and accountability must be maintained. This requirement for capacity building extends also to elected members and is linked to the need for strengthened governance (see 3.5).

### Existing Programs and Activities

- The NT Department of Housing Local Government and Regional Services (NTDHLGRS) recently found that although elected members are increasingly expected to understand financial management, the complexity of the grant funding environment is undermining their capability and forcing them to depend more heavily on council staff for an understanding of how council works. Work is now underway to investigate service delivery grant funding issues and options for grant acquittal processes.
- The NTDHLGRS also advised that COAG has agreed to review the burden of grant compliance for NGOs with a view to considering differential reporting requirements for different size grants. This move might set a precedent for a similar review of the demands placed on rural-remote and Indigenous local government.
- As part of the local government reform process currently underway in WA, the state government established a Legislative Reform Working Group to review existing compliance and reporting arrangements in the Local Government Act 1995. This review presented over 40 amendment proposals.

### Gaps

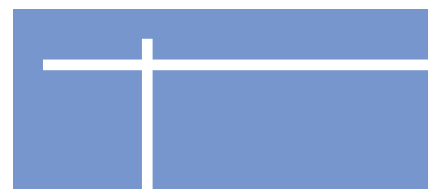
- Shared understanding amongst government agencies of the financial and workload impacts of 'one-size-fits-all' compliance on small rural-remote and Indigenous councils.
- Agreed options for reducing the compliance burden without compromising accountability.
- Understanding of the extent to which the administration tools used in grant dependent councils impact on their capacity to achieve grant compliant outcomes.

### Plan of Action

| Key Issues                                                                                                                                                                                                                                                                                                            | Outcome Sought                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Statutory compliance can place a relatively heavier burden on small councils, consuming resources that might be better used in service delivery.</li> <li>• The scoping studies highlighted the need to explore strategies to streamline compliance requirements.</li> </ul> | <ul style="list-style-type: none"> <li>• Agreement with the relevant jurisdictions on a manageable compliance burden for small rural-remote and Indigenous councils, and progressive implementation of new procedures.</li> </ul> |

### Strategies and Actions

- Identify the impact of compliance costs and workloads on small rural-remote and Indigenous councils across the different jurisdictions and funding agencies in order to establish a shared understanding of the issues involved.
- Examine options for reducing the burden of compliance (without compromising accountability), including:
  - Streamlining financial and other statutory returns
  - Preparing sample/template asset, corporate plans and other plans that can be accessed through a National Virtual Library
  - Documenting case studies of good practice
- Develop an easy to use framework to align service delivery budgeting with grant administration for use by grant dependent councils.



### 3.5 Governance Development and Community Engagement

#### *Why this is important*

Good governance is fundamental to sound local government (Limerick, 2010). Effective community engagement is central to understanding the aspirations, needs and priorities of the local community and is an essential part of good governance. It is also the basis for determining the extent of community satisfaction with local government performance. Improving understanding, skills, frameworks, policies, procedures and practices in governance and engagement are fundamentally important for enhancing service delivery and the role of local government in rural-remote areas.

#### *Capacity building needs*

The quality of governance and community engagement are two significant capacity building issues common across the scoping study jurisdictions. Local government performance depends on the quality of governance. Key success factors for good governance include a strategic orientation, clear separation of powers, appropriate community engagement, effective administration, strategic engagement with agencies and equitable application of rules and policies (Limerick, 2010).

The main governance development and community engagement issues raised in the scoping studies related to:

- The limited pool of good quality candidates in small communities to run for council
- Diversity of representation
- Clarity and understanding of roles and separation of powers
- Strategic leadership and focus
- The existence and/or use of appropriate governance policies, procedures, systems and practices to support core decision-making responsibilities
- Specific governance skills and capability, especially in financial and strategic management
- Recognition of cultural, educational and language differences in the design and delivery governance training
- The need for tailored, place-based, experiential learning, especially to improve the governance skills of Indigenous councillors

- The generally low level of Indigenous community participation and engagement in local government decision-making processes
- Poor understanding of effective community engagement methodologies, particularly for the 'hard to reach'.

To improve the quality of governance, attention needs to be given not only to governance training but also to the broader concept of governance development. That is, elected members and senior managers need to understand why and how to improve governance frameworks, policies, procedures and practices. Furthermore, actions to increase council recognition of the need and importance of community engagement, and skills in effective engagement methodologies, are essential. In particular, as more small 'mainstream' councils will be delivering services to remote Indigenous communities, they will need to develop their engagement skills and processes accordingly.

#### *Existing Programs and Activities*

- The Indigenous Community Governance Project (ICGP) research (Hunt & Smith, 2008) identified an urgent need for governance development amongst Indigenous community leaders, managers, staff and community groups. The key elements needed are:
  - Practical, culturally-informed educational and training materials, tools and resources to support the delivery of place-based governance and organisational development
  - Development of 'train the governance trainer' and mentoring programs to develop a pool of Indigenous people with requisite professional skills
  - Documentation and dissemination of best practice in Indigenous governance.

The report recommended the development of a nationally coordinated approach to governance capacity development and training that is targeted, high quality and place-based.

- A review of two nationally recognised specialist governance qualifications developed by Innovation and Business Skills Australia (IBSA) in partnership with the Office of the Registrar of Indigenous Corporations (ORIC). This review aimed to improve the quality of this training program making it more tailored to the diverse needs of Indigenous people.
- FaHCSIA has developed specific leadership development and capacity building programs and engagement frameworks for Indigenous councils.
- Reconciliation Australia has developed a 'governance toolkit' for Indigenous councils and is partnering with BHP Billiton to provide annual Indigenous Governance Awards.



- A Review of Elected Member Governance Development by the NTDHLGRS identified the need to take action in several key areas. This included a stock-take of current governance training and delivery options, and the development of a toolkit for councils to plan their elected member capacity development, which is due to be completed by late 2010.

### Gaps

While there are many resources and training packages available for governance development and community engagement, awareness and knowledge of these is low amongst the target councils. There is a need for this information to be brought together as a centralised and/or easily accessible resource that can be shared and further developed across rural-remote and Indigenous local government.

### Plan of Action

| Key Issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Outcome Sought                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Effective and responsible governance is particularly important in what are often complex and fragile communities with very limited resources.</li> <li>• Better community representation and engagement is essential, especially within Indigenous communities.</li> <li>• Many current approaches to training and development could be better suited to Indigenous learning styles</li> <li>• Low awareness of and accessibility to suitable governance training and development limits participation by rural-remote and Indigenous councils</li> <li>• More small rural-remote councils will be delivering services to Indigenous communities</li> </ul> | <ul style="list-style-type: none"> <li>• Adequate, appropriate and accessible governance training and practices for councillors, staff and the communities of small rural-remote and Indigenous councils.</li> <li>• Improved community engagement to underpin council decision-making that better reflects local community aspirations, needs and priorities</li> </ul> |

### Strategies and Actions

- Governance Development:
  - A typology of rural-remote councils (eg small rural, Indigenous and large amalgamated) with a comparative description of their structures, functions and operations
  - Build on the NT governance development review by conducting a mapping and gapping analysis of the governance training and development already being provided to remote and Indigenous councils in all three jurisdictions, including the roles of key players, methods of provision, lessons learned, best practice models for delivery and plans for future programs
  - Identify ways of increasing participation by small rural-remote councils in governance training and development programs, including how they can be made more accessible
  - Support the development of new governance training and development course materials
  - Explore options for mentoring councillors in rural-remote and Indigenous councils, including a ‘sister council’ model, and provision of one-on-one advice and ongoing support by volunteer professionals
  - Explore options for short-term secondment opportunities from other councils, other levels of government, professional institutes etc to assist with governance development
- Community Engagement:
  - Extend the current ACELG research activity on community engagement to include a review of the challenges of community engagement and good practice methodologies in rural-remote and Indigenous councils
  - Explore options and make recommendations for improving community engagement – including consideration of education for the community on the roles/responsibilities of local government and councillors that would parallel governance training of councillors and staff.





### 3.6 Senior Management Capacity and Support

#### *Why this is important*

The skills and capability of the CEO and other senior managers are pivotal to good financial and administrative management and quality governance in rural-remote and Indigenous local government. In particular, CEOs in these small councils need exceptional skills to handle a diverse range of functions and provide necessary leadership. The acute difficulty experienced by many small councils in recruiting and retaining good quality senior managers thus greatly limits their capacity to function effectively. High CEO and senior staff turnover can make sustained sound management and governance almost impossible. Lower turnover also greatly reduces staffing costs.

#### *Capacity building needs*

Senior management is a critical resource for rural-remote and Indigenous local governments, yet all the scoping studies revealed that these councils experience extreme difficulties in attracting and retaining appropriately skilled and capable people to fill key positions. This is attributed to a combination of factors including: limited funds to offer attractive packages; extraordinarily high workloads associated with a lack of middle management capability and low education levels of many local staff; acute pressures to meet community demands that lead to senior management burnout; inadequate accommodation and community facilities; the general challenges of remoteness; and private sector competition, especially in times of economic and mining booms. Dysfunctional community environments present an additional barrier for Indigenous councils.

Senior managers in rural-remote and Indigenous councils require a much broader range of skills than those working in larger regional and urban local governments. In addition to the normal professional and technical skills needed for senior management roles, these positions must carry much of the burden of community governance and leadership, as well as skills transfer, coaching and mentoring to build human and organisational capacity. In the absence of other specialised professionals, CEOs also require a much stronger working knowledge of key areas like finance, HR management, engineering and building. In Indigenous councils there is also the need to recognise and bridge a cultural, educational and language divide.

The high turnover of key senior positions can also present functional and financial problems. Councils may face instability, discontinuity, a loss of local skill and know-how, and less effective leadership. The absence of succession planning for key senior positions exacerbates these problems. Financially, councils face much higher recruitment costs. Problems are intensified when, as appears to happen quite often, the lack of an adequate pool of capable senior managers willing to work in rural-remote areas results in poor appointments being made.

The scoping studies highlighted two critical capacity building needs in this priority area – improved recruitment and retention of senior staff; and better support for senior managers. One innovative concept presented in the Queensland scoping study was a ‘Skills Bank’ (Limerick, 2010, p.27) – a pool of senior managers and other key professional staff available for contracting out to councils to undertake skills transfer to local staff and to develop systems and capacity. Other options to be considered include:

- An exchange, secondment, mentoring and coaching program to support skills development and experience diversification.
- A register of local government senior managers, professionals and relieving personnel that includes information on prior experience and performance.
- Structured support for CEO recruitment and performance management.
- An accredited rural-remote and Indigenous council CEO certification.
- A rural-remote and Indigenous local government ‘service’ to provide professional development and recognition, continuity of employment and consistency of working conditions irrespective of any particular posting .
- A ‘community of practice’ network to provide opportunities for peer support and networking.
- Special rural-remote and Indigenous council forums at annual local government conferences.
- More flexible and innovative workplace arrangements that provide regular respite for senior management.
- Strategies for creating more affordable housing.
- Basing senior managers in larger regional centres with only part-time work on-site in remote locations (equivalent to the ‘fly-in, fly-out model’).

The practicalities and cost of each of these and other options need to be carefully examined.



### Existing Programs and Activities

It appears that there are currently few programs and activities that specifically address issues around senior management capacity and support.

- LGMA Qld convenes regular Aboriginal and Indigenous council CEO forums to consider and discuss topical issues affecting their councils, and to share information and develop common approaches to address these issues.
- The NTDHLGRS in conjunction with the Local Government Association of the Northern Territory (LGANT) is currently looking at developing for councils supporting practice notes that address CEO remuneration.
- ACELG is establishing an 'Aspiring Leaders Partnership' to roll out an accredited leadership training program that is nationally consistent but can be tailored to specific circumstances, such as those of rural-remote and Indigenous local government.

### Gaps

This issue requires a coordinated approach that is based on a clear understanding of the special challenges faced by CEOs and other senior managers in small rural-remote and Indigenous councils, successful practices, and the benefits and costs of the various alternative strategies listed above. Considerable exploratory research is required for this to occur.

### Plan of Action

| Key Issues                                                                                                                                                                                                                                                                                                                                       | Outcome Sought                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Small councils depend heavily on high quality and experienced CEOs and other senior managers with a broad range of appropriate skills. Currently the number of such managers, especially CEOs, appears to be very limited, and some councils have suffered as a result of poor appointments.</li> </ul> | <ul style="list-style-type: none"> <li>• Enhanced skills and recognition for, and improved performance of, senior managers serving in small remote and Indigenous councils.</li> </ul> |

### Strategies and Actions

- Convene a structured search conference comprising a number of CEOs from each of NT, SA, WA, NSW and Queensland, together with representatives of state agencies, local government associations and LGMA to:
  - Determine the special challenges facing CEOs/senior managers in small remote and Indigenous councils
  - Identify the skills, resources and support required to improve CEO and senior management capacity and performance
  - Consider alternative ways of recruiting and retaining CEOs/senior managers, including state/territory appointment of CEOs in councils experiencing governance challenges, 'fly in-fly out', a 'Remote Councils Service', a pool of relieving personnel to provide respite for currently-serving CEOs, sharing CEOs etc
  - Develop options for valuing and rewarding those CEOs in small remote and Indigenous councils who demonstrate high quality community and council leadership
  - Consider pathways using existing networks to provide mentoring and coaching support for CEOs and senior managers working in rural-remote and Indigenous councils, including partnerships with larger councils, how technology can be better used to overcome issues of remoteness and professional isolation eg an online 'community of practice'
  - Consider options for an 'Indigenous Council CEOs Development Strategy'.
- Liaise with local government associations and LGMA divisions in each jurisdiction to identify opportunities for working collaboratively to extend any existing programs or activities to include specific components for rural-remote and Indigenous CEOs
- Conduct a comparative study of rural-remote and Indigenous council CEO remuneration, skill sets, contracts and recruitment practices within and across jurisdictions
- Support the development of an exit survey for CEOs leaving rural-remote councils to gain a better understanding of the key drivers.



### 3.7 Workforce Development

#### *Why this is important*

The capacity of rural-remote and Indigenous local government to recruit appropriately qualified staff and to keep staff turnover low directly affects council performance. The level and range of staff skills, together with the scope of knowledge and experience of individual staff members, determines how well tasks are performed and hence the overall quality of service delivery. In addition, high staff turnover increases staffing costs and results in the loss of skill and know-how to the organisation. By increasing the attractiveness of rural-remote and Indigenous councils as places of employment, and taking steps to increase the pool of potential employees, especially amongst Indigenous people, local government will have a greater pool of talent from which to choose.

#### *Capacity building needs*

Workforce development is a critical capacity building need of rural-remote and Indigenous local government. Two major areas of need noted in all studies are: strategies to enhance recruitment and retention, and up-skilling employees.

Skills shortages are endemic to local government in Australia and need urgent action. This is particularly problematic for rural-remote and Indigenous local governments that are not only impacted by broader factors such as ageing of the local government workforce, but also by the limited local pool of appropriately skilled and capable labour in rural-remote areas and a lack of competitiveness against other industries and areas. In the WA scoping study councils reported poaching of talented employees by both other councils and other industries.

Local government employees well qualified and experienced in operating heavy machinery and project management are especially attractive to the mining sector. Strong growth in mining also creates severe housing shortages, pushes up the cost of living, and greatly increases the cost of attracting and retaining staff in local government.

On the other hand, the scoping studies indicated that many rural-remote and Indigenous councils have a substantial pool of local Indigenous labour with the potential to meet their employment needs, but that this has not been adequately tapped. It is recognised, however, that to capitalise on this local labour pool councils requires strategies to address the cultural, educational and language divide.

The scope of knowledge and skills needed by staff working in small rural-remote and Indigenous councils is often much broader than normally required in mainstream regional and urban councils. Together with recruitment and retention difficulties, this calls for a major investment in up-skilling of employees. This might be achieved through a combination of approaches such as increased opportunities for formal education and training as well as informal learning through staff exchanges, mentoring and coaching programs, and peer support and networking. For Indigenous employees there are significant obstacles to the use of traditional training strategies that need to be addressed. These include poor literacy and numeracy skills, language barriers, a lack of experience and life skills and different learning styles. These factors must be considered in any training and development programs provided.

To build their workforce capacity rural-remote and Indigenous councils also need to carefully consider a wider array of workplace policies, procedures and practices that would help support staff attraction and retention. Examples of suitable policies and practices include options for flexible work arrangements including part-time, casual and shared positions, and arrangements that help staff meet personal and cultural obligations.

It has been suggested that one operational barrier for rural-remote and Indigenous councils in attracting and retaining staff is the absence of appropriate Certified Agreements that set out employee classification levels, line management frameworks, and recruitment, induction and performance management processes.

A variety of possible actions emerged from the scoping studies to address these challenges, including:

- More effectively tapping the local pool of Indigenous labour.
- Development of model policies, procedures and practices suitable for rural-remote local government and councils with a predominantly Indigenous workplace culture.
- Providing forums for council employees to share experiences and good practice.
- Provision of traineeships and cadetships in critical specialised areas.
- Exchange, secondment, coaching and mentoring programs.
- Provision of training better tailored towards the special needs of rural-remote and Indigenous council employees, including cultural awareness training.



- Development of career pathways between councils and jurisdictions.
- Use of para-professionals to do some tasks and/or contracting out routine operations.
- Developing partnerships to increase availability of affordable staff housing.

### *Existing Programs and Activities*

- ACELG, LGMA, Government Skills Australia and the Australian Services Union are collaborating at a strategic level on workforce issues and ACELG has an established reference group that convenes an annual National Local Government Workforce Development Forum.
- ACELG has received support through the Local Government Reform Fund to complete a National Local Government Workforce Strategy and associated database.
- In July 2010, the Local Government Practice Unit of ACELG released a Local Government Indigenous Employment Program Green Paper, 'Closing the Gap Through Place-Based Employment', that explores untapped labour pools and opportunities to invest in the recruitment and development of Indigenous workers.
- The resources industry has increasingly acknowledged the social impact of mining and what happens to the communities in and around their operations when the mining ceases. It has forged partnerships with Indigenous communities to facilitate education, training, real jobs and other economic opportunities that promote long-term participation, greater job stability and continuity, and better economic opportunities for Indigenous people (Chamber of Minerals and Energy of WA, 2010). Many mining companies have set Indigenous employment targets for their organisations and implemented various initiatives to reach these. Helpful lessons can be learned from their experience.
- The Goldfields-Esperance region of WA has a Workforce Development Alliance (GEWDA) that is a joint initiative between the Curtin Vocational Training and Education Centre, the Goldfields Chamber of Commerce and Industry, the Goldfields-Esperance Development Commission, the Chamber of Minerals and Energy WA, the City of Kalgoorlie-Boulder and an industry representative. In 2007, the WA Department of Education and Training partnered with GEWDA to prepare a 10 year regional workforce development plan that addresses issues of attraction and retention, and education and training (State Training Board, 2008). This approach may suit other rural-remote areas and warrants closer examination as an option.

- In 2010 the Australian Multicultural Foundation launched a 'Managing Cultural Diversity' training program to help small and medium enterprises to better understand cultural diversity. This might also be useful to rural-remote and Indigenous local government.
- In 2011, the WA Department of Local Government plans to develop a Local Government Workforce Development Strategy that will incorporate a range of initiatives such as a Skills Gap Register and an Indigenous Employment Program for addressing the workforce planning and development needs of WA local government. The Department has expressed interest in exploring with ACELG opportunities for identifying the range of potential initiatives and how it might work with the Centre to plan and undertake these.

### *Gaps*

In all jurisdictions, there is a multitude of organisations already involved in the employment and training space. This multiplicity and complexity poses a considerable challenge for rural-remote and Indigenous councils in identifying suitable programs and providers. There is a need to liaise with training organisations in each jurisdiction to identify the extent and reach of local government programs in place, effective training methods for rural-remote and Indigenous employees, and gaps in meeting the workforce development needs of rural-remote councils.

Furthermore, there is no comprehensive understanding of current workforce development policies and practices, best practice in staff recruitment and retention, the range of strategies available to build workforce capacity, and the feasibility and associated costs of these options for rural-remote and Indigenous councils. Evidence based research in these areas is needed to support the development of the national workforce development strategy that can build upon the diverse activities planned or underway in the different jurisdictions.



**Plan of Action**

| Key Issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Outcome Sought                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Staff recruitment and retention are major challenges and systemic problems in rural-remote Australia.</li> <li>• The absence of appropriate Certified Agreements setting out employee classification levels, line management frameworks, and recruitment, induction and performance management processes.</li> <li>• The scope of knowledge and skills required by staff working in small rural-remote and Indigenous councils is broader than generally required in larger councils, increasing the need for up-skilling.</li> <li>• Opportunities for expanding Indigenous employment at all levels of the local government workforce have not been adequately explored.</li> </ul> | <ul style="list-style-type: none"> <li>• A targeted workforce development program with a specialist stream for the Indigenous workforce to address skills shortages and up-skilling needs of staff in rural-remote and Indigenous councils.</li> </ul> |

| Strategies and Actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <ul style="list-style-type: none"> <li>• Survey rural-remote and Indigenous councils to determine:             <ul style="list-style-type: none"> <li>– Critical skills needs and gaps</li> <li>– How many have current workplace Certified Agreements</li> <li>– How many have a Code of Conduct, position descriptions, and recruitment, induction and performance management processes/policies in place;</li> <li>– Workplace policies and practices to support staff development</li> <li>– Best practice models exist for attracting and retaining staff</li> </ul> </li> <li>• Develop a simple workforce planning process for rural-remote and Indigenous local governments</li> <li>• Review current training programs and map out available training and training providers that rural-remote and Indigenous councils can use to meet their training and skills requirements and, if appropriate, support the development of new or improved course materials to fill any gaps. Develop options for mainstreaming qualifications, and education and training pathways</li> <li>• Explore opportunities and options for para-professionals to undertake certain 'professional' tasks locally</li> <li>• Examine the benefits, pitfalls and real cost of shadowing and mentoring staff: what is its purpose, what are the pitfalls, what resource costs are involved for formal and informal mentoring and shadowing arrangements</li> <li>• Examine the feasibility of establishing a staff exchange program for rural-remote and Indigenous council staff</li> <li>• Build on the Local Government Indigenous Employment Green Paper to develop specific strategies for the Indigenous workforce by:             <ul style="list-style-type: none"> <li>– Identifying obstacles to Indigenous participation in remote council employment</li> <li>– Identifying obstacles to remote Indigenous council staff attending existing training programs</li> </ul> </li> <li>• Develop specific strategies to increase remote Indigenous council staff uptake of training programs (eg better information, travel assistance grants, corporate/philanthropic sponsorship, bursaries etc).</li> </ul> |



### 3.8 Regional Collaboration and Resource Sharing

#### *Why this is important*

Many of the unique challenges facing rural-remote and Indigenous councils cannot be addressed effectively by small individual councils. At the same time, remoteness, large areas and the tyranny of distance often inhibit amalgamation as a means of achieving the economies of scale and scope needed to improve the level and standard of service delivery. Regional collaboration and resource sharing are complementary strategies that, if innovatively and effectively pursued, can help build local government capacity.

#### *Capacity building needs*

The reform agendas of federal and state/territory governments aim to build the capacity and improve the efficiency of the local government sector. Amalgamation has often been held up as the primary means of building capacity for small local governments, but the unique challenges of rural-remote and Indigenous local government – remoteness, vast areas with very few people – suggest that other reform solutions warrant consideration, especially innovative forms of resource sharing and regional collaboration.

A number of different approaches have already been attempted. In the NT a 'hub and spoke' service delivery model which has centralised headquarters, regional depots and mobile service delivery crews was adopted (Michel *et al*, 2010, p.13). In WA, a regional collaborative group (RCG) model is being developed and tested to provide a framework for councils where amalgamation is impractical. Shared service delivery and sharing of CEOs have already been successfully used in a number of cases in WA.

In Queensland, it was recognised that many of the problems facing rural-remote councils in western Queensland could not be solved through amalgamation. Eighteen councils were exempted from enforced amalgamation and left to devise other initiatives to address their capacity building needs. These non-amalgamated councils, however, have shown considerable political resistance to regional collaboration and resource sharing on the grounds that it limits flexibility, it undermines local employment, the use of flexible outdoor work practices alleviate the need, and that this would be a first step towards amalgamation (Morton, 2009, p.18).

The Queensland government has urged Indigenous councils to adopt a centralised off-site accounting facility to help address their financial management issues. This 'accounting bureau' model is helping to improve purchasing practices and increasing the financial management stability of the participating councils. There appears to be considerable scope to extend that model (Limerick, 2010, p.29). Also, the LGAQ non-amalgamated councils scoping study pointed to Regional Road Groups (RRGs) as a successful specific-function collaboration model to address capacity deficits. Increased training, improved systems and funding have been provided to help the RRGs build capacity across a range of functional areas including resource sharing and joint purchasing (Morton, 2009). Experience has also shown that to maintain momentum a dedicated coordinator is needed to manage and progress joint initiatives. Scope for broadening the RRG model to cover other functions was suggested (Morton, 2009).

#### *Existing Programs and Activities*

- ACELG has partnered with the Local Government Association of South Australia (LGASA) and Local Government New Zealand (LGNZ) in a research project examining 'Options for Consolidation in Local Government: A Fresh Look'. This study addresses the range of issues involved when considering alternative forms of consolidation like amalgamation, resource sharing, shared service delivery and other means of structural reform.
- In the NT the Local Government Act provides a framework for regional collaboration through the provision of Regional Management Plans. To date councils have focussed on the development of plans but have not yet fully explored options for collaboration and how this can better support the sector.
- In WA, it is anticipated that the RCG model will be implemented in the Goldfields, Kimberley and Pilbara regions. The Department of Local Government has expressed a preliminary interest in exploring how it might partner with ACELG to evaluate this approach relative to alternative models of consolidation such as those examined in the LGASA and LGNZ study.
- To promote greater regional collaboration and the formation of regional local government partnerships, 35% of available Royalties for Regions funding in WA will be allocated to collaborative regional scale infrastructure projects from 2010-2011.



## Gaps

The scoping studies revealed that much of the resistance to structural reform relates to a lack of understanding of the options available and of evidence based research on the benefits and costs. This void in knowledge and understanding is hampering the confidence of rural-remote and Indigenous local government to explore and trial different approaches to regional collaboration and resource sharing.

## Plan of Action

| Key Issues                                                                                                                                                                                                                                                                                                                           | Outcome Sought                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Regional collaboration, resource sharing and shared servicing are often cited as tools to improve council capacity, but this approach faces particular challenges in rural-remote areas.</li> <li>New and improved options need to be explored and the benefits better understood.</li> </ul> | <ul style="list-style-type: none"> <li>Maximised regional collaboration and resource sharing amongst rural-remote and Indigenous councils.</li> </ul> |

| Strategies and Actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Build on current ACELG research to prepare a discussion paper covering:               <ul style="list-style-type: none"> <li>Case studies of successful and unsuccessful practice in regional collaboration and resource sharing (eg shared CEOs in SA and WA, Pilbara Regional Council and Kimberley Country Zone of councils in WA, Council Biz and East Arnhem Shire Council's "Latitude 12" in the NT)</li> <li>How far regional collaboration can realistically be taken by rural-remote and Indigenous councils</li> <li>The benefits that might be expected if collaboration and resource sharing is maximised</li> <li>Opportunities and options for leveraging off existing specific function regional groups like Queensland's Regional Road Groups to make them more multi-functional</li> <li>Other innovative models.</li> </ul> </li> </ul> |

## 3.9 Appropriate Operational Systems

### Why this is important

Having adequate and appropriate systems, procedures and practices in place for core functions is a fundamental requirement for enhancing council performance. Rural-remote and Indigenous local governments need operating systems that are tailored to meet their specific needs and circumstances, and are cost effective. Standardised systems that are more affordable and functional would help improve council procedures and practices.

### Capacity building needs

All rural-remote and Indigenous councils need to perform a number of basic organisational functions including financial management, HR management, strategic planning and communications. By implementing appropriate systems, councils can enhance their operational effectiveness. However, many rural-remote and Indigenous councils struggle with inappropriate systems and lack even basic policies, procedures and plans required by legislation (Limerick, 2010). They need help in identifying and choosing business systems of a scale and functionality that suits small operations, and that where possible enable costs and resources to be shared with others.

Evidence suggests that IT, financial and planning systems currently available on the market are often too sophisticated and too costly. Moreover, it appears that availability of a relatively low-cost system currently used by a number of small councils may be compromised by a recent corporate takeover. With Indigenous councils in Queensland being brought under the Local Government Act which requires them to adopt more complicated financial management standards, finding an alternative appropriate financial management system has become a concern (Limerick, 2010).

Facilitating communication and information flow is a further operational concern for rural-remote and Indigenous councils. Remoteness, large geographic areas and a dispersed population pose significant communication challenges for these organisations. Options for greater use of technology need to be explored to help overcome these challenges. The LGAQ study of non-amalgamated small councils noted that they need independent advice in identifying and assessing IT options that would provide them with appropriate systems (Morton, 2009).



### Existing Programs and Activities

- In Queensland there is a substantial pool of resources already being made available to support Indigenous councils. These include:
  - Template policies and plans for mandatory legislative requirements provided by the Department of Infrastructure and Planning
  - A range of resources offered by LGAQ on its online network
  - A CD ROM providing a ‘toolkit’ of basic template policies and office documents developed for Indigenous councils under the Community Governance Improvement Strategy.
  - The Queensland Department of Infrastructure and Planning has flagged its intent to establish a ‘document library’ for councils but has not yet indicated its scope.

### Gaps

The idea of devising and implementing a resource bank of templates for common policies and procedures required by local government has been around for a long time but there seems to have been little concerted action to progress this approach. In the WA scoping study some individual councils said they had an informal arrangement for developing and sharing policies and procedures but this was not apparent on a broader scale (Morris *et al*, 2010). The Queensland scoping study also noted that even though there is a substantial breadth of resources already available to Indigenous councils, the level of uptake has been limited (Limerick, 2010). The practicalities of a national clearinghouse, the obstacles to using standard resources, and IT options for appropriate communications and business systems for rural-remote and Indigenous local government have not been formally or rigorously examined. Nor is there any framework or set of criteria to benchmark what constitute best practice resources.

### Plan of Action

| Key Issues                                                                                                                                                                                                                               | Outcome Sought                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Rural-remote and Indigenous councils need cost effective ‘fit for purpose’ operating systems that meet the challenges posed by their particular circumstances and limited resources.</li> </ul> | <ul style="list-style-type: none"> <li>• Tailored IT, finance, management and communications systems available for use by rural-remote and Indigenous councils</li> </ul> |

### Strategies and Actions

- Convene a roundtable discussion (including representatives of federal, state and territory governments, local government and system suppliers) on the challenges and options involved in providing and supporting appropriate operational systems for rural-remote and Indigenous councils.
- As part of the roundtable discussion:
  - Examine the approach taken in the Headquarter and Remote Shire Service Centre model used by councils in the NT
  - Explore a suitable framework for benchmarking best practice resources and systems for rural-remote and Indigenous local government
  - Investigate the opportunities, benefits, cost and obstacles for small rural-remote and Indigenous councils to establish a national ‘virtual library’ of templates, policies, sample documents and operational system information.

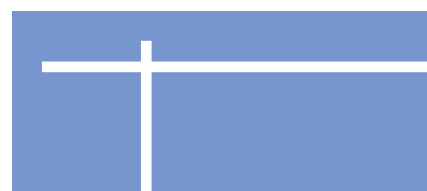
## 3.10 External Engagement and Relationship Building

### Why this is important

Effective engagement with state/territory and federal governments is one of the most crucial aspects of business for rural-remote and Indigenous local government, especially those with a high reliance on external funding and resources. Research suggests that local government capacity in strategic external engagement is a key success factor for improving outcomes. Furthermore, following overseas trends, forging partnerships with the private sector, NGOs, not-for-profits, community groups and other ‘social enterprises’ is likely to become an important part of how local government in Australia operates in the future.

### Capacity building needs

Better external engagement, particularly with other levels of government, was identified as a prominent capacity building need, especially in the WA and Queensland scoping studies. Poor communication, cooperation and coordination within and across levels of government are key issues impacting local government. Concerns were expressed about rigid policies, programs and administrative arrangements that create impenetrable barriers; uncoordinated programs and services delivered by government agencies that operate in silos; poorly integrated and short cycle funding arrangements; inflexible program guidelines; complex and overlapping reporting and acquittal requirements; high turnover of bureaucrats who often lack interest, empathy





and cultural sensitivity or understanding; a lack of or disingenuous consultation that provides no return to local government for the effort invested; and a general history of troubled relationships between councils and other levels of government. This debilitating environment adversely affects the capacity of rural-remote and Indigenous councils to provide good governance, and needs to be addressed through better engagement.

The ability of rural-remote and Indigenous local government to engage, negotiate and build relationships with organisations outside their local communities is often impeded by their remoteness and isolation. For Indigenous councils and communities there is also the cultural divide. The capacity building need is to develop the skills of elected members, senior management and other council staff in effective engagement, negotiation and relationship building with government agencies, other local governments, NGOs and the private sector. Innovative approaches and solutions are needed to build this capacity, such as intensive training, coaching and mentoring using role-plays and rehearsed interactions that suit the needs and learning styles of elected members and staff.

Effective external and inter-government engagement also helps to enhance the skill, knowledge and experience of individuals, broadens the perspective and capacity for strategic vision of organisational members, and fosters greater collaboration and the formation of partnerships that can help improve service delivery (Limerick, 2010). Rural-remote and Indigenous local governments with greater capacity in strategic engagement will be able to work better within the constraints of existing systems, and to form partnerships that are on their own terms and contribute to attaining their objectives for local communities.

### Existing Programs and Activities

The Queensland scoping study (Limerick, 2010) cites an approach adopted by the Lockhart River council that produced some good outcomes in building capacity in this priority area. At a more general level, development of intergovernmental partnership agreements as described in strategic priority 3.2 has helped to build better relationships between the different levels of government and local communities.

### Gaps

There is no known formal training course or program currently available for developing skills in strategic external engagement, nor any program geared specifically to building the capacity of small rural-remote and Indigenous councils to negotiate suitable partnership agreements.

### Plan of Action

| Key Issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Outcome Sought                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>The capacity of rural-remote and Indigenous local government to provide good governance is impeded by a lack of capacity for effective strategic engagement and relationship building with other spheres of government and institutions.</li> <li>Poor communication, cooperation and coordination within and across the levels of government is an important impediment to the effective performance of rural-remote and indigenous local government.</li> </ul> | <ul style="list-style-type: none"> <li>Greater capacity for elected members and staff of rural-remote and Indigenous councils to effectively engage and build relationships outside their communities</li> </ul> |

### Strategies and Actions

- Extend actions identified in the strategic priority areas 3.5, 3.6, 3.7 to:
  - Prepare a discussion paper on current effective strategies and future options for enhancing rural-remote and Indigenous local government capacity for external engagement including participation in local government associations, councillor visits to regional councils, 'sister council' arrangements, staff exchanges, training on effective engagement and understanding different spheres of government.
  - Support the design of an external engagement training program for elected members, senior management and other council staff in rural-remote and Indigenous local government.



## 4.0 Implementation

Successful implementation of this strategy relies on the active and ongoing engagement of federal and state/territory governments, rural-remote and Indigenous local governments themselves, their associations and professional bodies, and other key stakeholders. The strategy seeks to provide an overarching framework of issues, options and ideas within which a more productive and collaborative capacity building effort can be pursued.

As stated at the outset, ACELG has only a limited mandate and relatively little capacity to contribute to ongoing efforts. It sees its role as that of a catalyst, convening meetings and roundtables to canvass key issues, undertaking follow-up research in agreed priority areas, offering policy advice based on that research and its related program activities, helping to design and develop the content of capacity building and training programs. In limited circumstances, where there is no other suitable or willing provider, ACELG may also deliver some training.

To implement some of the actions proposed in this strategy, ACELG has initially budgeted around \$350,000 for activities in 2011 and 2012. This amount will be supplemented where possible with funds from other ACELG programs, such as Innovation and Best Practice (case studies of successful approaches), Organisation Capacity Building (asset and financial management guidelines) and Workforce Development (workforce strategy and data, Indigenous employment opportunities, training needs analysis and program development).

As initial steps in 2011, ACELG proposes to allocate:

- Up to \$40,000 to prepare the paper on roles and expectations of rural-remote and Indigenous local government proposed under 3.1
- Up to \$20,000 to work with the WA Department of Local Government in examining the appropriateness and capacity of rural-remote councils to deliver services to remote Indigenous communities (3.2)
- Up to \$20,000 to follow-up the NT governance review and design an appropriate capacity building program (3.5)
- Up to \$20,000 to extend the work of LGMA Queensland in building the capacity of CEOs (3.6).

This work will be carried out with ACELG's partners previously involved in the scoping studies, and in close consultation with jurisdictions and local government associations.

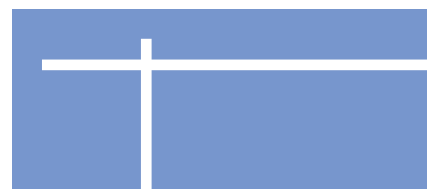
In addition, ACELG will:

- Seek to build additional elements of work relating to rural-remote and Indigenous local government into its sector-wide Organisation Capacity Building and Workforce Development programs, notably in areas such as guidelines for financial planning, Indigenous employment and design of training programs (3.3 and 3.7)
- Facilitate sharing of the WA experience with enhancing regional collaboration in the Pilbara, Kimberley and Goldfields (3.9)
- Convene two further roundtable discussions during 2011, covering compliance (3.4) and operational systems (3.10).

Clearly, a partnership approach is essential to generate the funding and resources required for a concerted effort. ACELG will therefore:

- Establish a broadly representative reference group to advise on priorities, promote partnerships and get projects agreed, funded and under way
- Convene annual roundtables of stakeholders to review overall progress and consider next steps (to be held in conjunction with meetings or roundtables on specific issues).

ACELG will also seek formal endorsement of this approach by Ministers and local government associations. This might be arranged through the successor to the former Local Government and Planning Ministers Council, or perhaps a smaller group of Ministers focused on Northern Australia. The federal Office of Northern Australia, which sits alongside local government functions in the new Department of Regional Australia, Regional Development and Local Government, is also seen as a key player, as is FaHCSIA. Clearly, effective local government is fundamental to both northern development and the welfare of those living in remote and Indigenous communities, and ACELG believes the strategy warrants urgent attention on that basis.



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## About ACELG

ACELG is a unique consortium of universities and professional bodies that have a strong commitment to the advancement of local government. The consortium is led by the University of Technology Sydney's Centre for Local Government, and includes the University of Canberra, the Australia and New Zealand School of Government, Local Government Managers Australia and the Institute of Public Works Engineering Australia. In addition, the Centre includes three program partners to provide support in specialist areas and extend the Centre's national reach: the Australian National University, Charles Darwin University and Edith Cowan University.

## Program Delivery

ACELG's activities are grouped into six program areas:

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



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### **Australian Centre of Excellence for Local Government**

PO Box 123 Broadway NSW 2007  
Ph: +61 2 9514 3855 Fax: +61 2 9514 4705  
Email: [acelg@acelg.org.au](mailto:acelg@acelg.org.au) [www.acelg.org.au](http://www.acelg.org.au)