Rural-Remote and Indigenous Local Government
Western Australian Scoping Study Report

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EXECUTIVE SUMMARY

This WA scoping study is one of three studies commissioned by the Australian Centre of Excellence for Local Government (ACELG), the other two being in the Northern Territory and Queensland. The aims of this study were to identify the capacity issues and needs of rural-remote and Indigenous local governments in Western Australia and to assess the priority actions for assisting and supporting this segment of the local government sector. This investigation involved a literature review, extensive consultation with local government stakeholders and a survey of 70 local governments in rural and remote locations. It was conducted over a six month period during the first half of 2010.

From this study, it is clear that rural-remote and Indigenous local governments in WA have substantial capacity building issues and needs. The most critical capacity issues and needs that emerged related to:

- Human resource issues – especially the capacity to attract, retain and develop staff.
- Quality and capacity of elected members.
- Financial sustainability, revenue sources, and funding arrangements and stability – including grant gearing towards construction and not operations and towards physical not social capital, high construction and maintenance costs, and asset depreciation outstripping discretionary income.
- The impact of government and agency decisions and policies including service withdrawal and the impact of the local government reform program.
- Intergovernmental relationships – especially issues of communication, consultation, cooperation and collaboration between tiers of government and between government agencies, as well as agency attitudes towards local government.
- Indigenous community challenges and needs – especially issues around Indigenous disadvantage, engagement, representation in local government and the implications of the Bilateral Agreement 2006-2010 on service delivery to remote Indigenous communities.

Other more minor themes were around:

- Physical infrastructure – especially declining/sub-standard assets and the impact of harsh conditions on construction and maintenance costs.
- Community expectations – especially around being provider of last resort, lead decision maker and employer.
- Environmental issues – especially the tyranny of distance and economic conditions.

The range of capacity issues and needs that emerged presented no major surprises as they largely mirrored findings from other similar studies previously undertaken in WA and Queensland. The fact that these issues are still present and are perceived as priority concerns, suggests that over the years there has only been limited, if any, progress in redressing them.

In relation to these needs, priority actions were canvassed in the stakeholder interviews and tested in the survey of rural-remote and Indigenous local governments. The actions and initiatives fell into two main groups: i) actions ACELG could directly undertake and/or facilitate; and ii) actions needed by government or agencies that ACELG might influence indirectly. All 46 actions and initiatives

tested were perceived to have at least a medium level of value by the survey participants. The highest priority actions confirmed by the survey were:

- Government and agency actions:
  - Streamline regulations and reporting requirements to eliminate duplication, reduce red tape and have greater consistency across agencies.
  - Acknowledge the diversity of local governments and frame approaches and reporting requirements to better reflect these differences.
  - Give greater recognition and importance to the need for medium to long term funding for building social capital in rural-remote and Indigenous communities and adjust funding arrangements accordingly.
  - Introduce a requirement for training of newly elected members and encouragement of attendance at pre-election seminars.
  - More proactive and preventative approaches by the Department of Local Government to better support, assist and advise small councils.
  - Identify impacts of State/Federal government decisions on local government capacity and revenues and negotiate compensation where necessary.
  - Establish mechanisms for improving communication and consultation between tiers of government and between agencies, and recognize the impact of government policies and decisions on local government.
  - Align government agency boundaries to facilitate local government and regional planning.
  - Modify government regulations to provide local government with greater flexibility in revenue raising and service delivery options.
- Actions ACELG could undertake or facilitate in partnership with others:
  - Design and/or provide training for skill development of elected members and staff most notably in areas of leadership, strategic planning and decision-making, problem-solving, community engagement and cultural awareness.
  - Conduct research to build evidence on a range of key local government issues and demonstrate the role of local government as community builders.
  - Work with groups of councils and/or agencies to develop, trial and evaluate practical collaborative models of service delivery in rural-remote locations.
  - Establish local government as an attractive employment option by promoting rural-remote local government as a career development opportunity and by establishing industry traineeships and/or cadetships in specialized areas.

The findings of this scoping study revealed that the capacity issues and needs, as well as the most valued actions/initiatives to help address these, were essentially the same for both small rural agricultural local governments and rural-remote local governments including those with a significant Indigenous population. The most notable difference related to capacity issues and actions around meeting the challenges and needs of Indigenous communities within local government areas reflecting differences in the demographic make-up of these two groups of councils.

1.0 INTRODUCTION

1.1 The Australian Centre of Excellence

The Australian Centre of Excellence for local government (ACELG) is a unique collaboration of universities and professional bodies committed to advancing excellence across local government in Australia. It was established in mid-2009 as an Australian government initiative receiving $8 million in funding towards its activities. ACELG's vision is "world-class local government to meet the emerging challenges of 21st century Australia".

The Centre has a mandate to enhance professionalism and skills across local government, to showcase and encourage the adoption of innovation, better practice and creative solutions, and to stimulate and inform debate on local government issues and policy. Within this context, ACELG has identified six program areas under which it will conduct its activities:

1. Research and policy foresight.
2. Innovation and better practice.
3. Governance and strategic leadership.
4. Organisation capacity building.
5. Rural-remote and Indigenous local government.
6. Workforce development.

The Centre's role is underpinned by the core principles of service, inclusiveness, value-adding, practicality and strategic intervention. With these in mind its activities are to include research that provides practical outcomes to meet the needs of the local government system and engagement in strategic interventions that add value, fill gaps and seed new initiatives.

Edith Cowan University was brought on as a partner in the rural-remote and Indigenous local government program.

1.2 The Rural-remote and Indigenous Local Government Program

It is well recognised that rural-remote local governments operate in an environment that is distinctively different from their urban and large regional counterparts. These Councils are typically resource poor, grant dependent, face extreme difficulties in attracting staff and experience high staff turnover. They are commonly the primary decision maker and major employer in their communities and are often pressured into becoming "providers of last resort" for essential community services.

According to the ACELG Project Plan 2009-2014, 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" (p.24).

1.3 The Scoping Study

In 2010 ACELG commissioned three scoping studies in Western Australia, Northern Territory and Queensland. These studies aim to inform ACELG on how to best frame its rural-remote and Indigenous local government program. This will help to ensure the most useful support and assistance is provided to rural-remote and Indigenous councils with a view to promoting professionalism, skill development, innovation and better practice, and stimulating informed debate on relevant issues and policy. This report relates to the conduct and key findings of the Western Australian (WA) scoping study.

In accordance with the overarching objective of the rural-remote and Indigenous local government program, this scoping study aims to:

- Assess the critical issues and priority capacity building needs of rural-remote and Indigenous local governments in WA, including training and skill development.
- Seek ideas and direction from local government leaders, professionals and other key stakeholders on options for how ACELG and its partners can directly or indirectly assist in addressing the issues and needs identified.
- Identify critical gaps in government policies and programs relating to the capacity building needs of rural-remote and Indigenous councils, and potential actions or initiatives that government and agencies can take to address these.

Although the primary focus of this scoping study is to probe the underlying capacity issues and needs of rural-remote and Indigenous local government, it is recognised that the issues examined are likely to cut across ACELG's other five programs areas. Thus, the proposed actions and initiatives that emerge from the scoping study to address the issues and needs of this specialised cohort of local governments will be examined through the lens of the Centre's Program framework.

The following sections of this report present:

1. Background information to set the Western Australian context for the study.
2. Method adopted for conducting the study.
3. A review of relevant literature.
4. The findings of the study in relation to capacity issues and needs.
5. The priority actions and initiatives identified by the study to address the capacity issues and needs.
6. A brief comparison of the outcomes of the WA scoping study with the 2009 Queensland study of the capacity needs of non-amalgamated councils.
7. A summary of the priority capacity needs and actions.

2.0 BACKGROUND

2.1   The Western Australian Context

2.1.1   The Local Government Sector

At the time of conducting this study, WA has 139 local governments (excluding Cocos Island and Christmas Island) supported by nearly 1,300 elected members. This represents over 25% of Australia's local governments for about 10% of the nation's population (www.dlg.wa.gov.au, 2010). These local governments form a highly diverse group in terms of population, geographic area, employment, scope and scale of functions, complexity, fiscal position and community expectations. The extent of this diversity is evident when comparing the largest and smallest councils across the sector and within sub-groups of councils for some of these measures (see Table 1).

Table 1: A Snapshot of WA Local Government Statistics 2008-2009

	Population	Area (km²)	Distance from Perth (km)	Rates Revenue ($m)	Total Revenue ($m)	Staff Nos.
Metropolitan LGAs (N = 30)						
Smallest LGA by: Pop. & Area	1,652	1.5	13	1.7	3.0	19
Largest LGA by: Pop.	193,000	100	8.5	87.0	162.0	815
Area	102,434	1,043	21	55.6	83.8	512
Average	53,140	179.6	16.6	27.5	52.0	312
Median	31,208	36.4	12.5	20.6	40.8	214
Non-metropolitan LGAs (N = 109)						
Smallest LGA by: Pop.	110	49,500	669	0.1	3.2	9
Area	5,000	12.6	193	2.2	6.5	104
Largest LGA by: Pop.	67,053	173.5	72	49.5	92.5	520
Area	10,500	371,696	1,220	5.9	54.4	113
Average	5,306	23,312	497	3.9	12.0	61
Median	1,368	3,268	283	1.8	6.5	29
Rural-remote and Indigenous LGAs (N = 70)						
Smallest LGA by: Pop.	110	49,500	669	0.1	3.2	9
Area	422	1,087	181	0.6	2.6	13
Largest LGA by: Pop.	29,684	95,229	603	20.8	58.4	298
Area	10,500	371,696	1,220	5.9	54.4	113
Average	2,540	33,807	640	2.3	9.3	40
Median	950	4,895	350	1.2	4.8	25
All LGAs (N = 139)						
Average	15,630	18,320	393	9.0	20.6	115
Median	2,591	2,223	244	2.3	8.4	38

Source: WALGA (Western Australian Local Government Association), 2006.

There are 109 non-metropolitan mainland local governments in WA (78.4% of the total) representing 26.2% of the State's population. The state's non-metropolitan population is small and dispersed with very few inland regional centres. Almost two-thirds of these non-metropolitan councils (60.6%) have less than 2,000 people and nearly three-quarters of them (74.3%) have less than 5,000 people. Many of these local governments are experiencing ongoing population decline, especially those in rural agricultural areas.

The 109 non-metropolitan local governments belong to 12 different Western Australian Local Government Association (WALGA) country zones. These groups of councils meet several times a year to discuss matters of common interest and regional importance. Under the Australian government system of classification of local governments (2002-2003), 52 of these councils are small rural agricultural councils and 21 are rural-remote councils. About 90% of the small rural councils belong to four WALGA country zones – Central Country, Great Eastern, North Country and Great Southern – and the 21 rural-remote councils are spread across five other WALGA zones – Goldfields-Esperance, Murchison, Kimberley, Gascoyne and Pilbara (see Table 2).

Table 2: Numbers of Rural-Remote Councils by WALGA Country Zones

WALGA Country Zones	Number of Local Governments[1]		
	Total	Small rural agricultural	Rural-remote
Avon-Midland	11	4	0
Central Country	16	15	0
Gascoyne	4	0	3
Goldfields-Esperance	10	1	6
Great Eastern	16	15	0
Great Southern	11	6	0
Kimberley (excl. Christmas Island)	4	0	4
Murchison	6	0	6
North Country	11	8	0
Peel	4	1	0
Pilbara (excl. Cocos Island)	4	0	2
South West	12	2	0
Total	**109**	**52**[2]	**21**

[1]Number of small rural agricultural and rural-remote councils based on the Australian Classification of Local Government categories (http://www.infrastructure.gov.au).

[2]Note that the original number of small agricultural councils was reported as 53 however the Shires of Broomehill and Tambellup are now a single Shire.

In 2006, a sustainability study of WA local governments (WALGA, 2006; 2008) identified 83 Councils as financially unsustainable when an 'own-source' revenue methodology was applied, with 80 of these LGAs located outside metropolitan Perth. The councils at greatest risk were those with small population bases, experiencing population decline and in areas with no large regional centre. This group of councils accounted for about three-quarters of those assessed as financially unsustainable. The evidence presented in this sustainability study suggests that there is a fundamental structural problem within the local government sector in WA.

The non-metropolitan local governments in WA share many common issues with councils in rural and remote settings in other parts of Australia. These include isolation, very large geographic areas and dispersed populations, considerable problems in recruiting and retaining skilled staff, and a dependency on grant revenue due to their limited capacity to generate own-source revenue to cover expenditures. Furthermore, many WA councils lack the capacity to develop longer-term strategic plans, to develop the skills and competencies of staff and elected members, to manage and maintain their infrastructure assets and to undertake substantive economic development programs for their communities.

Local Governments with Significant Indigenous Populations

At June 2009, there were an estimated 550,818 Indigenous people living in Australia of whom 74,859 (13.6%) lived in WA and represented 3.4% of the State's total population (ABS, 2009). Almost half (41%) of WA's Indigenous people live in remote (15%) and very remote (26%) areas, principally in the Kimberley, Pilbara, northern Goldfields, Murchison and Gascoyne regions of the state. A significant proportion of Indigenous people in these remote locations live outside main town sites in discrete Aboriginal communities.

There are over 280 Indigenous communities (i.e. population is at least 50% Indigenous) in WA, with populations that range from fewer than 10 people to about 850 people (Local Government Advisory Board (LGAB), 2008). About three-quarters of these communities (218) are situated within the four LGAs that constitute the Kimberley region. Table 3 provides a list of councils located in rural-remote areas that have been identified by the WA Local Government Advisory Board as having significant remote or very remote Aboriginal communities within their boundaries (LGAB, 2008). The provision of government services to these remote communities poses a substantial challenge for all spheres of government, arguably none more so than rural-remote local governments that already face substantial capacity issues.

Table 3:   Indigenous Local Government in Western Australia

Local Governments by WALGA Zones	% of total population Indigenous [1]	No. of remote Indigenous communities [2]
Kimberley		
Shire of Halls Creek	84.4%	46
Shire of Derby West-Kimberley	66.8%	46
Shire of Wyndham East-Kimberley	40.0%	42
Shire of Broome	31.8%	84
Goldfields-Esperance		
Shire of Ngaanyatjarraku	87.9%	9
Shire of Menzies	63.7%	2
Shire of Laverton	41.9%	4
Shire of Wiluna	41.1%	3
Shire of Dundas	12.6%	1
Shire of Leonora	11.7%	1
Shire of Coolgardie	9.8%	1
City of Kalgoorlie-Boulder	8.4%	1
Gascoyne		
Shire of Upper Gascoyne	62.7%	1
Shire of Carnarvon	20.7%	1
Murchison		
Shire of Meekatharra	50.2%	1
Shire of Yalgoo	43.6%	0
Shire of Murchison	37.9%	1
Pilbara		
Shire of East Pilbara	25.8%	13
Shire of Port Hedland	20.2%	7
Shire of Roebourne	12.8%	3
Shire of Ashburton	10.7%	8
North Country		
Shire of Mullewa	30.0%	1

[1]ABS Census, 2006.

[2]Local Government Advisory Board, 2008.

2.1.2   Royalties for Regions – the Country Local Government Fund

"Royalties for Regions" is an innovative State government agreement introduced in December 2008. This program allocates the equivalent of 25% of the State's annual revenue from mining and petroleum royalties to spending on new projects and services in regional areas in WA. The Country Local Government Fund (CLGF) is a key element of this program to which the State government allocated $400 million to assist local governments build and maintain community infrastructure. In the first year of Royalties for Regions, $100 million was allocated for 595 projects across the 109 non-metropolitan local governments (www.royaltiesforregions.wa.gov.au/). For the 2010-11 financial year, the government proposes to allocate 35% of the available funding to cooperative groups of local governments for collaborative regional scale infrastructure projects. The Hon Brendon

Grylls, Minister for Regional Development and Lands, stated that the government is committed to allocating an increasing proportion of each year's CLGF money "to region-building initiatives driven by partnerships of local governments" (www.mediastatements.wa.gov.au/Pages/Results.aspx?ItemID=133106). The CLGF, therefore, is providing a major injection of funds for capacity building support to non-metropolitan local governments in WA and amongst financial incentive for greater collaboration LGAs.

2.1.3 Local Government Reform

Western Australia is the last of the nation's states to undergo local government industry reform. Existing local government boundaries and structures in WA have remained essentially the same for more than a century despite dramatic changes in the role and functions of local governments and substantial migration of people to coastal locations and resource towns. There has been considerable debate about the efficiency and effectiveness of the existing local government structure and a number of reviews of the WA local government sector (LGAB, 2006; WALGA, 2006) have recognised the need for reform.

In February 2009, the State government initiated a voluntary local government reform program with wide-ranging reform strategies intended to build local government capacity so councils could better plan, manage and deliver services to their communities. The focus of this reform is on social, environmental and economic sustainability. In a speech to the sector in February 2010, the Hon John Castrilli, WA Minister for Local Government, Heritage, Citizenship and Multicultural Interests commented:

> "Our joint goal is — or should be — to achieve a stronger local government, a local government that can make the most of opportunities, a local government that can provide cost effective services to its communities, a local government that delivers a strong future for those communities. This is about meeting the expectations of 21st Century West Australians." (www.dlg.wa.gov.au, retrieved 29 May 2010).

The reform initiative has four stated aims:

1. To amalgamate local governments where possible and appropriate.
2. To encourage greater focus on long term regional planning.
3. To strengthen the ability of local governments to deliver services to their communities.
4. For each council to reduce the number of elected members to 6-9 councillors.

Local governments in WA were asked to consider how they could voluntarily work with their neighbouring councils to achieve reform. The State government offered two models to help local governments interested in reform to move forward — a regional transition group (RTG) model and a regional collaborative group (RCG) model. The RTG model provides a framework for LGAs to transition into a single entity while the RCG model

provides a framework for rural-remote LGAs with large distances between towns rendering amalgamation impractical and unviable to collaborate.

The voluntary reform process instigated by the State government has been a catalyst in mobilising a number of councils to take some action to address their capacity issues. At 26 March 2010, 65 of the 139 local governments in WA had indicated a willingness to consider varying degrees of reform. All but three of these local governments are non-metropolitan councils. Ten local governments resolved to amalgamate, 11 indicated they would form a RTG, 10 would form a RCG, and 12 that had been asked to consider a RTG requested to form a RCG. A further 22 councils indicated that they wanted to pursue reform but had no willing partners. Since then, one non-metropolitan council has withdrawn its resolution to amalgamate while two additional metropolitan councils have resolved to amalgamate.

Through the CLGF, the State government is offering all country local governments financial assistance to improve their planning capacity. For the remainder of the 2009-10 financial year, the State has allocated $7.5 million for non-metropolitan local governments to develop Strategic Plans, Asset Management Plans and Forward Capital Works Plans to ensure they are in a strong position to meet the next CLGF funding round requirements. In February 2010, the Commonwealth government also committed $2.3 million in federal funding to assist with reform projects, particularly to assist local governments participating in either a RTG or a RCG to develop Regional Business Plans that would detail the pathway for amalgamation or collaboration (http://www.governmentnews.com.au, 29 April 2010). There is also additional financial support available to help those local governments with significant remote Indigenous communities within their LGAs to have a scoping and costing exercise undertaken for delivering municipal services to Indigenous communities within their Shires. This requirement is explained in the next section.

2.1.4 Local Government Service Delivery to Indigenous Communities

Historically local governments in WA have not provided standard municipal services to discrete Indigenous communities for a number of reasons. Before the 1970s, remote Indigenous communities were run as church missions or native welfare settlements. Since the 1970s, essential and municipal service provision to WA Indigenous communities has been directly funded by the Commonwealth government through various agencies. Under this arrangement, Indigenous communities progressively became self-determining and responsible for the management and delivery of services to their own communities with varying degrees of success. From the time of its formation in 1990, the Aboriginal and Torres Strait Islander Commission (ATSIC) was responsible for delivering Commonwealth government Indigenous specific programs and services, particularly the Community Development Employment Project (CDEP) scheme and the Community Housing and Infrastructure program (CHIP). The delivery of essential and local government services was heavily subsidised through the CDEP program. Upon the abolition of ATSIC in 2004, the responsibility for service provision to these communities was transferred to mainstream Commonwealth departments and agencies, particularly the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) (Pratt, 2004-05; LGAB, 2008). In 2007-08 Indigenous communities in WA received $22.3 million from FaHCSIA for

essential and municipal service delivery, of which just over 40% was used to fund diesel fuel for community powerhouses (LGAB, 2008).

Various reviews of the standard of service delivery under these historical arrangements have revealed substantial shortfalls in the quality of service provision to Indigenous communities across Australia. These reviews highlighted the need for greater equity in service delivery to Indigenous communities and increased effort on the part of all tiers of government to improve the circumstances of Indigenous Australians.

In 2006, the Australian and WA governments signed a Bilateral Agreement on Indigenous Affairs (2006-2010) which paved the way for "normalisation" of essential and municipal service delivery in Indigenous communities in WA. This agreement recognised that the provision of adequate and appropriate physical infrastructure, health services and regulatory standards are fundamental to building healthy communities. Although not a signatory to the Bilateral Agreement, the WA local government sector was essentially co-opted to providing municipal services to Indigenous communities to a standard broadly comparable with that in non-Indigenous communities of similar size, location and need elsewhere in the state. The philosophical basis of this agreement is synergistic with the Council of Australian Government's (COAG) 2008 National Indigenous Reform Agreement which is an intergovernmental agreement between the Commonwealth and all State and Territory governments to work with Indigenous communities to close the gap on Indigenous disadvantage.

In 2008, the Western Australian LGAB conducted an inquiry into the delivery of services to Indigenous communities. This study examined the service delivery needs of more than 280 Indigenous communities in WA. The majority of these communities were located within four Shires — Broome, Derby-West Kimberley, Halls Creek and Wyndham-Eat Kimberly — although 22 local governments in total are affected by the Bilateral Agreement (2006-2010). The inquiry revealed "normalisation" of municipal services in these communities would require existing infrastructure to be upgraded and increased funding for the affected LGAs. A key LGAB recommendation was for the affected local governments to develop Business Plans detailing the scope and nature of municipal services to be delivered, their organisational capacity to deliver these services and the cost of providing these services. While this recommendation was to be enacted by September 2009, the WA Department of Local Government (DLG) is only now working with the affected local governments to progress the development of these plans. As a first step to facilitate this process, the DLG has commissioned an independent consultant to develop a framework for scoping and costing local government service delivery to these communities. Financial assistance grants are also available to these councils for scoping and costing exercise.

3.0 METHOD

3.1 Target Study Participants

The focus of this scoping study was to assess the capacity issues and needs of rural-remote local governments and local governments with significant Indigenous populations. Therefore, some criteria needed to be set to delineate the target population. Three key criteria were considered to formulate a potential pool of local governments to target:

i.   Local governments classified as small rural or rural-remote under the Commonwealth government's Australian Classification of Local Governments framework. This classification system uses population size, population density and the proportion of the local government population living in urban centres as classifying criteria.

ii. Local governments with significant Indigenous populations defined as the LGA population being at least 40% Indigenous for the purpose of this study.

iii. Local governments identified by the WA Department of Local Government as having significant remote or very remote Indigenous communities within their boundaries.

Seventy-three local governments met the first criterion of being small rural or rural-remote LGAs - 52 small rural and 21 rural-remote. While many of the small rural councils are not particularly remote (i.e. within 500 km of Perth), they are well recognised as having substantial capacity issues and needs (WALGA, 2006). Therefore, they are likely to share many common issues with small rural-remote councils. Of the 21 rural-remote councils, 6 are classified as extra small (population below 400), 3 small (401-1,000 people), 6 medium (1,001-3,000 people) and 6 large (3,000-20,000).

Ten local governments met the second criterion of having more than 40% Indigenous population. All of these councils, however, were also either small rural or rural-remote local governments and so this criterion did not expand the study population pool. Under the third criterion, the Local Government Advisory Board identified 22 local governments with remote or very remote Aboriginal communities within their boundaries in its report on the inquiry into local government service delivery to Indigenous communities in WA (2008). Sixteen of these councils also met at least one of the other two criteria. Thus, six additional local governments came into the target population pool.

Under these three criteria, a total pool of 79 local governments of potential interest to this study was identified. Almost 90% of these councils belonged to nine WALGA zones, with only a small number being in each of the other three zones. Thus, it was decided to focus on these nine groups of councils. This delineated 70 local governments to target for this study. A brief profile of these local governments is provided in Appendix A.

3.2 Procedure

The study was undertaken in three stages:

1. A review of relevant literature.
2. In-depth stakeholder interviews.
3. An online survey.

Literature Review

The first stage of the study involved a comprehensive review of relevant literature, prior studies, reviews relevant to the scoping study and examples of Indigenous community service delivery models. This stage of the study aimed to provide important background information and insights to support the scoping study.

Stakeholder Consultations

In the second stage, extensive consultation was conducted with local government representatives and other key stakeholders. In choosing a suitable consultation approach, the relatively large number of target councils needed to be considered.

Budget, resource and time constraints precluded individual consultations with all of the target local governments. Wherever possible, however, discussions were held with groups of Councils. When this was not possible, consultations were undertaken with representatives from the WALGA country zones comprising the target group of councils. Representatives from relevant government departments and local government associations were also consulted.

A total of 31 in-depth interviews involving 64 people were conducted. Representatives from each of the following groups participated in the interviews:

- Local government country zones – Central Country, Gascoyne, Goldfields-Esperance, Great Eastern, Great Southern, Kimberley, Murchison and North Country;
- The Western Australia Local Government Association (WALGA);
- The Local Government Managers' Australia (LGMA) – WA Branch;
- Regional Development Commissions – Gascoyne, Goldfields-Esperance, Kimberley, Mid West, Pilbara, Wheatbelt;
- Shires of Broome, Wiluna and Menzies;
- WA Department of Local Government;
- WA Department of Indigenous Affairs;
- Department of FAHCSIA - Indigenous Coordination Centre (Broome)
- Minister for Local Government, Heritage, Citizenship and Multicultural Interests;
- Local Government Association of South Australia;
- Local government consultants

Most stakeholders were contacted by telephone and provided with a brief explanation of the study and asked to participate in an interview. Once the stakeholders approached had agreed to participate in an interview, they were emailed a briefing paper that provided background information on ACELG and the aims and expected outcomes of the scoping study and a list of topics of interest in the study (see Appendix B).

Most interviews were conducted face-to-face and lasted one to two hours. Participants were asked if the interviews could be recorded to enable more detailed review. The recorded interviews and notes were transcribed and entered into NVivo software for the purpose of analysis. Each interview was coded to highlight common concerns and themes that emerged throughout the process. Coding was first applied to major themes that had been identified. The top level of coding identified comments

relating to issues, problems or concerns for capacity building in councils under the following headings:

- Human resources;
- Physical infrastructure;
- Financial issues;
- Governance and elected members;
- Government and agency issues;
- Community expectations and issues;
- Environmental issues; and
- Indigenous community challenges and needs

Separate coding was also given to major initiatives, solutions or actions that could help address or support capacity building, under the major headings of:

- Local government actions;
- Government and agency actions; and
- ACELG actions

Within each category additional codes were used to break down the responses further and highlight key themes that were persistent among the perspectives canvassed. A complete list of these codes is available in Appendix C.

Survey

The final stage of data collection involved an on-line survey of the 70 local governments constituting the target population for the study. A comprehensive and rather lengthy list of issues and potential actions and initiatives for assisting rural-remote and Indigenous local governments emerged from the in-depth stakeholder interviews. The issues that emerged largely confirmed those identified in prior studies and outlined in the literature review. Therefore, to keep the length of the questionnaire manageable, it was decided to limit the survey to testing how valuable the target councils perceived the potential actions or initiatives that had emerged from the consultations for assisting rural-remote and Indigenous local governments.

A list of 46 potential actions and initiatives were generated. The survey participants were asked to rate the value of each of the actions or initiatives to their Council using a 5-point scale where 1 = little or no value; 2 = low value; 3 = medium value; 4 = high value; and 5 = very high value. The statements were grouped into six topic areas:

- Value adding initiatives or actions;
- Research and model development;
- Regulations and compliance;
- Financial actions and initiatives;
- Other government and government agency actions and initiatives;
- HR and training.

Participants were also provided with an opportunity to add any other actions or initiatives that they believed are important to their council but had not been listed. Some demographic information about the respondents and their councils was also requested. This included the participant's position in the council, the population of their local government area, the WALGA zone to which their council belonged, and the distance of their local government from Perth. The questionnaire was pilot tested with a small group of local government representatives and academics and modified based on the feedback received before launching it online.

The questionnaire was distributed to the CEOs of the target councils by email. The email provided a cover letter that explained the purpose of the survey, what was being sought from participants, advice that the survey was voluntary, an assurance of confidentiality of responses, and the link for the on-line questionnaire. The participants were not required to identify the council to which they belonged. The primary target respondents for the survey were the CEOs and Presidents of the target councils. As only a full list of CEO email addresses was publicly available, the CEOs were asked to forward the survey email to their President and any interested councillors and senior managers. The survey was conducted over a three-week period during May/June. To encourage participation in the survey, an item was included in a weekly WALGA Newsletter promoting the survey and participants were sent two reminder emails. A copy of the cover letter and online questionnaire is provided in Appendix D.

A total of 46 usable responses were received. This included 25 CEO respondents, 9 Shire Presidents, 7 Councillors, 3 senior managers and 2 respondents who did not state their position in their council. Just over half the responses (54%) were from CEOs. The response rate for the CEOs was 36% and 13% for the Shire Presidents. An analysis of the demographics of the respondents, however, indicated that at least 50% of the 70 target councils are represented amongst the participants. Responses were received from councils in all nine of the target WALGA country zones with a good representation from all zones with the exception of the North Country zone. There were almost equal numbers of respondents from "inner regional" councils (i.e. within 500 kilometres of Perth) and "outer regional" councils (i.e. more than 500km from Perth). The populations of the councils represented in the sample closely reflect the distribution for the total target group. Just over one-third of respondents (39%) were from LGAs with a population of 1,000 or less and two-thirds were from LGAs with no more than 2,000 people. Table 4 below summarises the respondent characteristics. Overall the survey respondents seem to be reasonably representative of the target group of councils.

The survey responses were analysed using SPSS statistical software. Frequency distributions and average ratings were generated for each statement. A comparative analysis of the responses by different demographic groups of respondents using one-way ANOVAS at a 5% level of significance, revealed that there were very few significant differences in the way that the different groups of participants rated the value of the various actions and initiatives. This analysis also showed that the ratings by the small rural agricultural group of councils were not substantively different from the ratings by the rural-remote group of councils. Therefore, the survey findings are reported in aggregate.

Table 4:   Survey Respondents Characteristics

Position:		Distance from Perth:	
CEO	54%	<250 km	20%
Senior Manager	7%	251-500 km	26%
Shire President	20%	501-750 km	11%
Councillor	15%	751-1,000 km	9%
Not stated	4%	1,001-1,500 km	7%
		1,501-2,000 km	9%
		>2,000 km	11%
		Not stated	9%
WALGA Zone:		**LGA Population:**	
Central Country	15%	<500	17%
Goldfields-Esperance	13%	501-1,000	22%
Gascoyne	7%	1,001-2,000	28%
Great Eastern	13%	2,001-5,000	2%
Great Southern	15%	5,001-10,000	13%
Kimberley	13%	10,001-15,000	2%
Murchison	9%	15,001-20,000	7%
North Country	2%	>20,000	4%
Pilbara	9%	Not stated	4%
Not stated	4%		

NOTE: All percentages based on 46 respondents.

4.0 LITERATURE REVIEW

This literature review provides an overview of the meaning and use of the term capacity building particularly in the context of local government development. It also considers our understanding of capacity building issues and requirements of WA local governments, and issues specific to councils servicing remote areas and significant Indigenous populations. Some key advice from agencies involved in capacity building programs elsewhere is discussed and some models of local governments successfully working with Indigenous communities that may be relevant to the Australian and Western Australian context are reviewed.

Capacity Building

Capacity building can mean different things to different groups and in different contexts, with the risk of being overused as a buzzword or as sloppily-defined jargon (Eade, 2007, p. 630). As a concept, it also suffers from a lack of clarity about how capacity can be built and how successful capacity building can be demonstrated and measured (Rudland, Ryan, & Faruqi, 2004, p. 2). To define capacity building, this review considers the term's origins in the community development literature and its evolution in practical use.

In the context of a systematic approach to community development, capacity building was linked to work by the United Nations Development Programme (UNDP) in the early 1990s (Ostrowski, White, & Cole, 1984).   In 1991, at a symposium in The Netherlands UNDP delegates defined capacity building as:

> *... the creation of an enabling environment with appropriate policy and legal frameworks, institutional development, including community participation (of women in particular), human resources development and strengthening of managerial systems ... capacity building is a long-term, continuing process, in which all stakeholders participate ...* (Alaerts, Blair, & Hartvelt, 1991)

In adopting capacity building into Agenda 21 in 1992, the United Nations noted that:

> *... capacity building encompasses the country's human, scientific, technological, organizational, institutional and resource capabilities. A fundamental goal of capacity building is to enhance the ability to evaluate and address the crucial questions related to policy choices and modes of implementation among development options, based on an understanding of environmental potentials and limits and of needs as perceived by the people of the country concerned.* (National Mechanisms and International Cooperation for Capacity-Building 1992)

More recently, the UN described capacity building as capacity development. This reflects an evolution of thinking on how capacity can be engendered rather than denoting a separate concept. The UNDP describes capacity as "the ability of individuals and organisations or organisational units to perform functions effectively, efficiently and sustainably," and thus capacity development is the act of building this ability, by focusing on policy and purpose; legal and regulatory environment, management and accountability; resources (including human and financial); and processes (Capacity Assessment and Development In a Systems and Strategic Management Context: Technical Advisory Paper No. 3, 1998, p.5).

Depending on the context in which capacity building is attempted, the scope of the definition must be adjusted. Lusthaus, Adrien & Perstinger (1999) group the many definitions into four perspectives or approaches to capacity development: organisational, institutional, systems, and participatory (Lusthaus, Adrien, & Perstinger, 1999, pp. 4-7).

The organisational approach refers to an increase in the ability of a public sector organisation to perform its tasks. The institutional approach is one that builds "the capacity to create, change, enforce and learn from the processes and rules that govern society" (Lusthaus et al., 1999, p. 5). A systems approach considers that capacity should be built on existing systems rather than by creating new ones. The participatory approach views capacity building as "people-centred and non-hierarchical", with the view that any change to an organisation, institution or system will not work if it is not linked to participation, ownership and empowerment of the key actors. The authors argue that there is common ground in the uses of the term, with consensus that capacity development "involves the long term, contributes to sustainable social and economic development, and is demand driven … (and) suggests a shift towards enhancement and strengthening of existing capacities" (Lusthaus et al., 1999, p. 4)

In practical terms, capacity building refers to "intervention, consequent enhancement of human and social capital, plus increased motivation or commitment to act or empowerment to act

independently and the expectation of an outcome in the form of an improvement of some kind". The types of improvements that might be sought include "business profitability and sustainability, industry profitability and sustainability, the ecological health of catchments, the wellbeing of people and the wellbeing of their communities—all in the context of a turbulent and complex environment" (Macadam, Drinan, Inall, & McKenzie, 2004, p.16).

There has also been debate over what capacity building is not — particularly when contrasted against the language of training. Eade (2007) warns that capacity building is often used as "no more than a serious-sounding alternative to 'training' … (but) adopting a narrow view of capacity building as in-service or vocational training is just as unhelpful as using it as a catch-all to mean everything and nothing" (Eade, 2007, p. 630). The United Nations' Capacity Development Group also argues that capacity development is:

> *... about transformations that empower individuals, leaders, organizations and societies. If something does not lead to change that is generated, guided and sustained by those whom it is meant to benefit, then it cannot be said to have enhanced capacity, even if it has served a valid development purpose.* (Capacity Development: A UNDP Primer, 2009, p. 6)

McKenzie (2007), citing Macadam et al (2004), distinguishes between capacity building and other inventions thus:
- Capacity building isn't education and training or technology transfer although they are tools that can be used to develop capacity.
- It isn't about experts imparting knowledge to others, rather capacity building is based on the concept of everyone learning together (co-learning), and this can be with input from people who have special expertise.
- It isn't a process where an organisation external to the process can determine the final outcome. (McKenzie, 2007, p.60)

For the purpose of this scoping study, we can reduce this range of definitions to a simpler and more encapsulated idea:

> Capacity building must revolve around building or enabling groups to be more effective, functional and efficient, in areas that may include finances, governance, service delivery, policy, interaction with other groups and human resources, in a manner that encourages participation, ownership, empowerment, co-learning and self-development.

Capacity building in a local government context

With the recognition of capacity building as a key approach to development in all countries, major international and national bodies have sought to identify the capacity of local governments and undertake capacity development to improve such things as service delivery, local leadership, democratic process and sustainability. The UNDP underscores the importance of functioning

governments and their human operators when it argues that building their capacity is fundamental to the success of all other development goals, be they social, cultural or economic:

> *Without supportive laws, policies, strategies and procedures, well-functioning organizations, and educated and skilled people, countries will continue to lack the foundation to plan, implement and review the initiatives that are needed to deliver on development results. Capacity development helps to strengthen and sustain this foundation. It is the "how" of making development work better.* (UNDP Lessons learned on capacity assessment, 2009, p.1).

In the European context, capacity building has been linked to strengthening democracy in formerly authoritarian states, with the Council of Europe noting that:

> *Effective, democratic local government both delivers better local public services and gives local people a real say in the services they receive and in the way they are governed. It means that people in power locally become accountable to the people they serve, rather than to central government.* (Toolkit of local government capacity-building programmes, 2005, p. 1)

While this is the ideal, the Council of Europe has argued that local governments are not always sufficiently able to provide accountability, effective governance or appropriate services, and it is here that capacity building becomes important.

> *Central governments need the confidence that local government will work well. They need to be sure that basic standards will be achieved, that public money will be properly accounted for. For that reason, capacity-building programmes are essential. They are the other side of the coin to the legislative framework.* (Toolkit of local government capacity-building programmes, 2005, p. 4)

In the United Kingdom, capacity building of local government has been the subject of a national program designed "to enhance and develop councils' confidence, leadership, and skills to drive forward improvement as well as developing their capacity to learn, innovate and share knowledge and expertise about what works and how" (The Capacity Building Programme: the facts, 2004, p. 1). Capacity gaps have been identified in the local government sector, within individual local governments, in the 'top teams' of council managers, at the operational level of councils and among support functions, which are now trying to be addressed. These gaps provide a useful overview of the types of capacity issues that commonly arise in local governments and identified as:

- *Partnership working* - including skills in consensus building, negotiating and influencing, and knowledge of issues such as policy and funding developments, forms of partnerships that add most value and ways of overcoming barriers to partner engagement;
- *E-government* - including lack of knowledge about how ICT can be applied, lack of people who understand how to respond strategically and corporately to the e-government agenda and lack of skill in procuring ICT;

- *Risk taking* - primarily a lack of effective challenge to existing ways of delivering services and willingness to implement radical changes;
- *Community engagement* - in particular there is a lack of knowledge about how to empower local communities, carry out local needs analysis and manage conflict. There is also some debate about whether councillors should be community facilitators or community leaders.
(Capacity Building Needs of LG in the UK 2006 Research Report, 2006, p.5)

Since its implementation in the early 2000s, the national program addressing these capacity gaps has undergone several stages including modernising council structures, a focus on centrally determined policies, introduction of performance assessment and, in recent times, "a more relaxed approach to central government scrutiny and performance management and … a commitment to greater local autonomy in setting policy priorities" (Nunn, 2007, p. 467). These shifts in thinking have been reflected in the success — or not — of aspects of the program. Nunn notes that many of the centrally driven training programs were less successful than more recent 'bottom-up' efforts to build local ownership of the development agenda. Despite changes in the program delivery, however, the importance of capacity building for local governments in the UK has not diminished and it remains a stated priority of local authorities across Britain.

In Australia, capacity building for local governments is primarily driven by State governments, by local governments themselves, or by key agencies seeking to improve specific capacities within local government partners. In New South Wales, for example, the Local Government Services Association has worked to build the capacity of local governments in biodiversity management. In Victoria, local governments have partnered with the not-for-profit organisation Clearwater, which exists to build capacity in the area of urban water management. In Western Australia, the State Government's 'Royalties for Regions' funding mechanism has provided an initial yearly allocation of $2.5 million for capacity building of regional governance services and asset management, while the State's Water Corporation works with local governments to develop capacity in the area of water conservation and use.

There have been efforts to build capacity of private as well as public organisations in Australia's rural and regional areas to address key challenges arising from issues such as geographic isolation, low population density and depressed economic conditions. McKenzie (2007) describes capacity building in rural Australia as being designed to help people:

> *… understand and manage their changing circumstances thereby improving stocks of human, social, financial and natural capital. It occurs when relevant communities of practice consciously use their stock of human and social capital and their access to financial, physical and natural capital to improve a situation, and improve the stock of capital in the process.* (McKenzie, 2007, p.2)

Issues facing WA rural and remote local governments

Western Australia has some unique geographic features in its size and remoteness and this is reflected in the diversity of its 139 local governments. A 2006 LGAB report on the state of local

governments acknowledged this diversity (see Section 2.1). The authors note that "many of the smaller local governments have limited revenue bases, with 22 local governments reporting own-source revenues of less than $1M, and 42 local governments with rate revenues less than $1M." (*Ensuring the future sustainability of communities*, 2006, p. xvii)

A noted earlier in this report, statewide there is pressure for reform of these councils, with the WA Minister for Local Government inviting councils in February 2009 to volunteer to amalgamate, reduce their total number of elected members and form regional groupings of councils to assist in building their capacity for service delivery (*"Department of Local Government — Local Government Reform,"* 2010). WA remains the final state to undergo local government reform and the outcome of this process is by no means certain. The pressure, particularly on small regional councils, to join forces or merge is strong. However, there is some resistance to any idea of forced amalgamation and the WA Local Government Association (WALGA) is directing its own reform process to:

> *… assist individual councils to review, debate and consider the future sustainability of Local Government and to ensure (the development of a framework that) encompassed the assessment of economic, social capabilities and capacity of individual communities and regions* (WALGA, *The Journey: Sustainability into the future. Shaping the future of local government in Western Australia 2008*, p.4).

Although the approach to reform may be a matter of disagreement, there is consensus about the scale and scope of the challenges that WA local governments face. WALGA's report highlights a number of key drivers for reform of local governments, including:

- Difficulties in securing personnel with the necessary skill sets for delivering services and the carrying out regulatory functions;
- Mounting expectations from communities for services, pressure to improve existing services and to take on new services; and
- Pressures on resourcing and funding to allow an appropriate level of service delivery.
  (The Journey: Sustainability into the future. Shaping the future of local government in Western Australia 2008)

Local Government Advisory Board (2006, p.xviii) has identified similar pressures, namely:

> The operating environment of local government might be described for most local governments as being an uncomfortable squeeze between rising community expectations, increasing responsibilities and compliance requirements, constrained revenues and shortages of skilled staff.

> The financial pressure on local government was a consistent theme among submissions from local government. There are other operational and community issues as well. Some local governments struggle to recruit and retain appropriately skilled staff.

> Many local governments struggle to sustain their local community as populations

shrink and businesses and services are closed or downsized. This demographic stress compounds the financial stress of local governments as shrinking rate bases or a shrinking number of volunteers impact on the provision and maintenance of services and facilities.

In addition, local governments need to be able to respond to the changes in government policy and the social, economic and environmental context in which they operate.

Issues Specific to Local Government Service Delivery in Indigenous Communities in WA

Such issues of revenue and staffing pressure amid increased demand for services and compliance as previously discussed, have currency throughout WA, but there are even more pressing issues faced by those councils attempting to deliver services to Indigenous communities. The literature on the challenges faced by Indigenous communities is vast, but one useful summary of the multidimensional nature of the issue around the provision of services to these communities in WA was reported by the Department of Indigenous Affairs (DIA) in 2002. It describes the barriers to servicing the needs of Indigenous communities as:

1. The documentation of disadvantage has never been matched by the quantum of investment required by governments to address the backlog of need.
2. Investment in capital infrastructure has not been supported by appropriate maintenance and asset management practices.
3. The basic planning, building and public health standards that apply for the protection of the residents of mainstream communities have historically been denied people living in discrete Indigenous communities.
4. Indigenous communities in Western Australia continue to have very limited access to the services and expertise provided by local governments.
5. The proliferation of Indigenous communities and organisations has led to existing resources being spread increasingly thin resulting in poor economies of scale and increasing distances from service centres.
6. The shift from government or mission run settlements to communities that are largely self-managed has not been accompanied by the transfer of expertise and the resources necessary for the effective running of these communities.
7. Indigenous governing bodies struggle in a complex environment with imposed governance structures, limited support and limited skills to fulfill both their internal responsibilities to Indigenous members and their external accountability requirements.
8. The limited administrative and management capacity of many organizations is exacerbated by the often short term and complex funding and onerous accountability arrangements with service agencies.
9. The aim of self-determination has been used as an excuse by governments and service providers to provide an inequitable level of service and to tolerate conditions and activities that would not be accepted in any other sector of the community.
10. Historically the issue of services to Indigenous people has been regarded as the

responsibility of specialist Indigenous affairs agencies such as the Department of Indigenous Affairs and the Aboriginal and Torres Strait Islander Commission, which have neither the resources nor the mandate to deal adequately with the problem.

11. The lack of access to mainstream services and funding sources has meant that Indigenous specific programs designed to bridge the gap of disadvantage have merely substituted for rather than supplemented mainstream programs and services.

12. Historical injustice, erosion of culture and ongoing racial discrimination are significant contributors to contemporary Indigenous disadvantage.

13. Social support programs have generally focused on treating the effects and symptoms of disadvantage rather than tackling their causes through targeted preventative approaches.

14. Dispossession from land and marginalisation from mainstream resource development and labour market opportunities has severely restricted prospects for economic development and contributed to welfare dependence.

15. Government agencies and staff have limited capacity to deal effectively with Indigenous people or to negotiate appropriate service delivery models within existing program structures.

16. Indigenous people have not been genuinely empowered to control their own lives or to negotiate as partners with government in order to achieve outcomes consistent with reciprocal and shared responsibilities. (DIA, *Services to discrete Indigenous communities in Western Australia,* 2002, pp. 5-6)

In 2008, the Local Government Advisory Board released a report into local government service delivery to Indigenous communities that reaffirmed many of these issues, describing key impediments to the delivery of services as:

- *Difficulties in accessing Indigenous communities;*
- *Non-payment of rates;*
- *The 'private' nature of Indigenous communities;*
- *A history of Commonwealth and State Government agencies circumventing local government approvals and involvement;*
- *The substandard nature of existing infrastructure;*
- *The Crown not being bound by provisions of complementary legislation; and*
- *The inability to apply building controls and ensure compliance with the Building Code of Australia.*
  (LGAB, *Inquiry into local government service delivery to Indigenous communities*, 2008, pp. 7-8)

It further identified factors affecting service delivery, including:
- *Competency of the community administration;*
- *Level of funding provided;*
- *Availability and reliability of community plant and equipment; and*
- *Availability of personnel.*
  (LGAB, 2008, p. 40)

The report's conclusion was that extra funding was required to provide local government authorities with the capacity to deliver services to a satisfactory standard to Indigenous communities, which makes this scoping study particularly timely.

As can be seen from the literature investigating capacity issues in Western Australia, there are considerable and persistent barriers to successful local government in rural and remote areas (including those with significant Indigenous populations). Many of these issues are difficult to resolve. Many of the problems have root causes that are unable to be changed, such as remoteness and the tyranny of distance. This inevitably makes it more difficult to attract and retain high quality staff — the building blocks of any government body. The costs of providing services over large areas, with long travel distances and remoteness from town or city centres, also raises the cost of even basic service delivery, while declining population bases and reduced income for rates puts pressure on local government incomes. While these issues are not unique to remote and rural communities, they are clearly exacerbated by geographic distance. Local government areas with large Indigenous populations face additional challenges, which have also been widely identified and commented on in the literature. While remoteness and a lack of financial resources play a role here as well, there are more systemic and complicated issues that relate to historical treatment, issues around land, community and dispossession, the relationship of Indigenous communities with all three tiers of government, and the shifting of responsibility for Aboriginal communities over the years.

Successful capacity building for local governments

When British local governments were asked what methods of capacity building they had found most helpful, their responses included 'away-days' for council leaders, training programs in which the management team was trained on site, leadership programs and appraisals, secondments, mentoring and peer partnerships between successful local authorities and those with performance problems. At the council middle management level, leadership programs, officer groups, cross-departmental groups and corporate meetings were nominated as successful methods (Capacity Building Needs of LG in the UK 2006 Research Report 2006, p.41).

The UNDP (2009) has compiled a list of lessons learned from capacity development programs around the world to distil its own description of what makes for successful assessment of an organisation's capacity. Its advice includes setting clear objectives, adapting the capacity assessment to the needs of the particular body, and promoting strong client and stakeholder involvement in the process, which

> *… promotes ownership of the process and its results, and commitment to the broader capacity development agenda. Stakeholder involvement also helps ensure that the assessment meets local needs, so that its results are relevant and useful* (UNDP, 2009, p.2)

Looking overseas, it is possible to explore models of local government that have attempted to deal with similar problems raised by the need to service Indigenous populations remote to city centres.

Models of local government service delivery to rural-remote and Indigenous communities

Overseas Models

In Canada, a variety of models are used to deliver services to Aboriginal groups in remote areas, with a shift in recent decades to increased self-government with terms negotiated by different groups with the Canadian Federal Government. A report outlining different models and the history of Aboriginal self-government in Canada noted that powers relating to the sovereignty and defence of Canada are not open for negotiation; nor are other national interest powers, but

> *… the range of subjects that the federal government is willing to negotiate includes matters internal to the group, integral to Aboriginal culture, and essential to operating as a government or institution. Examples are the establishment of government structures and internal constitutions; membership; marriage; Aboriginal languages, culture and religion; education; health; social services; policing; enforcement of Aboriginal laws; and others. In a number of other areas, such as divorce, the administration of some justice issues, gaming, and fisheries co-management, the federal government is prepared to negotiate some measure of Aboriginal jurisdiction.*

The models of self-government used in Canada are individually negotiated with tribes and Indigenous communities. The Cree and Naskapi First Nations of northern Quebec, for example, were the first Aboriginal groups to negotiate self-government as part of their land claim agreements in the 1970s. Since the 1980s, the responsibilities for the Federal Government in day-to-day administration of lands has been limited and the Cree and Naskapi bands were incorporated and some of their lands constitute municipalities or villages under the Quebec *Cities and Towns Act*. The band corporations have by-law powers similar to those possessed by local governments. According to Wherrett (1999), "The governments are not ethnic in character — all residents, Aboriginal and non-Aboriginal, may vote, be elected and otherwise participate; however, over 90% of the population in the area are Inuit and receive benefits under the James Bay Agreement" (Wherrett, 1999).

Agreements between the Government of the Yukon, the Canadian Government and the Council of Yukon First Nations — representing 14 groups — offer an alternative model. Several First Nations now have law-making authority over internal management of the First Nations; laws of a local or private nature on settlement land; hunting, trapping and fishing; the licensing and regulation of businesses; and the taxation of interests in settlement land and other modes of direct taxation of First Nations citizens. They also have authority to enact laws for their citizens throughout the Yukon in the areas of language, culture, health care, social and welfare services, and education.

In British Columbia, an agreement to settle the land claim of the Nisga'a Tribal Council allows for the Nisga'a to have a central government and four village governments, which Wherrett (1999) describes as:

> *… similar to local government arrangements, all of whose structures, duties and functions are spelled out in the Nisga'a constitution. The Agreement provides for*

> *Nisg̱a'a law-making powers over matters such as culture and language, public works, regulation of traffic and transportation, land use, and solemnization of marriages. The Nisg̱a'a would continue to provide health, child welfare, and education services under existing arrangements, but could also choose to make laws in these areas. … The Agreement also provides that people residing on Nisg̱a'a Lands who are not Nisg̱a'a citizens will be consulted about and may seek a review of decisions that directly and significantly affect them and can participate in elected bodies that directly and significantly affect them.*

This self-governance has not entirely removed the barriers that exist in providing services to remote Indigenous communities, however. Indian and Northern Affairs Canada (INAC) is the Canadian body that provides support funding and assistance for First Nations governments. A 2009 report by INAC into issues facing Indian and Indigenous governments in Canada found a very similar picture for life and governance in remote regions to that experienced in Australia, noting:

> *… the cost of living in these communities is much higher than elsewhere; it is also more difficult to attract and retain employees and geographic barriers or environmental conditions made it more difficult to access communities. These extra costs affect core operations budgets as well as capacity development …The high cost of living also means that when salaries funded by INAC are not appropriately adjusted, those who work for First Nation administration cannot afford the basics. This makes it more difficult to attract employees to work in the community. It is similarly expensive to obtain the physical goods necessary to do business, which often have to be shipped into the community. A lack of professional services, including accountants, lawyers, auditors and public notaries means that communities must pay travel costs as well as higher fees.* (Renewal of the Indian Government Support Funding Programs: Meetings with First Nation Administrators — Summary Report, 2009)

As part of the legal changes that allowed self-governing First Nations to assume control over property taxation on their lands, provincial and local government taxation of these lands was withdrawn and First Nations governments became responsible for providing local services. In some cases, local government and municipal services are contracted out to local governments who provide the services on First Nations lands. An examination of more than 40 agreements between First Nations and local governments in British Columbia, found that there were disagreements over the description of services that should be provided. The authors found "There is either a failure to properly list the services to be provided by the local government or, more frequently, there is a failure to include a provision requiring the local government to supply a certain standard of services" (Bish & Duerr, 1995).

Other issues that arose included restrictions on some services that could be delivered by local governments onto reserve land, such as planning, animal control, and pollution measures, unless the First Nations band had made specific bylaws to allow for this. Police services were usually provided by the provincial government (equivalent to the State tier in Australia) but First Nations could enter

their own arrangements with a municipal policing department to provide services on their lands (Bish & Duerr, 1995).

Australian models

The diversity and unique characteristics of Aboriginal communities makes the notion of applying a single or even several models of successful operation across regions impractical. Despite that, there are useful elements of models that might be able to be replicated or adapted in different communities. Two models of operation in WA are presented here for consideration.

The Balgo Model

Balgo is an Aboriginal community in the remote East Kimberley region with between 300 and 500 permanent members. According to the Office of the Registrar of Indigenous Corporations, the Wirrimanu Aboriginal Corporation was put into special administration in 2003 over concerns about the governance and financial position of the Corporation. In 2008, the Corporation was handed back to the Wirrimanu Aboriginal Corporation and new directors were appointed, representing each of the 14 family groups in the Corporation ("Western Australian Aboriginal corporation appoints new directors," 2008, p. 3). As part of the hand-over, members voted for a new "rule book" for the running of the community and the directors formed a community advisory committee, implementing policies that would "encourage greater school attendance rates, drafting community codes of conduct and encouraging participation in community development projects" ("Wirrimanu Aboriginal Corporation special administration ends," 2008).

For those on the ground, the hand-over represented a significant opportunity to readdress issues within the community which had been left "in a holding pattern," according to Maggie Kavanagh, the Community Capacity Building officer funded by the WA Department of Indigenous Affairs. She told the Desert Knowledge Symposium in Alice Springs in 2008 that the administration period had left people feeling disempowered and dispirited:

> *Balgo is a community with very few Aboriginal people employed in real jobs, without a community hall, no aged care or disability program, no programs for young children or mothers, no childcare or preschool programs, no after-school or holiday programs for kids, a poorly funded school with only one secondary teacher, two police to cover three communities with a population of 850 people, no drug and alcohol services and the limited youth service is mainly funded by Catholic organisations. It also has some of the worst and most inadequate housing of any community I have been to in 25 years.* (Kavanagh, 2008, p. 2)

Kavanagh told the symposium that key steps had been taken to develop a successful community body as part of the writing of the "rule book", including the decision to have a representative from each family group. A permanent circle of four senior men and four senior women sit with the directors and advise on land, law and cultural matters. Another innovation is the ability for directors to be replaced by another family member if they can't attend. She argues this model, incorporating elders and representing all family groups, is better than an elected council in many ways:

I think for remote communities this representative model is far more meaningful than electing a first past the post system or having a council made up of people who are the best talkers. It is inclusive and ensures that all the families have a seat at the table. (Kavanagh, 2008, p. 3)

The meetings are designed to be relaxed and friendly, with a cup of tea and lunch provided, a deliberately unrushed pace, and with minutes read aloud, written in large font size, and assistance available to members to check the meanings of words. A code of conduct for the meetings helps ensure they are positive and helps foster agreement, and there is an agreement that arguments are left outside (Kavanagh, 2008, pp. 4-5).

Interaction with outside agencies is also helped by the community's written rules, with specific guides prepared for visitors to meetings. Kavanagh explains:

This in particular has been an empowering tool for the community. It turns around the "good governance" debate and says to bureaucrats and other visitors if you are going to come into our meetings this is the way we want you to conduct yourself. So the guide says – speak in clear English people can understand, don't use jargon or acronyms, be concise, know what you're going to say and stick to it and when you are finished and got what you came for – leave and don't hang around for business that is not yours! Give us our space. (Kavanagh, 2008, pp. 5-6)

Kavanagh argues that the success of the model is driven by a number of elements. Firstly, having a dedicated position within a community to assist the community develop capacity works far better than having someone on a fly-in-fly-out basis. The community acceptance of the model has been vital, and the governance and training is real and meaningful. She also argues for the power of belief in the skills of local people:

This process has been about empowerment. Not enough people have faith in Aboriginal people's capabilities and talents. You cannot underestimate the importance of a bolstering, encouraging support to people who are trying to turn their community around. (Kavanagh, 2008, p. 8)

The Wiluna Model

Wiluna is another remote community with a significant Indigenous population that has experienced years of troubled governance. The Shire covers some 184,000 square kilometres, making it three times the size of Tasmania, but, according to the ABS 2006 Census figures, has fewer than 2000 people of whom about 41% are Indigenous. It is 966 kilometres north-east of Perth (Services to Indigenous people in the Shire of Wiluna: mapping and gap analysis, 2004, p. 6). The Wiluna Shire collapsed in 2003, the fourth such collapse in 20 years (Submission to the Inquiry into Collaborative Approaches in Government, 2008). In 2004, the Department of Indigenous Affairs (DIA) conducted a mapping and gapping exercise to identify the substantial problems facing the shire and particularly the Indigenous community. These included high unemployment, poor health, inadequate housing, high alcohol use, poor community facilities and very poor educational outcomes.

The analysis gave detailed recommendations to address a range of measures, from health to environmental problems. It also identified key issues that needed to be resolved for the coordination of service delivery across all areas by different tiers of government. The report included a recommendation that increased attention be paid to the Shire and its needs, with better coordination of State and Federal government agencies with local community representatives. Particularly, the report recognised that with the history of disruption of the Shire, there was the need for "the Western Australian Local Government Association and the Department of Local Government and Regional Development (to) provide intensive support and training to enable to Shire to fulfill its role" (*Services to Indigenous people in the Shire of Wiluna: mapping and gap analysis*, 2004, p. 69)

The "Wiluna Development Project" grew out of the Shire's history of collapse and this analysis. It is a pilot intervention project led by the Department of Local Government and Regional Development to trial and progress an integrated approach for service delivery. In a submission to the WA Parliament in 2008 on collaborative approaches taken in government, the project was described as adopting:

> *… a localised development approach to address inferior capital infrastructure and systemic issues which hinder civic participation and economic independence within a predominantly Indigenous town. The Department, as the lead State Agency, and Shire are pursuing a localised development model which focuses on building the capacity of local governance and participation of the community. The State Government has committed $1.9 million over four years (2006/07 - 2009/10) to providing strategic support to the Wiluna Shire and the project management fund is used to enable the Shire to recruit suitable expertise, undertake capacity building initiatives and socio economic and demographic analysis.* (*Submission to the Inquiry into Collaborative Approaches in Government*, 2008)

The State government sought to take account of local circumstances and to provide a more flexible and supportive approach, rather than running it out of Perth in a centralised model. In adopting a 'localised development model' to address capital infrastructure and systemic issues in the community, this approach sees these issues as regional development matters rather than just local government issues. The Wiluna Development Project has, therefore, translated into a partnership between the Wiluna community, facilitated by the Shire of Wiluna and involving State and Commonwealth government agencies and the mining industry. It is a collaborative model whereby all service providers in the community cooperate to solve problems. A key feature of the model is its emphasis on active engagement of Indigenous people to identify the community's needs, to solve problems and to make decisions. This model employs a systems thinking approach recognising crucial linkages between health, education, employment, housing and essential services, social development, governance and capacity building (DLG Briefing Note, 2010).

The initial phase of the project focussed on addressing immediate community infrastructure needs and building the capacity of the Shire. The second phase is now focussing on developing social capital and the community's wealth generating capacity. This second stage of the project has four key elements: i) development of a strategic plan based on comprehensive community consultation; ii) the establishment of a Community Development unit to increase community and economic participation; iii) establishment of a local level coordination group comprising the CEOs and an

Indigenous representative from key service providers in the community to identify problems and issues on which to work collaboratively; and iv) the signing of a Regional Partnership Agreement between the Mineral Council of Australia and the State government to make Wiluna a trial community for working in partnership to address a wide scope of economic, social and cultural needs.

To date the Shire has been able to recruit suitable experts, undertake community capacity building, and involve the community in the revitalisation of Wiluna. Early successes have included new infrastructure, such as "the construction of a swimming pool and government support for a housing construction and repair program, installation of an authorised sewerage and water scheme program and a new school and proposed training facility," as well as what was described as a marked improvement in the attitudes of local people to local government and community participation, and a greatly increased representation of Indigenous people on the local council (*Submission to the Inquiry into Collaborative Approaches in Government*, 2008).

Much of the work involved in rebuilding Wiluna has centred around the Shire, and its strategic plan now includes strategies to improve the environmental status of Wiluna ('Green Wiluna'), its development ('Go Ahead Wiluna'), its civic pride and sense of history and place ('Proud Wiluna'), and its health outcomes ('Healthy Wiluna'). Its vision for better community governance ('Leading Wiluna') includes goals of "strong leadership, governance and planning; effective and customer-focussed systems, policies and procedures; a supportive and culturally sensitive work environment; and a strong, capable, and well-trained workforce" (*Wiluna Shire Council Strategic Plan 2009-2014*, 2009, p. 4).

With the special funding support received, the Shire has been able to employ four community officers, a community development manager, a sport and recreation manager, a tourism officer and an art gallery manager. These local government officers have worked with the Indigenous community and have been able to attain very high levels of engagement and participation with members of the community. The CEO Samantha Tarling describes the success of these embedded officers with the local Martu people this way:

> *They have been employed for the last 12 months and in the last 6 months we can see real runs on the board with the community participating. We've got Martu women – obese women - coming to our gym and doing our programs … Our Art Gallery is up and running and it is vibrant. Our tourism office has merchandise that reflects their stories and books that tell their life stories (and) they have a real sense of pride. Our Council office – we took down the European pictures from our walls and put pictures of their Elders in our Shire offices – they really take that on board and own it.* (Tarling, 2010)

The immediate future of the Wiluna Development Project will determine how well the changes 'stick' in the community. The Shire says it is concerned that it will soon lose funding for its additional officers, which would reduce its ability to offer the community engagement services (Tarling, 2010). While the Department of Local Government, however, says it is moving towards a phase that will focus more on social capital, and "the capacity of the community to generate wealth through employment enterprises, improved education and training" (*Submission to the Inquiry into Collaborative Approaches in Government*, 2008). It is interesting to note that although the Wiluna

model can be considered a success, communication between the Department and State Parliament indicates that there were clear barriers that persisted, even with considerable political will, when attempting to run such an intensive intervention. Those barriers are included here to illustrate how similar they are to the issues perceived by local governments in ordinary dealings with multiple agencies.

According to the Department's submission to State Parliament, the Wiluna Development Project:

> *… is an attempt at "Joined-Up Government" driven at the local level. The main barriers and inhibitors to this approach have included:*
>
> • *Inconsistencies in administrative boundaries, which inhibit cross agency communication, collaboration and seamless service delivery and duplicate the work of the local coordinating entity. Depending on the State government agency, responsibility for services in Wiluna could lie with a regional office in Kalgoorlie, Geraldton or Meekatharra. As an example, in relation to education and training, responsibility for training lies with the Geraldton regional office whereas education services are the responsibility of the Kalgoorlie office.*
> • *Problems in aligning agency budget and resource allocations for jointly funded initiatives.*
> • *Lack of flexibility with respect to service and program funding and delivery.*
> • *Short-term resourcing for programs requiring long term commitment.*
> • *Complexity and multiplicity of funding, reporting and acquittal requirements for ongoing programs.*
> • *Prevalence of short-term and ad-hoc responses to community needs and problems requiring long term responses.* (*Submission to the Inquiry into Collaborative Approaches in Government*, 2008)

5.0 STUDY FINDINGS

The findings of the second and third stages of the scoping study are presented in four parts. Firstly, the key capacity issues and needs that emerged from the in-depth interviews with stakeholders are presented and discussed. Next, the potential actions and initiatives suggested by the various participants in the consultations are presented. Then, the value given to these actions and initiatives by the survey participants are presented and discussed within the context of ACELG's Program framework. Lastly, the priority issues and actions that emerged from the WA study are compared and contrasted with the findings of the 2009 Queensland study of capacity needs of non-amalgamated councils.

5.1 Critical Capacity Issues and Needs

The interview participants were asked what problems or issues their councils experience in being able to deliver a reasonable standard of services to their communities and if there are any gaps in government and agency policies or programs that adversely affect their capacity to deliver services. Those local governments with significant Indigenous populations as well as other relevant stakeholders such as representatives from the Department of Indigenous Affairs and the Indigenous

Coordination Centre were also asked about what challenges they faced in being able to service this part of their communities. The following discussion outlines the most critical issues and needs that emerged from these consultations.

Human resources issues

The issue of staff skills and capabilities was the most significant issue that emerged. This issue was raised in 22 of the 31 interviews and was discussed in considerable detail. Coupled with the similarly high concerns relating to recruitment and retention of staff, this reflects the very real concern that capacity building in rural and remote local governments cannot be successful without appropriately skilled and capable workers on the ground. These workers need to have the right abilities to tackle the work in their region, and must be able to remain long enough with the local government to allow any capacity building efforts to take root. As one interviewee put it:

> "People with any capacity prefer to stick to larger regional local governments, or, if they are out there, they won't be there long until other opportunities come up that are closer to home. So (you need) capacity in the professional people, not only CEOs. It translates down to building and engineers and all those sorts of people." (Interview 7)

That shortage of suitably skilled workers applied across all levels of local government. Several interviewees noted that even recruitment of junior or inexperienced staff was often difficult, due to the combination of remoteness and competition from private industry able to pay higher wages. One interviewee stated:

> "(You are) faced with bidding wars to attract even inexperienced university graduates or even poaching students from uni before completing their course. Even then, they are dictating what package they want and are negotiating with several organisations." (Interview 3)

Where the lack of skills and capacity was most felt, however, was at the chief executive level. A number of interviewees noted that without CEO capacity, the council would struggle to achieve even a basic level of service delivery. Respondents gave examples of chief executives who were described as lacking strategic direction, an understanding of local government operations, awareness of local government laws or even basic organisational management skills. One interviewee said "Even from basic weekly budgets and the strategic plan – (strategy) has been non-existent. I have had CEOs ring me and ask 'how do we link these two'. That's just the basics." (Interview 16)

There was also a stark division between what were seen as 'stellar' council leaders and employees, whose names were frequently repeated by interviewees as excellent examples of people providing the type of vision, strategy and capacity required for local governments, and others who were accorded very little respect. The paucity of skills and ability among senior council staff was linked to limited financial power to attract the right employees. One interviewee commented:

> "What (remote and regional local governments) can afford is probably – a nice way of putting it –not going to be your heavy hitters going in, are they? They will probably be people who find it hard to get employment anywhere else. So you're going to have mistakes, management issues. You can't afford to have the right people. So you get

people in who come with a whole lot of baggage which means you've got to manage more and take people off the ball." (Interview 9)

Another put it more bluntly stating, "Basically, with no money you get dick heads." (Interview 1)

Essential in the discussion of staff skills and capabilities was the issue of training. While a number of interviewees highlighted the lack of training and education as important drawbacks for the successful operation of the local government, others noted that there were a large number of highly experienced council workers who had few or no external qualifications but who were very competent and skilled at their jobs. In some cases, demands for increased training and qualifications could actually work against local governments as it risked making it difficult for these experienced workers to continue in roles with additional qualification requirements. Building surveyors were cited as one example of a role that has been tightened by State Government with possibly deleterious effects:

> "In order for them to meet the grade they need to have some kind of formal qualification, a diploma, but most of the building surveyors who are working for small, rural or remote councils have been there 25 years, they have learnt on the job and they are at an age where they really don't want to go back to get that formal qualification." (Interview 11)

Competition for staff was another area that was identified by respondents, particularly in relation to the high salaries commanded by workers in the mining industry, which was known to poach local government workers. As one respondent said, the last boom was devastating for local governments trying to retain staff:

> "Generally you lost the engineer, the finance director, maybe an OHS expert, but the last one went right in. They knew that local government was a great resource because they need people to build and maintain roads. They were taking people from my lowest levels. Now in a regional local government you're going to lose staff and the ability to attract on the salaries you can pay is an enormous problem." (Interview 9)

The loss of staff to mining companies had multiple implications, including that it raised the cost of attracting staff and reduced the pool of qualified people prepared to work in remote areas, as mining and resources companies could take the best of that group. It raised salaries required for staff overall, both to compete with the industry but also to cover the increased costs associated with living in areas in which mining operated, such as very high prices for housing. It also made it harder to retain well-qualified staff, including those who had undergone professional development, which had led some councils to be suspicious or even feel negatively towards capacity building. As one interviewee noted, "If you go and train up somebody to operate a grader or something like that – where are they going to be next year? Up in those mines." (Interview 3)

The temptation to staff is significant, with one interviewee describing how a switch to mining could more than double their income:

> "A (local government) works supervisor has all their safety training. They have all their tickets and are experts in heavy machinery at a reasonably senior level. The mining companies just love them, just adore them, and so that's going to be a real capacity

issue. People living in remote areas earning $80,000 a year can go and live in a remote area and earn $180,000 a year and possibly in easier circumstances – not quite so focused on (the) complex political involvement that you have to have with elected members." (Interview 1)

An interviewee in the Kimberley region described the significant financial impact that this competitive salary environment has on budgets, illustrating why this competition should not be underestimated as a very real threat to the survival and operations of remote local governments:

"Our subsidies to our staff (are) not only to senior staff but the next level down – that's running at about $800,000 to $1 million a year. Our rates are only $11 million. Ten percent of our money is subsidising middle management housing. The lower staff levels – they get nothing … you have got to be concerned that 10% is disappearing into subsidising housing. Our turnover a couple of years ago was 55% on the inside and about 35-40% on the outside. That causes grief." (Interview 24)

The issues associated with attracting and retaining good quality staff were also linked to the inadequacy of facilities and services within small rural and remote communities and the inability of these local governments to provide staff with a career pathway. The aging of the local government workforce and the lack of any succession planning, especially at senior levels, attracted further comment as human resource capacity building issues.

Elected member skills

The level of skills and the characteristics of elected members were not commented on as frequently as staffing issues within local governments, but these were still discussed in about two-thirds of the interviews. Three main issues were raised by respondents in this area: firstly, that the elected members could benefit from training and extra education in the operations of local government, its role and strategic thinking; that a frequent lack of competition in many local government elections did not lend itself to selection of the best or most talented members of the community; and that decision-making within councils needed to be a collaborative process with the administrative staff, so that councillors were not making decisions in isolation or without the basic understanding of the economic situation and circumstances of the local government.

Of less overall significance was an issue relating to the extent of female and Indigenous representation on the elected council. Female representation was a particular issue noted for Wheatbelt councils. Inadequate Indigenous representation was a specific concern in many LGAs with significant Indigenous populations, with only a few notable exceptions like the Shires of Wiluna and Ngaanyatjarraku. While overt discrimination was raised as a problem, more subtle discouragement of the involvement of Indigenous elected members and Indigenous people in council procedures was also discussed. Amongst the impediments to Indigenous participation on council were the insistence on formalized and centralized meetings, reliance on small-type written material and even the absence of technology to assist those people with hearing problems – a common problem for many remote Indigenous people. It was considered that elected members commonly lack cultural awareness and sensitivity, and that little effort goes into trying to engage with Indigenous communities in many areas with significant Indigenous populations. It was also suggested that in most instances, even where Indigenous councillors do exist, local governments do not typically use

them effectively to better engage with Indigenous communities. Further reinforcing this belief, several interviewees recognized that their councils were uncertain about how to effectively engage with Indigenous communities particularly where there are very diverse family and tribal groups making up the Indigenous population within their LGAs. They acknowledged that both staff and elected members need some training and assistance in this regard.

Insufficient money or resources

The relationship between financial resources and local government capacity was a persistent theme in the interviews. In 19 of the 31 interviews, respondents specifically said there were insufficient finances or resources to complete programs, offer services or continue operations, and a number highlighted the extreme fragility of either their own position or that of other local government areas. The financial situation for many areas was tight at best but in some cases verged on insolvency. As one respondent put it, "It's a creditable thing sitting around this table that as a local government we are still largely afloat." (Interview 3)

Within the broader discussion of money and resources, some key issues emerged. Firstly, the depreciation of assets was outstripping discretionary income for many councils, and one interviewee described his depreciation bill as being significantly greater than his total rates income. Coupled with ongoing costs for the maintenance of assets — something respondents noted was frequently not funded, even if an initial allocation was made by other bodies for the construction or development of an asset — this was leading to assets being mothballed or sold to alleviate the ongoing costs of maintenance. As one interviewee described it, the issue also affected roads and any incoming money such as through the Royalties for Regions scheme needed to be spent on fixing existing assets rather than commissioning new ones:

> "We've got a huge liability for what we have got to do and obviously, for some places, they are going to have to say 'I have to let that bitumen go back to gravel. I've got to let that gravel go back to dirt. I just can't do these things'." (Interview 3)

The declining rates base was also a significant issue, particularly for interviewees from smaller rural-remote communities with a shrinking population and those with a high percentage of Indigenous residents living on non-ratable land. Some towns were described as being in decline as their rates base shrank, which meant entering a vicious cycle of reducing facilities and reducing population, business and volunteers. At the other end of the scale were towns that were drawing visitors and outwardly thriving, without the rates base to support the increased infrastructure demands. Broome was offered as an example of this, with

> "… ever increasing demands for tourism infrastructure, ever increasing demands for Indigenous infrastructure or assistance. Then when the tourism industry says 'we're building the hotels, it's your job to have nice parks, shopping centres, more parking in the CBD, more taps at the ovals, more showers at Cable Beach,' shires are saying that we cannot continue to provide the sorts of services the public and the non-rate paying public expect." (Interview 18)

Similar thinking existed in relation to areas impacted by major mining or industry developments that were likely to have a high fly-in-fly-out component, like the gas project currently being negotiated for the Kimberley region.

The third major concern relating to revenue is rooted in the sources of non-rates income, chiefly grants or payment from other bodies for program and service delivery. This was seen as an unstable and sometimes unsustainable area of income, with money being spent on projects that were peripheral or unessential to basic service delivery. Grants were often poorly timed and allowed for little or no money for operations rather than capital expenditure. For those councils with successful grant-funded projects, the threat of losing the money coming in was seen as leading to short-term and opportunistic actions rather than taking a longer-term strategic approach.

The inflexibility of the government's grant funding formula to provide recurrent funding for community development projects that would help build the development of 'social capital' in communities was seen as problematic. This was particularly the case for local governments with significant Indigenous populations where these programs were seen as fundamental in addressing wide ranging systemic issues like drug abuse, alcoholism and child abuse. As one interviewee commented when describing a grant that had been spent employing people to develop community capacity:

> "That (money) dries up in 12 months time so what do we do then when we don't have those four officers who are heavily involved in providing those services? We just become a rates and rubbish council. We're not helping the community in any way.

> "I can sit here and argue those figures with you and it will prove up that it is as cheap as chips. It's like, off the top of my head, $10 a day injection by the government – but they're happy over here to inject tens of millions of dollars as a reaction versus a preventative step and this is where we've got it all wrong." (Interview 12)

Withdrawal of services and interagency relationships

The withdrawal of State and Federal Government services – along with cost-shifting – was another issue highlighted as detrimental to the operation and day-to-day running of local governments. Two major government decisions described as "still sending shock waves" through remote communities with significant Indigenous populations were the abolition of ATSIC in 2004 with no alternative body to replace it, and changes made to the Community Development Employment Project (CDEP) program over the past four years. These were considered by interviewees to have provided a range of services and assistance for which communities are now looking to local government. In some cases, these changes have worsened other issues affecting Indigenous communities because, as one person said, "they have been made in isolation without any thought around how services will be delivered into the future". (Interview 27). This interviewee continued with:

> "If you mapped out things just in terms of land, cultural and heritage issues, infrastructure issues, family and health or wellbeing type issues, employment issues – well CDEP was parked over here in this employment and training issues (area) but by pulling that out it impacted on everything. Absolutely a decision made in isolation … not dissimilar to the ATSIC decision." (Interview 27)

Other agencies were also cited as taking too little interest in remote areas except when something 'bad' happened, which meant preventative work or social services were often not provided until matters had progressed to a critical level. A number of interviewees complained that Federal Government departments had retreated to major towns, which meant they might be a day's travel

from the area they were supposed to service. This led to infrequent and brief visits rather than a proper presence. State government services were also raised by some respondents as issues. As one put it:

> "What you are seeing is an inability of the State government to deliver core services – they are finding it difficult to deliver health, police, law, order and justice, education. There are overtures being made for local government right now to start picking up some of those services. 'What about if you people decided to do this?'" (Interview 3)

The complaints about withdrawal of services partly related to the community expectation that local government will step into the shoes of the departing agency, offering environmental services, health, banking or some other essential services, taking on the role of "provider of last resort". Some small rural local governments were reported to be spending as much as 40% of their total revenue on keeping a medical service in their community. The issue of service withdrawal, however, was also frequently linked back to that of staffing, workload and the inability of local governments to fully fund and provide their own services, let alone take on those that were usually the responsibility of another body. One respondent commented, "These specific areas of expertise, e.g. planning, Indigenous affairs, need specialists in that area. We are a generalist organisation so you have to wonder whether we can really deal with these matters in a satisfactory way." (Interview 20)

While local governments had taken over many responsibilities or programs in the past, previous agreements with State and Federal governments to offer services on a cost-recovery basis had soured in a number of cases, leaving local government wary of entering into new areas without reassurance of ongoing future funding. This issue is particularly pertinent to the expectation that under the Bilateral Agreement on Indigenous Affairs 2006-2010, local government would be responsible for delivering municipal services to remote Indigenous communities. One interviewee said local governments were "frightened of entering into any formal or informal agreements by which they may see in the medium and longer term Federal and State governments turning around and saying 'this is your business – you've been doing that for four years'." (Interview 18)

The frustration about this practice was very clear and highlighted the sometimes bitter divide that exists between the tiers of government. As one person said:

> "… It's an old trick of State government to start a program, grant the program, step away from the grant and we're left running it. I've got three or four of those that I'm running where the State stepped back from (a role) which is State responsibility but we continue with because we believe that they are right for our community. So we are funding it from rates. It is just a cost shifting exercise." (Interview 9)

Underlying many of these intergovernmental issues was a sense on the part of local governments and other stakeholders that State and Federal governments neither understood the issues facing councils nor were particularly sympathetic. A lack of clear communication between agencies, even on matters that directly related to the operation or management of local government areas, was repeatedly cited, and there was a sense that the role of local government was undervalued, or, as one person put it, "we are treated as if we are at the bottom of the food chain" (Interview 3).

Besides fostering resentment in local governments, the perceived attitudes on the part of Federal and State Government agencies were described as being negative to the overall goals of improving outcomes in rural-remote communities. One interviewee summed up the sense of being left in the dark as other agencies moved in and out of town:

> "An agency comes down. (We) don't know they're coming; what they're actually doing. We don't have an opportunity to indicate what the local priorities are. The agency just comes in and does what they think needs to happen and then just leaves. They don't see the local government as the hub; that the first thing you do when you come into town is go and see the Shire. It works two ways — the agency might get one impression of the town. The council has a lot of knowledge and information and longevity of the issues — so the agency doesn't get that information. Also the local council doesn't get that opportunity to get the message across of priority issues." (Interview 20)

Impact of the local government reform process and government policies and decisions

One significant issue that interviewees raised was that of local government reform and the various impositions of the reform process on authorities. While this issue was specific to the timing of this study, it highlights the impact that government policies and decisions can have on local government capacity. The implication of the reforms varied between interviewees: some were targets for amalgamation with nearby shires, while others, too remote to amalgamate, were being encouraged to enter into regional collaborative arrangements that would cover large areas. Regardless of the potential reform changes for their area, however, interviewees representing local governments described the significant burden of being asked to complete multiple reports which risked turning the attention of councils away from core business. One interviewee commented:

> "Local governments are struggling with having invested quite a lot of effort into looking at the sort of reports that State government wants in order to assess them and doing that they have been ignoring or overlooking some of their other needs in terms of the community so that's a bit difficult at the moment" (Interview 11).

Another person backed that position, adding that politicisation of the reform process, with opposing positions put forward by chief executives and shire presidents, was wasting time and acting as a distraction from the day-to-day running of operations. The interviewee suggested that this, in turn, fed the need for reform as it meant the council wasn't performing at the best level, commenting:

> "You are worried about reform when you aren't worried about your back office. Sort that out and the rest will take care of itself. Everyone is losing sight of this and getting distracted by everything else. Core responsibility and core function goes out the window" (Interview 16).

Reform wasn't the only area where local governments felt they were being unfairly burdened by State Government decision-making. The implementation of a wide-range of policies fell at the feet of local governments and there were complaints that the level of communication between the State and local government tiers was inadequate. This was raised by multiple interviewees, who

frequently argued that they were not kept informed, consulted, or considered as end service delivery agents of a policy that would be unworkable in a regional context. There was a suggestion that this could be overcome both by better consultation and by the introduction of a government impact statement that would require government agencies to consider the end result of a policy before implementation. One interviewee said:

> "There is never any consideration of what the impact is going to be (of a new policy) and in addition to that there's never any funding for implementation or training or education, so the councils are constantly in this race to keep up and yet when they don't manage to, they are criticised. One of the things that I think has been talked about at a State level is the introduction of a regulatory impact statement which would be fantastic because nothing happens at the moment so it is very easy to require more and more of local government without considering what the costs and so on are" (Interview 11).

The impact of decisions by other tiers of government on local government is also clearly apparent when considering recent events relating to service delivery in Indigenous communities, as discussed in a later section on specific Indigenous community challenges.

Collaboration, cooperation and communication

The same complaint of a lack of communication extended beyond reform and policy issues to a wider scope of interaction between local government and State and Federal agencies. Central to the problem, according to many interviewees, was a lack of *internal* communication within the State and Federal tiers, which meant multiple messages and demands – often contradictory – filtered through to local governments. The repeated complaint was that State and Federal agencies worked in 'silos', and this limited the ease of transactions that involved more than one tier of government. One person said:

> "There is no integration across the State Government level — they all have their own siloed agendas. Planning will push out their legislation policies to achieve their agendas. Then Environment will do something else. Then Sport and Recreation will do something else. So local government is sitting at the bottom of this funnel saying 'hang on'. We have got policies that have been established by three different state agencies that are in conflict. We cannot actually deliver on these because there has been no integration" (Interview 11).

In the same interview it was noted that even when cross-government collaboration was working at the State level, local government was often excluded.

> "State Government will be developing a policy and want to implement something that cuts across some of the other State departments so they will set up a team at high level with the directors general and local government is not involved. We have pushed for an opportunity to be involved and participate and in the past it has been seen as 'when we have got it all organized, you can participate' and by that stage it is too late" (Interview 11).

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Another repeated theme was that of individual personalities, and the impact these had on relationships between government levels. One interviewee cited good and friendly relationships with some government employees in major departments, which had made transactions easier. Others noted issues in which personalities had clashed, or a change of government had changed key departmental officials, which had set back negotiations or made a project vastly more difficult. One person said:

> "(It is easier) if the CEO gets on well with the regional manager of CALM or something like that. A lot of it gets back to managing stakeholder relationships. It's about cooperation" (Interview 1).

While the natures of individual personalities and personal relationships are not things easily governed, it would be unwise to underestimate the stock that local governments put into having the right people, who are willing and enthusiastic about getting results, in the chain of government agencies involved in any given project. Time and again, interviewees said they felt that there were 'good people' who could be singled out, but they simultaneously complained about bureaucrats they saw as being disinterested, lacking empathy and disinclined to learn from or assist local governments.

The importance of local government relationships with Indigenous people was also raised – most frequently as something that could be strengthened, but occasionally as an example of how important the relationship between individuals and groups of individuals could be in achieving community goals. One interviewee described it this way:

> "One thing that has never been addressed from a State and Commonwealth perspective is the moment you build relationships between local government and Indigenous communities things happen. There seems to be this evolving effect which is far more sustainable than a planning effect. We don't solve problems by preparing a service delivery plan. We solve problems by allowing the two groups to build relationships and ongoing dialogue … Local governments who ring me about reconciliation action plans – I say scrap whatever you are planning to do for the next 12 months because one of the biggest commitments you can make to an Indigenous community is dialogue. Once you involve them in that planning process stuff evolves – you create things – they become the most sustainable things; things you create not build" (Interview 16).

Indigenous community challenges and needs

For those local governments with a high proportion of Indigenous people, the complexity of service delivery and capacity issues was considerably greater than for those primarily servicing non-Indigenous rural populations. The most frequent references to Indigenous-related issues dealt with what were perceived as systemic problems that councils struggled to manage. Extremely poor levels of health and an absence of suitable infrastructure to improve it was a major issue. Poor drinking water, remoteness from health services, high levels of disability and a lack of social and medical services to provide intervention were raised as problems. Anti-social behaviour by some elements within the Aboriginal population was also cited, with a focus on drunkenness, drug use, vandalism, crime, violence and domestic violence leading to children having to take refuge on the street.

Beyond these overt systemic issues, there was also a focus by respondents on what they saw were issues relating to a loss of connection with the land. This included young people losing their cultural understanding of the land and fights within and between family groups over land access. Other issues raised included very poor education and employment levels in many areas, the difficulty for some Indigenous people to adapt easily to the work systems required by 'white' office culture, and the transient nature of populations entering townships and requiring different services at different times. In each of these areas, there was a sense both of frustration and helplessness at the difficulties these problems posed for the improvement in lifestyle and wellbeing of Indigenous people, and that local governments were not sufficiently equipped to tackle the enormity of these problems. While local governments had to deal with much of the fall out from these problems, there was a clear sense that it was not truly their responsibility. As one put it:

> "Even though half the population up here is Indigenous, that's not reflected in the rate paying capacity and influence on local government. My view is that the local government is more focused on the non-Indigenous world and the Indigenous world is left to those who are supposed to manage it – lead agencies from State and Commonwealth governments." (Interview 21)

A prominent concern for local governments with significant Indigenous populations that was raised by interviewees was the implications for these councils of the Bilateral Agreement on Indigenous Affairs 2006-2010 because of the expectation that into the future these local governments will play a central role in the delivery of municipal services to remote Indigenous communities. This Agreement most directly impacts councils that are amongst the most remote in the state and are already challenged by limited capacity to meet the service delivery needs of their communities. Capacity issues directly relating to the servicing of Indigenous communities centred on the lack of a clear or consistent definition between the tiers of government of what constitutes a community that requires servicing, uncertainty about what municipal services need to be provided, the current non-ratability of Indigenous lands, the generally poor standard of existing infrastructure on Indigenous lands and access to Aboriginal lands. By far the greatest concern, however, was getting an assurance from the other tiers of government to provide adequate recurrent funding to cover the full cost of delivering whatever level of municipal services is eventually agreed to. A complicating factor in relation to reaching an agreement on funding is the lack of accurate historical costing data for current levels of service delivery due to the occurrence of cross-subsidisation by the CDEP program and the fact that no funds have been previously allocated to the maintenance of access roads on Indigenous lands.

One interviewee described the situation thus:

> "There is no-one in the Kimberley who says local government shouldn't be involved in delivering municipal services into Aboriginal communities but if you've got nowhere to start from in what constitutes a community then there's a problem. In the Shire of Broome, there are 83 communities but only five major ones. Now where do you start? Across the Kimberley there are probably 226 … but how many of those are large communities? How many are going to be recognised by the Federal or State government in the provision of other services?" (Interview 24)

Thus, while a broad cross-section of the affected local governments recognise they have some obligation for service delivery to these communities and that they are perhaps best placed to do this, they expressed a deep concern about not being consulted during the negotiation of the Bilateral Agreement and being left "holding the baby" if they take over this role. Further, many interviewees stated that because of the complex nature of Indigenous affairs, a whole of government approach is essential if serious inroads are to be on addressing the problems of Indigenous disadvantage as the extent of the problems is just too big for any single tier of government to deal with.

5.2 Measures to assist in building capacity

In each interview, respondents were asked not only what sorts of measures to assist in building local government capacity that they saw being successfully applied in different areas but what they thought could be undertaken by government, agencies and ACELG to assist. The responses here were generally positive, and a number of concrete examples of successful capacity-building actions or individual examples of community development were provided. These actions and initiatives are briefly summarized in the following sections.

Self-help actions by local governments

Actions that respondents saw as being useful in addressing income and resourcing issues include:

- Infrastructure 'mapping and gapping' studies conducted in some LGAs to identify resources and areas where more needed to be invested.

- Local governments investigating business partnership options that would enable them to generate alternative revenue streams, to creatively resolve major problems such as housing or the high road construction costs and/or generate a high level of Indigenous employment.

- Collaboration between industry and multi levels of government to improve overall investment and planning decision making in the Kimberley.

- Local government entering a farming venture to farm otherwise unused land.

- Consideration of using towns not too far from major regional centres as locations for retirement village facilities to boost population and improve revenue.

- Sharing of some resources and assets such as graders between local governments where feasible.

- Amalgamation of several areas into a regional centre that can offer an alternative delivery point for state government services rather than relying on travel from Perth.

Actions that respondents saw as being useful in addressing Indigenous issues include:

- Increased employment of Indigenous staff members by councils recognizing the changing demographics of their population base.

- Consideration of an Indigenous operations project team that would specifically address infrastructure needs on Indigenous lands.

- Council cooperation in school attendance strategies by blocking pool access to students who do not attend school.

- Recreation and youth officers working specifically with Indigenous youth to mobilize into sporting teams.

- Consideration of increased cadetships for Indigenous students within local government departments, offering whole-of-life training as well as work-based learning.

- Local governments at locations like Ngaanyatjarraku, Wiluna, Upper Gascoyne and Menzies taking a partnership approach between the council and the local Indigenous communities to improve service delivery.

- Employment of key personnel who are committed and skilled in dealing with Indigenous people, such as the gym manager, community development manager and art gallery manager in Wiluna, who work closely with Martu people.

Actions that respondents saw as helpful in addressing council staffing issues include:

- Increased employment of Indigenous staff members by councils recognizing the changing demographics of their population base.

- Training of local government staff using the Australian Business Excellence Framework and standard ISO 9000.

- Consideration of alternative employment models for Indigenous people in very remote communities, such as shorter working days, more flexible working arrangements, increased on-the-job training and support and acceptance of family members wanting to accompany the worker on the job.

- Consideration of plans to develop land for sale with proceeds used to fund better staff housing facilities on the remaining sites.

- Introducing measures to try to make the working conditions in remote areas more attractive for people. For example, the Shire of Ngaanyatjarraku has special leave provisions for staff and the Shire of Wiluna "recruits people based on their attitude", places a high priority on staff training and is trying to increase Indigenous participation in local government employment by using an array of innovative and flexible working arrangements.

Amongst the proactive actions by local governments that respondents saw as helpful in revitalizing communities and making them more attractive places to live and work were:

- Yilgarn's development of bowling greens, which has led to substantially increased club membership and community involvement.

- Consideration of using towns not too far from major centres as locations for retirement village facilities.

- Wongan-Ballidu's work to develop increased housing which has helped sustain and grow the population and make the town a more attractive workplace.

- Redevelopment of hospitals into health campuses offering a wider range of health services, and redeveloping schools into education campuses, providing mixed educational uses. Both make a town more attractive as a place to live and work.

- Using Royalties for Regions money to employ support doctors who can fill gaps left when other doctors in neighbouring regions are unavailable.

- Retention of the population base in Bruce Rock has kept rates income steady and led to a strong works program.

Greater regional thinking and collaboration

Regional collaboration was singled out as an area that almost all interviewees said was needed and was – to a certain extent – already working in some regions with varying degrees of success. There was some discomfort with what was seen as forced collaboration in the form of proposed amalgamation, although many respondents said they could see benefits in closer ties and working arrangements with neighbouring councils. As one person put it, "We are going down a regional collaborative model because we see that collectively as the way of staving off amalgamation" (Interview 3). The threat of forced amalgamation, however, might actually work against the inclination of strongly independent local governments to collaborate. The same respondent described it this way:

> "As much as we put our efforts into a collaborative approach to services and whatever, that is giving the Minister exactly what he wants to amalgamate us. He will say if you can do all this together and share services and everyone is happy why do you need four local governments? … When local governments have already said look Minister, we are already sharing – we're this and that – he has already said, 'well why do you need two of you? Why don't you amalgamate into one?' Bang you're gone!" (Interview 3)

Where interviewees were part of a regional collaborative process, there was generally a positive impression of the benefits of sharing resources and communicating between councils. The Kimberley zone was particularly active in considering collaborative actions, as were some areas within the Murchison and Wheatbelt. There remained concerns that many problems could not be solved by combining local governments, such as the distance staff would need to travel to cover more than one shire. There were a number of suggestions of work that could be shared between local governments, including areas such as finance, planning, asset management, grant writing and compliance.

One interviewee described a collaborative model that did not centralize the work of the original local governments, but played to their strengths:

> "(When) I think about our own three communities, Dowerin, Goomalling, Wyalkatchem – I just think (that with) Dowerin, because of the Field Day, you've got the recreation facilities and you've got the staff that deal with those recreation

amenities really well. We know that Goomalling has a fantastic road building team. They've got the capacity there. Wylie might be the admin centre. So there is a local government presence in every community but they're not all doing everything." (Interview 13)

Greater intergovernmental and interagency cooperation, collaboration and communication

Collaboration was not only a major issue for local governments, but much greater collaboration, cooperation and communication was sought from other tiers of government and individual agencies. This was an oft-repeated point for interviewees who cited numerous examples in which they felt local governments had been ignored, bypassed, contradicted, undermined or misunderstood by other agencies. In relation to Indigenous issues particularly, both Commonwealth and State agencies were discussed as needing to communicate more comprehensively with local government (and with each other on local government issues) and one respondent described the State Government as having the potential to act as the 'glue' between tiers, saying "I see the State's role as being the one entity with the ability to bring the Commonwealth and local government together." (Interview 27). This interviewee described the persistent problems in intergovernmental and interagency collaboration on Indigenous issues as including a lack of investment in people, a lack of strategic vision and oversight, a lack of responsibility taken by each tier of government and an absence of a systematic systems approach to problem solving:

> "There has always been a range of partnerships in Indigenous affairs but we haven't been doing it with the right partners. We need to move into this space of building alliances with professional entities that are the upper echelons of their fields – the expert bodies." (Interview 27)

Nonetheless, all interaction and relationships between the tiers of government and with government agencies were not adverse. Some interviewees gave examples of situations where the capacity of local government was being promoted through collaborative partnerships. For example, the Disability Services Commission and WALGA were reported to have formed a partnership to help local governments meet their legislative obligations under the Disability Services Act by making funding and support available for the preparation of Disability Access and Inclusion Plans.

The idea of an intergovernmental service delivery option was also discussed with stakeholders. A number of interviewees gave strong support to a model that would allow services from all tiers of government to be delivered through a single coordinated intergovernmental agency. As one said, a central community hub would streamline service delivery, avoid duplication and ensure agencies worked together more successfully:

> "You've got the Disabilities Services Commission offering services, police offering services, local government offering services – all from asset bases that are separate and when you go and look at them they are all in a terrible condition, rather than creating a hub for people to work out of that is properly resourced, maintained, with a management structure in place … I think it's about time that we coordinated our approaches. You should probably take it away from the centralisation (in Perth) and allow the regional hub to manage the regional area and be accountable and responsible for that rather than always coming back to a State-based policy or a State-

based whatever it is. Give them the accountability and the responsibility and the resources to deliver in the regions." (Interview 9)

Actions ACELG can take

When asked to consider what role the Australian Centre of Excellence for Local Government might have in helping rural-remote and Indigenous local governments to build their capacity, research emerged as a key theme, followed by information sharing and the demonstration of innovation and good practice in local governments nationwide. In both of these areas it was suggested that ACELG could play a key role in conducting good quality evidence-based research. Also, while acknowledging the important role of the Australian Local Government Association and its State branches, the notion of ACELG developing a role as an impartial government advisory body to all tiers of government on a range of important local government issues and policy matters, was strongly advocated by representatives from two peak local government bodies in WA. In the words of one person:

> "There needs to be an integrated approach ... from the Centre's perspective, I think a good outcome would be if the Centre could develop a model of engaging with local government, what should be considered, raising awareness with local government. The Centre could be seen by the other spheres of government as an impartial body, an advisory body to the other spheres. Quite often when we say something it is taken as being difficult or being obstructive, so an impartial body is very good" (Interview 11).

Several interviewees stressed the importance of having a central body that collected and promoted research data, making it easily accessible and available to local governments and supporting agencies. The research most sought included best-practice models of collaboration that had worked elsewhere, indications of *failed* models of local government ventures to help governments know which mistakes to avoid, and the development of practical tools and frameworks together with a central database that could better support medium to long term planning and allow benchmarking between organizations. As one interviewee said:

> "Once you've got the data bank you can aggregate the data and come up with all this stuff which is completely missing. There's no benchmark data so you can't benchmark one local government against another. There's no suite of core performance indicators that you can work to – measured the same way. In private industry – return on assets, return on investment, profit even, earnings before interest maybe. I know what my measures are going to be to measure my success. … A suite of half a dozen or a dozen measures like that for local government – so they can really talk about how well their local government is going – to me that's fundamental." (Interview 9)

Areas mentioned by interviewees as needing some research are:

- The evolution and changing role of local government —what are new functions and what has been transferred by other spheres of government and the extent of resource transfer associated with this. What are the services local governments actually do provide and what is the public benefit of these?
- The effectiveness of local government in driving and developing communities.
- Development of useful models including:

- o Alternative models to the theoretical infrastructure gap model for managing assets.
- o Standardised strategic planning tools for both corporate and community development.
- o Models for maintaining base level services for small Councils.
- o Model options for Indigenous community service delivery – develop, trial and evaluate models/programs.
- Capabilities and competencies across local governments.
- Good practice models in local government collaborative arrangements.
- Innovative practices of small agricultural local government communities.
- The cause and effect relationships between current intervention programs/projects and their impact on communities to identify what is having the greatest positive impact.

While some respondents cautioned against ACELG trying to offer "one size fits all" solutions to problems faced by local governments, it was suggested that the Centre compile and share business tools and templates that local governments could immediately apply to their own situation to avoid having to reinvent such tools for common processes such as the development of a council business plan. One respondent suggested that such a tool could be a model demonstrating how to engage well with local government and what needs to be considered by agencies interacting with the sphere. One interviewee described ACELG as being able to be "a clearing house of good practice" (Interview 6) that could raise awareness of innovative ideas and practices around the country. It was also suggested that the Centre could watch such governmental changes as local government amalgamation, monitor them for successes and failures, and make the costs and benefits widely known across the industry.

The other major recommendation for ACELG and its future role with local governments was as a training provider, particularly in areas such as cultural awareness and on matters of governance, leadership, and financial and human resources capacity. ACELG could help the local government sector improve the standard and professionalism of existing leaders, and also help foster leadership in the next tier of management. As one interviewee said:

> "… Let's identify 15, 20, 30 people who are in middle management or director level that have the capacity and desire to become a CEO in the next 2-5 years and provide some sort of genuine high quality training program for them. And that's where the Centre of Excellence could step in." (Interview 9)

A strong interest was expressed by the Local Government Managers Australia WA branch representatives in partnering with ACELG and ECU as a program partner in conducting regional forums and training programs.

5.3 Priority Actions and Initiatives – the survey findings

As the qualitative interviews with local government stakeholders largely reinforced the capacity building issues and needs established in prior studies considered in the literature review, the survey focused on testing what a larger group of local governments perceive as the most valued actions and priorities to assist and support them in addressing their capacity issues and needs. A list of 46 actions and initiatives were generated from the stakeholder interviews and tested across the target group of 70 rural-remote and Indigenous local governments.

None of the 46 questionnaire statements were found to have a "little or no value" or a "low value" average rating (i.e. below 2.5), suggesting that on average the survey participants perceive all of the actions and initiatives tested as being at least moderately valuable to their local government at this time. Only 8 of the proposed actions and initiatives had an average rating below 3.5 with less than half the survey participants rating them as having a "high" or "very high" value (for a complete list of statements ranked by their average rating see Appendix E).

The pursuing discussion focuses on those actions and initiatives with an average value rating above 3.5 (i.e. "high" or "very high" value) with at least 50% of the survey respondents rating them as a 4 "high value" or 5 "very high value" on the five-point scale used. One other action/initiative had an average rating slightly below 3.5 but with more than half the respondents giving it a "high" or "very high" value rating and so this is also included in the discussion. This set of 38 actions/initiatives are grouped under ACELG's other five Program areas – Research and policy foresight; Governance and strategic leadership; Innovation and best practice; Workforce development; and Organisational capacity building. The largest number of actions/initiatives were allocated to the research and policy foresight program area which also attracted the highest value ratings overall.

Research and Policy Foresight

The purpose of the research and policy foresight program is to conduct research that will promote informed debate on local government issues and support policy formulation. It also aims to bring to the attention of government, major challenges facing local government for which some government or agency action is required. The actions and initiatives that attracted the highest value ratings by the survey respondents relate to the second of these objectives – specifically they were around compliance and reporting requirements of government, legislative and policy constraints and government attitudes towards small rural-remote local governments. Seven of the top 10, and 9 of the top 15 most valued actions relate to this central theme (see Table 5A below).

The respondents placed the greatest value on streamlining government regulations and reporting requirements with a view to reducing duplication and unnecessary red tape. Applying the same reporting requirements for all local governments regardless of size and complexity was considered unreasonable by many of the small rural-remote councils. While the respondents saw value in government agencies having a standard reporting approach in terms of how information needs to be presented, they supported a differential approach to the detail and complexity of the reporting required to better reflect the diversity and circumstances of councils. The respondents also wanted to see the Department for Local Government take a more proactive and preventative approach to assisting, supporting and advising small local governments. Three highly valued actions that would have significant financial implications for this group of local governments are: i) the need for funding arrangements to be modified to provide more medium to long term funding for developing "social capital" in rural-remote and Indigenous communities; ii) negotiating appropriate compensation in instances where decisions of State or federal governments cause a significant local impact and/or revenue loss; and iii) relaxing government regulations with appropriate safeguards attached, to allow local governments to be involved in business activities that would provide alternative revenue streams and/or enhanced service delivery. The alignment of government agency boundaries also emerged as a valuable government action to facilitate better local government planning.

Interestingly, while intergovernmental and interagency communication emerged as a substantial issue in the stakeholder interviews, actions that would improve this were not rated as highly overall as the other government and agency actions outlined above or as much as some of the other initiatives relating to the other program areas.

Table 5A:	Research and Policy Foresight		
Objective:	Support evidence-based policy formulation, promote informed debate on key issues and help address major challenges facing local government.		
Rank order	**Action/ Initiative**	**Ave Rating**	**% Rated High/ Very High Value**
A.	**Government and Agency Actions**		
1	Review State government regulations to reduce unnecessary red tape to free up local government while maintaining accountability.	4.59	93.5%
2	Eliminate duplication and standardise compliance reporting requirements across agencies.	4.46	95.7%
3	Greater recognition for the need for government to provide medium to long term grant funding for building social capital (e.g. cultural and community development programs) in small rural-remote and Indigenous communities.	4.46	93.5%
4	Government agencies adopt different levels reporting requirements for small Councils to better reflect their circumstances.	4.28	84.8%
6	Acknowledge the diversity of Councils and the need for different approaches to service delivery and reporting.	4.11	84.8%
9	Encourage further proactive and preventative approaches by the DLG to better support, assist and advise small Councils.	4.04	78.2%
10	Identify the local impact and/or revenue loss from decisions of State/national significance (e.g. Indigenous community municipal service delivery) and negotiate appropriate compensation where necessary.	3.98	74.0%
11	Align State government agency boundaries to facilitate local government planning.	3.96	71.8%
13	Modify government regulations so Councils can be involved in business activities with potential revenue raising and enhanced service delivery opportunities with appropriate safeguards.	3.93	69.5%
18	Introduce more financial incentives to encourage greater regional collaboration and initiatives amongst rural-remote and Indigenous Councils.	3.85	73.9%
23	Federal government to establish a new communication and consultation strategy agreement that ensures better engagement with local government on policies/program changes that significantly impact them.	3.76	63.0%
25	Government agencies to hold more regular discussions on inter-governmental issues to enable a more collaborative and coordinated inter-agency approach to service delivery.	3.72	52.2%
26	State government to provide a strategic vision and plan under which local government planning can more effectively occur.	3.70	60.9%
29	State government to establish a new communication and consultation strategy agreement that ensures better engagement with local government on policies/program changes that significantly impact them.	3.67	58.7%
38	Encourage regular visits by government agencies to brief and consult with groups of Councils in the regions.	3.46	56.5%

While research was one of the key areas in which the stakeholders interviewed saw a key role for ACELG, the value placed on this activity was rated as moderate to high on average. This may be because the survey participants generally see this as having a less direct impact on their operations and capacity to deliver services to their communities. Nonetheless, almost three-quarters of the

respondents viewed evidence-based research that would demonstrate the important community building role of small local governments and would help to develop, trial and evaluate models for regional collaboration and intergovernmental agency service delivery as highly valuable (see Table 5B below).

Table 5B:	Research and Policy Foresight		
Objective: Support evidence-based policy formulation, promote informed debate on key issues and help address major challenges facing local government.			
Rank order	**Action/ Initiative**	**Ave Rating**	**% Rated High/Very High Value**
B. **Research**			
14	Build evidence-based data that enables small Councils to demonstrate to external agencies their role as builders of local communities.	3.91	71.8%
21	Work with groups of Councils to develop, trial and evaluate models of regional collaboration suited to different circumstances.	3.83	71.8%
24	Develop, trial and evaluate inter-governmental agency models of service delivery in rural-remote locations in which proper authority, responsibility, accountability and adequate resourcing is given to a coordinating body using existing overhead structures.	3.74	69.6%
28	ACELG supports the conduct of regional studies on inter-governmental agency collaboration/cooperation for effective service delivery in rural-remote locations.	3.67	60.8%
31	ACELG supports the conduct of good quality independent research on local government issues (e.g. collaborative models, asset management models) that provides practical outcomes.	3.63	58.7%

Governance and Strategic Leadership

The governance and strategic leadership program area aims to build the strategic leadership skills and capacity of local government to ensure a consistently high standard of leadership and governance. Consistent with the concerns expressed about elected member skills, the most highly valued actions related to introducing compulsory training/seminars for elected members in their first year of office and encouraging election candidates to attend pre-election seminars on the role, functions of local government and requirements of elected members. The design and provision of tailor-made training for elected members particularly in the areas of strategic planning, problem solving and cultural awareness also received relatively strong support by about two-thirds of respondents (see Table 6 below).

Although promotion and support for greater Indigenous representation in local government only received moderate support across the survey participants, this is seen as an important action for those councils where there is a significant under-representation and participation of Indigenous people by State and Federal government departments like DLG, DIA and FaHCSIA. The DLG has a dedicated officer who works with Indigenous communities to increase their awareness and understanding of local government, and with local governments to improve their engagement with Indigenous communities. While this person has had extensive contact with many of Aboriginal communities in WA, it is recognised that the level of resourcing is largely inadequate given the size of the state and the number of Indigenous communities and local governments that need to be serviced by this person.

Table 6:	Governance and Strategic Leadership		
Objective: Increase understanding of strategic leadership and build the capacity of local government to achieve consistently high standards in leadership and governance.			
Rank order	Action/ Initiative	Ave Rating	% Rated High/ Very High Value
7	Require newly elected members to attend seminars/training in their first year of office.	4.11	80.5%
8	Encourage local government election candidates to attend pre-election seminars to enhance knowledge of Council roles/functions and awareness of what it involves.	4.07	73.9%
17	Design and provide tailor-made training by skilled presenters who are knowledgeable and experienced in local government for elected members (e.g. strategic planning, problem solving, cultural awareness).	3.91	69.6%
20	Design and provide tailor-made training by skilled presenters who are knowledgeable and experienced in local government for Indigenous Councillors and communities (e.g. roles and responsibilities of different tiers of government and how to work with them).	3.85	63.1%
37	Greater promotion and support for Indigenous participation in local government especially in areas with substantial Indigenous populations.	3.50	52.2%

In February 2010, the Federal government launched a series of workshops to promote local leadership in Indigenous communities as part of its 'closing the gap' strategy addressing Indigenous disadvantage (Dorizas, 4 February 2010). While this program might be expected to help promote and build Indigenous representation in local government over time in the targeted locations, there is still likely to be a need for other complementary programs tailored towards improving awareness and understanding of local government, its relationship with the other tiers of government and how Indigenous communities can better work with government.

Innovation and Best Practice

The innovation and best practice program is closely linked to the area of research, in that it aims to disseminate information to the sector on innovative ideas and better practices in local government. Much of this information is a likely output of the Centre's research program. Initiatives that would facilitate local government practitioners to share and learn more about the experiences and practices of others were highly valued by a large proportion of the survey participants. The promotion of innovative practices by rural-remote and Indigenous local governments also attracted a relatively high value rating (see Table 7 below).

In relation to preferred channels for disseminating and sharing innovation and best practice information, there was a stronger preference for these learning opportunities being: i) face-to-face rather than via video or teleconference; and ii) available through regional forums rather than at annual national and/or state conferences. The provision of an online "information exchange network" through which local government practitioners and stakeholders could share information, mentor each other and "connect" with potential partners for new initiatives was perceived as moderately valuable with just over half the survey respondents rating it as "high" or "very high" value. Despite this moderate support for an information exchange network, several interview participants supported the notion of developing a mentoring network for the sector to facilitate the sharing of experiences and good practice. This was seen as especially important for local government officers in rural-remote

locations where they are "professionally isolated" with limited peer support and little exposure to new and different ideas.

Table 7:	Innovation and Best Practice		
Objective:	Disseminate across the local government network, examples of better practice in local government and to encourage experience sharing .Provide an online space for local government practitioners to share knowledge and experiences and learn from others.		
Rank order	**Action/ Initiative**	**Ave Rating**	**% Rated High/ Very High Value**
12	Provide opportunities for Councils to share experiences and learn about different approaches through regional forums.	3.93	78.3%
19	Increase recognition of small rural-remote and Indigenous Councils by actively promoting their innovations and good practice.	3.85	69.6%
32	Establish an online "information exchange network" that expose Councils to diverse and innovative ideas and enable them to network, share information, mentor and find suitable partners for initiatives.	3.61	56.5%
35	Information on ACELG activities be channelled through regional groups of Councils and peak industry bodies like WALGA and LGMA.	3.54	54.4%

While ACELG's online facility would enable a wide reach, there is also moderate support for the Centre using a variety of other channels to disseminate information on ACELG activities and research. Distribution via existing national and state peak body networks was a favoured channel for communicating with the sector.

Workforce Development

The emphasis of the workforce development program is to address specific skills shortages and gaps in the sector's professional workforce and to enhance the attractiveness of local government to establish it as an employer of choice. Given that the most significant capacity issue confirmed by the qualitative interviews with local government stakeholder related to human resources – specifically the difficulty in attracting and retaining good quality employees and the relatively poor skill level of staff in rural-remote and Indigenous local governments overall – this is a critical area that needs addressing to build the capacity of these local governments. Nonetheless, very few actions/initiatives that might provide support in addressing this issue attracted a high value rating (see Table 8 below).

The most valued actions are for the sector to market rural-remote local government as a career development opportunity and to develop and promote traineeships and/or cadetships in specialised areas for groups of rural-remote councils. Working in a rural-remote local government was seen by a number of stakeholders interviewed as a unique experience in that staff are likely to have much more diverse roles and responsibilities which can build experience and skills that would put a person in good stead for later filling a role in a larger council in regional or metropolitan locations and for later advancing into managerial roles. Other strategies suggested that could help to address the issue of staffing shortages amongst rural-remote and Indigenous local governments but were perceived by survey participants as only moderately valuable, were a system of secondments (see Table 8), a central 'relieving staff register' and the development of more incentives and flexible approaches to promote Indigenous employment (see Appendix E). The local pool of Indigenous people in rural-remote locations was perceived by many interviewees as a valuable untapped resource that could play

a significant part in helping to redress the staffing shortage and high turnover in local governments in rural-remote locations with a significant Indigenous population.

Table 8:	Workforce Development		
Objective:	Address specific skills shortages and gaps in the professional workforce and broader for enhanced expertise and establish local government as an employer of choice.		
5	Market rural-remote local government as career development opportunity.	4.15	80.5%
15	Develop and promote local government industry "traineeships" and/or "cadetships" in specialised areas (e.g. economic and community development) to support groups of small rural-remote Councils.	3.91	71.7%
22	Design and provide tailor-made training by skilled presenters who are knowledgeable and experienced in local government for staff (e.g. cultural awareness and working in small rural-remote Councils).	3.78	65.2%
30	Establish a system of secondments for staff to experience diverse local and other government environments.	3.65	56.5%

The design and provision of tailor-made training for local government staff was also relatively highly valued by about two-thirds of respondents. This response is consistent with the concerns expressed by interviewees about inadequate staff skills and the findings of an extensive workforce skills gap survey conducted by the Australian Institute of Management in 2009 that revealed a "worrying shortage of leadership skills" in the public sector with the biggest gap in middle management (O'Brien, 9 Feb 2010). Two specific areas of training raised for staff working in rural-remote and Indigenous local governments are in cultural awareness and working in rural-remote councils.

Of note, the WA Local Government Association (WALGA) has developed an extensive training program for both staff and elected members to bridge various knowledge gaps, including areas such as town planning and the development approval process, governance and skills auditing. Furthermore, the Australian Multicultural Foundation recently launched a 'Managing Cultural Diversity' training program (http://amf.net.au/news/managing-cultural-diversity-program/ retrieved March 2010). While this program has been developed to help small and medium enterprises to better understand cultural diversity, local governments may also find it useful, particularly modules relating to understanding culture and cross-cultural interactions as well as cultural awareness and communication skills (ALGA Newsletter, March 2010). In delivering this training, however, it is critical to ensure that the trainers are skilled presenters who are knowledgeable and experienced in local government and the Indigenous culture. These were two key factors that stakeholders viewed as essential for effective cultural awareness training for engaging better with Indigenous communities. A role for ACELG in the area of training, therefore, could be to review what programs are currently available, identify what gaps still exist and then advocate or facilitate the design and/or delivery of tailor-made training that can fill gaps and extend existing training to develop higher level skills and knowledge.

Organisation Capacity Building

Building the capacity of local government to plan, manage and deliver services is the objective of the organisation capacity building program area. Interestingly, actions/initiatives in this area did not receive particularly high value ratings overall. The greatest value was given to helping local governments understand how they can better leverage community capacity to enhance their service

delivery followed by the DLG working with the sector to develop some common system frameworks (see Table 9 below).

Table 9:	Organisation Capacity Building		
Objective: Build local government in key areas of planning, management and service delivery.			
Rank order	**Action/ Initiative**	**Ave Rating**	**% Rated High/Very High Value**
16	Help local governments learn how to better leverage community capacity to enhance service delivery.	3.91	71.7%
27	DLG works with the sector to develop a common framework for core local government systems (e.g. IT, HR, financial planning, asset management planning and community planning).	3.70	60.9%
33	Develop a readily accessible database of information to support longer term planning (e.g. workforce demographics, skilling needs) by Councils and other key stakeholders.	3.61	50.0%
34	Develop useful decision-making tools for local government (e.g. criteria for benchmarking Council performance; evaluating public cost and value of local assets/services).	3.54	60.8%
36	DLG work with the sector to identify class of "core" (e.g. rating) and "non-core" (e.g. economic development) services that can be shared collaboratively and located in different areas based on Council strengths.	3.52	54.4%

Forging partnerships with the private sector, not-for-profits, non-government organisations, community groups and other 'social enterprises', a trend occurring in the UK, may become an important part of how local governments in Australia operate into the future (Dorizas, 19 May 2010). Better understanding and learning how to leverage the energy, skills and resources of local communities offers an innovative response for local governments in rural-remote and Indigenous communities to consider as a means to build their capacity to address unmet social needs within their communities. This is a further potential area in which training may be developed.

The availability of a comprehensive, readily accessible database was raised in the qualitative interviews as an important impediment to local governments developing longer term plans, as was having specific performance criteria suitable for benchmarking local governments across Australia. The high value placed on having a database to support long term planning was shared by only half the survey participants. This result, however, may be tempered by the fact that a substantial number of small rural-remote councils are known not to undertake long term planning and the level of understanding of the strategic importance of this type of planning is not well recognised amongst many local government managers and elected members especially in the smaller rural-remote councils. The same argument would also apply to the perceived moderate value of local government specific performance criteria for benchmarking.

The identification of a class of "core" and "non-core" services that could be shared by groups of councils is an action that would potentially promote greater collaboration amongst groups of councils, an outcome that would be compatible with the local government reform program in WA. This action, however, did not attract an especially high value rating amongst survey respondents. In the current climate, this may be viewed as a precursor to a stronger government push for amalgamation.

Overall, the survey results identify government and agency actions and initiatives as amongst the most valued way of supporting and assisting rural-remote and Indigenous local governments in WA. This outcome is perhaps because these actions relate to factors that are perceived to most directly impact on daily operations of these councils and so have the greatest effect on the ground. It is recognised, however, that these relate to matters that ACELG can only influence indirectly by drawing these capacity issues and needs to the attention of relevant governments and agencies. We should not lose sight, however, of the most direct types of support and assistance that can be provided by ACELG, namely; evidence based research to support policy debate and formulation as well as build a database of industry intelligence on innovation, good practice, successful and unsuccessful capacity building initiatives, helpful business frameworks, specific local government performance criteria for benchmarking and so forth that can be shared through an "information knowledge network" and other channels; and the design and/or provision of training and professional development to help build the skills base of leaders, middle managers, professional operational staff and the elected council. While these key direct forms of support did not attract the highest value ratings in the survey, there was still at least 50% of the survey respondents who rated these types of actions and initiatives as "high" or "very high" in value. These measures were also the most strongly emphasised in the stakeholder interviews as practical ways that ACELG could provide support and build the professionalism of the local government sector. Representatives from the Department of Local Government, together with the WA branches of LGMA and ALGA, commented that there is a huge gap in these areas, particularly the conduct of good quality, independent evidence based research in which they saw ACELG taking a leading role. In particular, the impartiality, professional status and skill and knowledge base that ACELG can offer to the sector were seen as huge strengths from which the industry could benefit greatly. These stakeholders also expressed an interest working in partnership with ACELG in these types of pursuits when opportunities presented themselves.

5.4   Comparison with the 2009 Queensland Study for Non-amalgamated Councils

As the rural-remote councils in WA are likely to share a lot in common with the non-amalgamated councils in Queensland, a comparison of the key capacity issues and needs and the priority actions that emerged in each of these studies seems pertinent. Unsurprisingly, there is a strong overlap of the key capacity issue themes that arose in these two studies. The common capacity issue themes were:

- Human resource issues of staff skills and capabilities, recruitment and attraction.
- Capabilities and skills of elected members.
- Financial issues around adequate revenue, revenue stability and sustainability.
- Impact of government policies, decisions and legislative change.
- Government agency roles, expectations and interaction including issues of communication, consultation, collaboration and coordination.
- Community expectations and the community building role of local government.

Two themes from the Queensland study that were not significant issues in the WA study related to business systems and technology, and resource sharing. Nonetheless, several of the WA stakeholders spoke of collaborative arrangements they have with surrounding councils or metropolitan councils to share resources, systems and/or business templates, and some commented that this could be extended and was not approached very seriously by some groups of councils. For the WA study two themes not evident in the Queensland study related to the challenges around having a significant

Indigenous population, and the high cost and servicing problems associated with remoteness and the tyranny of distance.

In regard to the priority actions and initiatives, there appeared to be a considerably larger number of valued actions that came from the WA study than the Queensland study. Also, the proportion of survey participants rating actions as having high/very high value was significantly higher in the WA study. There was, however, some commonality in the initiatives that were perceived as most helpful. These included:

- Building recognition of rural-remote local governments as builders of local communities.
- Introducing a training requirement for newly elected members in their first year.
- Encouraging candidates to attend pre-election seminars.
- Recognising the impact of State/Federal decisions on local government and where appropriate negotiating compensation.
- Modifying reporting requirements to better reflect the circumstances of rural-remote councils.
- Greater financial support for cooperative regional initiatives.

There were two additional actions amongst the priority initiatives in the Queensland study that were perceived to have moderate value by the WA councils. These were:

- Establishing a relieving personnel register.
- Introducing a program for staff exchanges/secondments and mentoring (this crossed over two different initiatives in the WA study).

Overall, a key difference between the WA and Queensland studies seems to be the lesser importance given to technology as an issue and priority action by WA local governments.

5.5   Summary of Priority Capacity Needs and Actions

Based on a synthesis of the research and analysis of the qualitative interviews and survey outcomes, the most critical capacity issues and needs can be linked with the priority actions and initiatives within ACELG's program framework and presented in a matrix (see Table 10 below). This matrix provides an array of actions and initiatives for consideration in developing a national capacity building strategy to redress the capacity issues and needs of rural-remote and indigenous local governments. Several of the proposed actions relate to the conduct, support or promotion of research into a range of issues identified through this scoping study as being significant for rural-remote and Indigenous local governments. As an overarching action, therefore, it is suggested that in the first instance a list of priority areas for applied research on rural-remote and Indigenous local government be developed around which a national research strategy can be formulated.

Table 10:   Capacity Building Response Matrix

Capacity Issues and Needs	Research and Policy Foresight	Governance and Strategic Leadership	Innovation and Best Practice	Workforce Development	Organisational Capacity Building
1. HR ISSUES a) Staff recruitment and retention			• Review, identify and share national and international best practice approaches to recruitment and retention in rural-remote regions. • Promote innovation and good practice of rural-remote and indigenous councils to help build the attractiveness of these workplaces.	• Advocate or develop: o Strategies to promote rural-remote and Indigenous councils as a career development pathway including marketing, traineeships/ cadetships. o A secondment system to diversify experiences. o A succession planning strategy for CEO and senior management roles. o Strategies to better utilise local Indigenous labour pools in rural-remote councils.	
b) Staff skills and competencies	• Advocate more resourcing for staff skill development for rural-remote and Indigenous councils in recognition of their rural-remote disadvantage.	• Investigate options for nominating and providing financial assistance for outstanding emerging leaders (Indigenous and non-indigenous) in rural-remote councils to participate in ANZOG's executive leadership or similar programs as part of a succession planning strategy.		• Advocate or design staff training programs in: o Cultural awareness o Skilling for working in rural-remote councils. • Roll out nationally accredited Graduate Certificates/ Diplomas in Local Government and Local Government Leadership • Advocate or develop a nationwide peer mentoring/coaching program for new rural-remote CEOs, managers and professionals.	• Advocate or design staff training on community engagement and leveraging community capacity. • Advocate or develop a shared best practice resource of common frameworks for core local government systems (e.g. planning templates, policies, HR practices, IT systems)

2. ELECTED MEMBER SKILLS & COMPETENCIES	• Advocate for the introduction of compulsory training for and greater financial support for training and mentoring of new elected members.	• Review local government governance training practices and develop good practice standards for pre-election and new elected member governance and Council role awareness training. • Design and/or develop tailor-made training for elected members in key areas including: o Integrated strategic planning o Problem-solving o Recruitment o Cultural awareness.			
3. FUNDING ARRANGEMENTS & RESOURCING	• Advocate reform to funding arrangements to provide for medium to long term grant funding for social capital development in rural-remote communities.		• Develop a strategy for disseminating information, knowledge and experiences to build industry intelligence on innovation and good practice in rural-remote and indigenous local government to include: o Partnering with peak national, state and regional industry bodies. o Online information exchange and networking tool. o Face-to-face rural-remote regional forums		• Advocate or develop an information database to support long-term planning. • Develop models and tools to support benchmarking and better decision-making based on good practice business principles (e.g. public value-cost assessment models) appropriate to the needs of rural-remote councils. • Advocate or work with the DLG to identify "core" and "non-core" services for groups of councils to collaborate.

4. GOVERNMENT & AGENCY GAPS
  a) Regulation and compliance
	• Advocate for a review of regulation and reporting requirements of councils with a view to reducing duplication and unnecessary red tape while maintaining adequate accountability and standardising reporting formats across agencies.
	• Advocate for recognition of the diversity of councils and the need for reform of compliance requirements for rural-remote councils to better reflect this diversity.
	• Conduct, support or promote research on:
	  o The impact, cost and benefits of current regulation and reporting requirements on rural-remote councils.
	  o Optimal levels of regulation and reporting requirements for small councils.				

b) Structural reform and collaboration	• Advocate for more financial incentives to encourage greater regional collaboration and initiatives amongst rural-remote councils.
	• Conduct, support or promote research on:
	  o Structural reform options and alternative models of regional collaboration.
	  o Good practice models of regional collaboration and resource sharing by rural-remote councils.				

c) Service withdrawal	• Advocate for assessment of local impact of service withdrawal decisions and negotiation of financial compensation where necessary.				

d) Relationships	• Advocate for DLG to be more proactive and preventative in supporting, assisting and advising small rural-remote councils.		• Conduct, support or promote research on:
			  o Small rural-remote councils as builders of local communities.
			  o Alternative models for building sustainable small rural agricultural councils.
			  o Innovative practices of small rural agricultural councils.		

5. COLLABORATION, COOPERATION & COMMUNICATION	• Advocate for State and Federal governments to establish communication and consultation strategy agreements with the local government sector to ensure better engagement on policy changes involving significant impact. • Advocate for greater inter-governmental and inter-agency cooperation, coordination and communication. • Conduct, support or promote research on Inter-governmental/ inter-agency service delivery models in rural-remote areas.				
6. INDIGENOUS COMMUNITY CHALLENGES & NEEDS	• Conduct, support or promote research on good practice models of service delivery to remote Indigenous communities. • Advocate for a collaborative inter-agency service delivery model for remote Indigenous communities.	• Advocate or develop and implement strategies to promote Indigenous understanding and participation in local government including tailor-made training in: ○ The roles, responsibilities and working with the different tiers of government. ○ Leadership skills.		• Advocate or develop strategies for increasing local Indigenous participation in rural-remote local government workforces.	

This summary matrix reflects the priority capacity needs and most valued actions of rural-remote and Indigenous local governments in Western Australia. Although many of these outcomes are anticipated to be shared by rural-remote and Indigenous councils in other jurisdictions across, it needs to be recognised that the WA cohort of local governments investigated are more 'mainstream' in nature than those councils researched in the parallel scoping studies conducted in the Northern Territory and Queensland. The WA councils are rural-remote with many having significant indigenous populations and remote Indigenous communities that need to be provided with local government services (as opposed to Indigenous councils). They also operate in a different legislative and funding environment. Therefore, the proposed capacity building actions need to be synthesized with those emanating from these parallel studies together with the proposed actions presented in the 2009 study of the capacity building needs of non-amalgamated councils in Queensland.

6.0 Conclusion

The local government sector in Western Australia is unique to other parts of Australia in that it is the last state to undergo any substantial local government reform. As a result it is the home of about one-quarter of the nation's local governments serving only one-tenth of the country's population, the product of which is a very high incidence of councils with a population base of less than 2,000 people. This smallness of size alone creates significant capacity issues for local governments. The addition of remoteness and, for some LGAs, a significant Indigenous population, adds extra complexity and greater demands on local governments that challenge their capacity to efficiently and effectively meet the service delivery needs of their communities.

This scoping study has identified the key capacity issues and needs of rural-remote and Indigenous local governments in WA. It has drawn a picture of the current state of play in the sector and provided examples of some innovative approaches and some key initiatives that are already underway to help build the capacity of these councils either individually or as groups. This study is most timely in drawing attention to the capacity building issues and needs of rural-remote and Indigenous local governments in WA since these councils are presently grappling with working out how they can best respond to the demands of the State government's local government reform program and the expectations placed on them for municipal service delivery to remote Indigenous communities under the Bilateral Agreement on Indigenous Affairs between the Commonwealth and WA governments.

The Next Step
The next phase in developing ACELG's rural-remote and Indigenous local government program will be to compare the outcomes of the three scoping studies – Northern Territory, Queensland and Western Australia – at a roundtable scheduled for 30 July 2010. The collective findings of these scoping studies, together with the 2009 Local Government Association of Queensland study of the capacity building needs of non-amalgamated councils, will inform ACELG in developing a capacity building strategy framework and priority capacity building activities for supporting and assisting rural-remote and Indigenous local governments across Australia. Given the financial and resource constraints of ACELG, this framework will need to identify possible partnerships that ACELG might form within its current network and any gaps where new partnerships might need to be forged to facilitate the delivery of the schedule of programs and activities agreed to in the strategy developed.

Appendix A: Profile of the Scoping Study Local Governments – 2008-09 Statistics

Local Governments by WALGA Zone	Population	% Indigenous Population[1]	Area	Distance from Perth (km)	Total Rates Revenue $	Total Revenue $	Number of Employees
Central Country							
Beverley	1,708	4.7%	2,310	131	2,085,220	4,612,888	27
Brookton	1,061	12.7%	1,626	138	1,130,898	7,479,468	21
Corrigin	1,257	1.7%	3,095	234	1,505,923	7,990,000	37
Cuballing	850	1.2%	1,250	192	672,233	1,992,675	16
Dumbleyung	632	4.3%	2,553	267	1,114,643	3,934,214	24
Kulin	980	2.3%	4,790	284	1,339,044	6,015,090	38
Lake Grace	1,456	1.0%	10,747	345	2,799,587	8,547,162	43
Narrogin Shire	890	0.9%	1,618	192	645,697	3,081,072	19
Pingelly	1,168	10.6%	1,223	158	1,101,073	3,765,926	23
Quairading	1,134	13.2%	2,000	166	1,300,112	5,838,584	26
Wagin	1,844	4.5%	1,950	227	1,476,383	5,597,094	32
Wandering	400	2.8%	1,955	120	559,271	1,874,970	10
West Arthur	890	1.2%	2,850	204	1,188,229	2,712,905	21
Wickepin	716	2.0%	1,989	210	1,108,613	3,816,757	22
Williams	930	2.0%	2,295	161	1,136,677	3,629,973	22
Great Eastern							
Bruce Rock	950	5.2%	2,772	244	930,541	5,338,667	35
Cunderdin	1,390	2.0%	1,872	158	1,249,273	4,492,794	21
Dowerin	707	2.1%	1,867	156	846,708	4,300,557	26
Kellerberrin	1,270	10.5%	1,852	202	1,187,811	4,242,324	25
Kondinin	1,100	8.7%	7,340	280	1,402,340	7,104,718	27
Koorda	497	4.6%	2,662	238	658,391	3,718,698	21
Mount Marshall	614	3.4%	10,134	273	1,047,516	5,771,793	26
Mukinbudin	700	5.8%	3,414	295	759,015	3,232,237	26
Narembeen	906	2.4%	3,821	280	1,163,626	4,761,971	26
Nungarin	300	4.1%	1,145	280	345,000	2,080,000	12
Tammin	422	13.4%	1,087	181	617,051	2,621,509	13
Trayning	433	4.7%	1,632	235	510, 943	3,550,492	20
Westonia	265	3.4%	3,268	316	430,000	2,165,325	20
Wyalkatchem	577	1.7%	1,743	186	658,870	4,111,193	19
Yilgarn	1,750	2.9%	30,720	370	2,889,165	8,695,551	40
Great Southern							
Broomehill-Tambellup	1,136	6.9%	2,810	328	1,519,429	5,683,958	26
Cranbrook	1,062	1.4%	3,390	325	1,621,461	5,467,736	27
Gnowangerup	1,454	8.0%	5,000	354	2,337,603	6,435,948	39
Jerramungup	1,208	0.8%	6,540	430	2,165,677	6,358,275	25
Kent	520	0.0%	6,552	320	1,568,234	3,276,900	23
Woodanilling	400	1.1%	1,126	252	479,732	1,424,940	15
Northern Country							
Carnamah	745	5.4%	2,835	308	1,085,000	4,076,000	22
Chapman Valley	914	3.9%	4,007	460	1,474,197	4,341,070	29
Coorow	1,200	1.5%	4,137	280	1,924,914	4,662,572	28
Mingenew	471	6.1%	1,927	383	937,866	4,168,352	18
Morawa	950	10.9%	3,528	362	984,735	4,416,578	28
Mullewa	911	30.0%	10,707	464	1,428,271	4,122,882	25
Perenjori	590	10.4%	8,214	354	1,454,817	5,293,212	25
Three Springs	700	6.4%	2,629	313	1,210,000	5,600,000	17

Local Governments by WALGA Zone	Population	% Indigenous Population[1]	Area (km^2)	Distance from Perth (km)	Total Rates Revenue $	Total Revenue $	Number of Employees
Gascoyne							
Carnarvon	6,800	20.7%	53,000	902	3,077,475	17,515,968	53
Exmouth	2,245	1.4%	6,261	1,270	2,038,578	8,119,175	64
Shark Bay	984	12.6%	25,000	832	609,722	4,073,107	20
Upper Gascoyne	370	62.7%	46,602	979	235,000	3,686,500	12
Goldfields-Esperance							
Coolgardie	5,800	9.8%	30,400	558	4,030,075	9,987,250	39[2]
Dundas	1,068	12.6%	92,725	724	1,482,437	5,789,093	23
Kalgoorlie-Boulder	29,684	8.4%	95,229	603	20,799,426	58,352,775	298
Laverton	725	41.9%	183,198	956	2,169,657	8,883,547	33.5
Leonora	1,862	11.7%	31,743	832	3,778,414	8,607,488	33
Menzies	353	63.7%	128,353	730	561,304	3,592,899	16
Ngaanyatjarraku	1,867	87.9%	159,948	1,524	272,850	8,396,458	24
Ravensthorpe	1,350	1.8%	12,872	536	2,300,000	11,483,000	28
Wiluna	400	41.1%	184,000	966	1,807,242	6,498,461	19
Murchison							
Cue	322	38.3%	13,716	649	896,000	4,600,000	11
Meekatharra	1,296	50.2%	100,733	764	1,978,990	8,770,793	27
Mount Magnet	580	23.1%	13,877	562	914,954	4,267,833	19.8
Murchison	110	37.9%	49,500	669	110,991	3,185,151	9
Sandstone	119	22.6%	28,218	724	814,574	3,635,669	12
Yalgoo	242	43.6%	33,258	524	1,013,000	4,875,000	16
Kimberley							
Broome	15,607	31.8%	56,000	2,200	12,793,000	23,370,000	174
Derby-West Kimberley	8,941	66.8%	102,706	2,366	3,910,823	20,510,575	85
Halls Creek	4,500	84.4%	143,025	2,837	1,382,145	8,592,950	36
Wyndham-East Kimberley	7,775	40.0%	121,189	3,200	4,904,694	24,602,950	71
Pilbara							
Ashburton	6,604	10.7%	105,647	1,557	5,955,144	46,524,476	129
East Pilbara	10,500	25.8%	371,696	1,220	5,861,846	54,429,780	113
Port Hedland	17,000	20.2%	11,844	1,647	10,160,080	41,426,070	177
Roebourne	16,422	12.8%	15,196	1,550	16,090,709	55,492,659	180

[1]Based on 2006 Census.

[2]Full-time equivalent

Source: WALGA (2010), *The Western Australian Local Government Directory.* Perth: WALGA; ABS (2006).

Appendix B: Scoping Study Briefing Paper

Western Australian Scoping Study for the Rural-Remote and Indigenous Local Government Program of the Australian Centre of Excellence for Local Government

Introduction

Edith Cowan University, a project partner of the Australian Centre of Excellence for Local Government (ACELG), has been commissioned to prepare a Scoping Study to identify the needs of small local councils in Western Australia to inform ACELG's Rural-Remote and Indigenous Local Government Program.

This briefing document provides a background on the purpose and role of ACELG, the role of ECU as a program partner, and outlines the objectives, method and expected outcomes of the Scoping Study being undertaken by ECU as an ACELG partner.

Australian Centre of Excellence for Local Government (ACELG)

ACELG is a consortium dedicated to enhancing professionalism and skills, showcasing innovation and best practice, and facilitating a better informed policy debate for local governments in Australia. The Australian Government is contributing $8m in funding for the establishment of the Centre which was officially launched on 14 December 2009 by the Hon Anthony Albanese, Minister for Infrastructure, Transport, Regional Development and Local Government.

The consortium is led by the University of Technology, Sydney, and consortium partners include the University of Canberra, Australian and New Zealand School of Government, Local Government Managers Australia, and the Institute of Public Works Engineering Australia Limited. Program partners include the Australian National University, Charles Darwin University and Edith Cowan University.

ACELG's vision is to bring about "world-class local government to meet the emerging challenges of 21st Century Australia". Its mission is to provide:

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

ACELG activities are grouped in 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.

The Centre will undertake research that provides practical outcomes to meet the needs of the local government system and engage in strategic interventions that add value, fill gaps and seed new initiatives.

Edith Cowan University's role as a program partner

Edith Cowan University is an ACELG program partner and as such will assist in the delivery of program area activities. This particular Scoping Study fits within the Rural-Remote and Indigenous Local Government Program Area. It draws on ECU's expertise and experience in dealing with local government issues.

ECU has an established network of contacts with government departments and stakeholder groups in the local government sector within Western Australia (WA). Accordingly, ECU is well-placed to respond to the needs and interests of local governments in this state. As a major WA university with three campuses including one in regional areas, we are able to act as a focal point for WA local governments seeking input or information about this Scoping Study.

The Scoping Study

ACELG's six program areas include a focus on Rural-Remote and Indigenous Local Government. This Scoping Study forms the background research and data collection phase of this program, and seeks to identify the capacity building needs of these councils, ways in which the Centre can most usefully assist these councils and the best means of providing assistance.

It draws together the results of previous studies into financial sustainability of these local governments and considers what actions and policy intervention by State and Federal Governments may be needed to complement any assistance the Centre can provide.

Objectives

Through extensive consultation with key stakeholders in the local government sector in WA, the Scoping Study aims to identify priority capacity building needs and issues faced by rural-remote and Indigenous local governments and critical gaps in current government agency policies and programs related to these needs. Ideas and direction will be sought from key stakeholders as to how ACELG and its partners can most feasibly and effectively support councils in rural and remote areas to address their capacity building needs and issues.

Method

WA has 139 local governments — 109 outside metropolitan Perth — varying in population size and density, geographic area, complexity and remoteness. In total, approximately 79 of these local governments across the 12 WALGA country zones can be classified as rural-remote and Indigenous.

In this scoping study ECU will consult with nine of the zones that cover 70 of these rural-remote and Indigenous councils and other key stakeholders. This consultation will include:

- Representatives from the rural-remote local government country zones;
- Staff of the relevant WA government departments, particularly the Department of Local Government and the Department of Indigenous Affairs;
- The Western Australia Local Government Association (WALGA);
- The Local Government Managers' Association (LGMA);
- Relevant State Ministers;
- Representatives from relevant Regional Development Commissions; and
- ACELG consortium members and other Program Partners.

The approach taken to involve these key stakeholders in this scoping study will include:

- Developing and disseminating this briefing document on ACELG, the aims of the scoping study, and the parameters for the potential future role of ACELG;
- Conducting discussions with representatives from the key stakeholder groups;
- Collating the findings of the initial round of consultation;
- Conduct of a survey of local government CEOs and Mayors/Shire Presidents; and
- Preparation of a report for discussion at an ACELG round table.

The scoping study was approved in January 2010 and will conclude in July 2010. In the initial phase of the scoping study we are seeking participation by representatives of the key stakeholder groups identified by way of a confidential personal interview of about one hour in duration. Only collective findings from these consultations will be reported.

Expected Outcomes

This Scoping Study will probe the underlying capacity building issues of rural-remote and Indigenous dominated local governments in WA and will provide an accurate assessment of the most critical capacity building needs of this group of local governments. It will identify feasible options for supporting rural-remote and Indigenous local governments in addressing these needs and issues. This assistance may take the form of research, policy, governance and workforce capacity, as well as professional development and training. We expect that through our extensive consultation with stakeholders, we will be able to develop priority areas for future activities, actions and research by ACELG that can assist these local governments.

WA Scoping Study - Key Stakeholder Consultation Topics

Capacity refers to the level of skills, infrastructure and resources that an organisation has available to perform the activities/services required of it.

Capacity building refers to assistance provided to organisations that need to develop certain skills, competence and/or their general performance ability and effectiveness.

Levels at which capacity needs may exist:
- LG sector – industry wide
- Specific groupings of LGAs e.g. small rural-remote
- Elected member capacity
- Senior and middle management capacity
- Operational level & support function (e.g. HR) capacity

Capacity building tools include things like:
- Training and development
- Sharing information on innovation and best practice
- Networking, collaboration and partnerships
- Mentoring programs
  etc

Purpose of the scoping study:
- Identify the main needs and issues of small rural-remote and Indigenous community LGAs in being able to deliver a reasonable level of local government services to their communities.
- Identify critical gaps in current government or government agency policies and programs that related to these needs.
- Identify areas in which ACELG as an organisation might be able to help small rural-remote and Indigenous community LGAs address their capacity needs and issues and the best means of providing this help.

Discussion Topics:

1. What problems or issues do the small rural-remote LGAs in your zone have in providing reasonable local government services to their communities?
2. Do LGAs with a high proportion of Indigenous communities in their municipality have other specific challenges they need to address in being able to deliver reasonable local government services to their communities?
3. What actions have the small rural-remote LGAs in your zone taken to try to solve these problems?
4. Are there any LGAs you know of that are doing a good job of solving the problems or issues they face in delivering local government services - i.e. examples of "good" or "successful" practice?
5. Why do you think that these LGAs are doing it well?
6. Are there any gaps in government or government agency policies and/or programs that adversely affect how well small rural-remote and Indigenous community LGAs can provide reasonable services to their communities?
7. What can these government/government agencies do to help address the problems/issues faced by these small rural-remote and Indigenous community LGAs?
8. Adequate revenue is often a problem for small LGAs. The State government has provided substantial funding in the Country Local Government Fund to be spent on assets in the first year. Apparently not much of this fund has actually been spent. Why do you think that this is the case?
9. What can ACELG and its partners do to help these small rural-remote LGAs address the problems or issues they face?
10. How can ACELG best provide this help?

Appendix C: Coding Sheet for the Qualitative Interviews

A. CAPACITY ISSUES

1. Human Resources	a. Recruitment of staff
	b. Retaining staff
	c. Standard of staff skills & capabilities
	d. No career pathways
	e. Succession planning
	f. Aging workforce
	g. Housing costs
	h. Limited community services to attract staff
	i. Staff workload
	j. Lack of competitive salary packages
	k. Cultural sensitivity & awareness by staff
	l. Inadequate training
2. Physical infrastructure	a. High cost of maintenance
	b. High cost of construction
	c. Grants geared to capital infrastructure not operational costs
3. Financial Resources	a. Inadequate rates base
	b. Inflexible grants formula
	c. Cost pressures
	d. Reliance on grants
	e. Instability of revenue sources
	f. Grant acquittal requirements
	g. Inadequate timelines for funding applications
	h. Insufficient money/funds
4. Elected member & governance issues	a. Attracting good elected members
	b. Elected member skills – strategic thinking; problem-solving; recruitment; decision making; leadership
	c. Political resistance/town-centric attitudes
	d. Lack of passion
	e. Cultural awareness & sensitivity
	f. Councillor workload
	g. Councillor-CEO relationship
5. Government/Agency Issues	a. Relevance of standardised legislative & compliance requirements
	b. Policy implications on LG
	c. Inadequate inter-agency communication/consultation
	d. Coordination
	e. Withdrawal of State/Federal services
	f. Cost shifting
	g. Burden of LG reform requirements
	h. Micro-management
	i. Timeframes & lack of coordination with LG planning cycles
	j. Agency attitudes towards small rural-remote Councils
6. Community Expectations & Issues	a. Expectations for LG to fill community service gaps
	b. Declining populations/businesses – declining rates base & volunteer base
	c. Lead community decision-maker & employer
	d. Provider of last resort
7. Environmental Factors	a. Remoteness & distance
	b. Economic conditions (e.g. mining boom; mining sector volatility)

8. Indigenous community challenges	a. Non-ratable land
	b. Agreement of municipal services
	c. Access to land
	d. Indigenous disadvantage grants not allocated to Indigenous communities
	e. Systemic issues – dysfunctional communities & social issues
	f. Indigenous representation
	g. Bypassing LG – no planning/building approvals etc
	h. Substandard infrastructure

B. CAPACITY BUILDING INITIATIVES AND ACTIONS

1. Local Government Actions	2. Government/Agency Actions	3. ACELG Actions
a. Regional collaboration	a. Communication	a. Research
b. Seeking new revenue sources	b. Collaboration	b. Training
c. Creative problem solving	c. Consultation	c. Mentoring program
d. Focus on core business	d. Training	d. Information sharing
e. Community initiative/collaboration		e. Promote new policy development

Appendix D: On-line Questionnaire

Appendix E:Summary of the Survey Results – Value of Potential Actions and Initiatives

Rank order	Action/ Initiative	Ave Rating	% Rated High/ Very High Value
1	Review State government regulations to reduce unnecessary red tape to free up local government while maintaining accountability.	4.59	93.5%
2	Eliminate duplication and standardise compliance reporting requirements across agencies.	4.46	95.7%
3	Greater recognition for the need for government to provide medium to long term grant funding for building social capital (e.g. cultural and community development programs) in small rural-remote and Indigenous communities.	4.46	93.5%
4	Government agencies adopt different levels reporting requirements for small Councils to better reflect their circumstances.	4.28	84.8%
5	Market rural-remote local government as career development opportunity.	4.15	80.5%
6	Acknowledge the diversity of Councils and the need for different approaches to service delivery and reporting.	4.11	84.8%
7	Require newly elected members to attend seminars/training in their first year of office.	4.11	80.5%
8	Encourage local government election candidates to attend pre-election seminars to enhance knowledge of Council roles/functions and awareness of what it involves.	4.07	73.9%
9	Encourage further proactive and preventative approaches by the DLG to better support, assist and advise small Councils.	4.04	78.2%
10	Identify the local impact and/or revenue loss from decisions of State/national significance (e.g. Indigenous community municipal service delivery) and negotiate appropriate compensation where necessary.	3.98	74.0%
11	Align State government agency boundaries to facilitate local government planning.	3.96	71.8%
12	Provide opportunities for Councils to share experiences and learn about different approaches through regional forums.	3.93	78.3%
13	Modify govt regulations so Councils can be involved in business activities with potential revenue raising and enhanced service delivery opportunities with appropriate safeguards.	3.93	69.5%
14	Build evidence-based data that enables small Councils to demonstrate to external agencies their role as builders of local communities.	3.91	71.8%
15	Develop and promote local government industry "traineeships" and/or "cadetships" in specialised areas (e.g. economic and community development) to support groups of small rural-remote Councils.	3.91	71.7%
16	Help local governments learn how to better leverage community capacity to enhance service delivery.	3.91	71.7%
17	Design and provide tailor-made training by skilled presenters who are knowledgeable and experienced in local government for elected members (e.g. strategic planning, problem solving, cultural awareness).	3.91	69.6%
18	Introduce more financial incentives to encourage greater regional collaboration and initiatives amongst rural-remote and Indigenous Councils.	3.85	73.9%
19	Increase recognition of small rural-remote and Indigenous Councils by actively promoting their innovations and good practice.	3.85	69.6%
20	Design and provide tailor-made training by skilled presenters who are knowledgeable and experienced in local government for Indigenous Councillors and communities (e.g. roles and responsibilities of different tiers of government and how to work with them).	3.85	63.1%
21	Work with groups of Councils to develop, trial and evaluate models of regional collaboration suited to different circumstances.	3.83	71.8%

22	Design and provide tailor-made training by skilled presenters who are knowledgeable and experienced in local government for staff (e.g. cultural awareness and working in small rural-remote Councils).	3.78	65.2%
23	Federal government to establish a new communication and consultation strategy agreement that ensures better engagement with local government on policies/program changes that significantly impact them.	3.76	63.0%
24	Develop, trial and evaluate inter-governmental agency models of service delivery in rural-remote locations in which proper authority, responsibility, accountability and adequate resourcing is given to a coordinating body using existing overhead structures.	3.74	69.6%
25	Government agencies to hold more regular discussions on inter-governmental issues to enable a more collaborative and coordinated inter-agency approach to service delivery.	3.72	52.2%
26	State government to provide a strategic vision and plan under which local government planning can more effectively occur.	3.70	60.9%
27	DLG works with the sector to develop a common framework for core local government systems (e.g. IT, HR, financial planning, asset management planning and community planning).	3.70	60.9%
28	ACELG supports the conduct of regional studies on inter-governmental agency collaboration/cooperation for effective service delivery in rural-remote locations.	3.67	60.8%
29	State government to establish a new communication and consultation strategy agreement that ensures better engagement with local government on policies/program changes that significantly impact them.	3.67	58.7%
30	Establish a system of secondments for staff to experience diverse local and other government environments.	3.65	56.5%
31	ACELG supports the conduct of good quality independent research on local government issues (e.g. collaborative models, asset management models) that provides practical outcomes.	3.63	58.7%
32	Establish an online "information exchange network" that expose Councils to diverse and innovative ideas and enable them to network, share information, mentor and find suitable partners for initiatives.	3.61	56.5%
33	Develop a readily accessible database of information to support longer term planning (e.g. workforce demographics, skilling needs) by Councils and other key stakeholders.	3.61	50.0%
34	Develop useful decision-making tools for local government (e.g. criteria for benchmarking Council performance; evaluating public cost and value of local assets/services).	3.54	60.8%
35	Information on ACELG activities be channelled through regional groups of Councils and peak industry bodies like WALGA and LGMA.	3.54	54.4%
36	DLG work with the sector to identify class of "core" (e.g. rating) and "non-core" (e.g. economic development) services that can be shared collaboratively and located in different areas based on Council strengths.	3.52	54.4%
37	Greater promotion and support for Indigenous participation in local government especially in areas with substantial Indigenous populations.	3.50	52.2%
38	Encourage regular visits by government agencies to brief and consult with groups of Councils in the regions.	3.46	56.5%
39	Establish a central "relieving personnel register".	3.46	45.7%
40	Develop appropriate incentives and flexible working opportunities to encourage greater Indigenous participation in local government employment.	3.46	45.6%
41	Allow more flexible/informal meeting procedure and code requirements for Councils with Indigenous Councillors to better support their participation.	3.39	45.7%
42	Establish a central purchasing facility for bulk purchasing (e.g. plant) across groups of Councils.	3.37	41.3%

43	Councils being able to use ACELG as a "first port of call" or reference point when needing assistance on capacity building issues.	3.35	41.3%
44	Provide opportunities for Councils to share experiences and learn about different approaches through a forum at annual state/national conferences.	3.35	36.9%
45	Provide opportunities for Councils to share experiences and learn about different approaches through video or teleconferencing forums.	3.13	41.3%
46	ACELG becomes an important independent and impartial advisory body on local government issues to all spheres of government.	3.11	30.4%

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