

SSS EXPERT TEAMS

Expert Teams in the areas of Finance, Revenue, Expertise and Services have presented their preliminary findings to the SSS Taskforce for comment and review. Consultants from each Team attended the latest Taskforce meeting and presented their models, frameworks and recommendations for change to Local Government over the next 10-20 years.

The Leadership Expert Team is now charged with compiling each of the Expert Team's draft chapters, combining common elements, highlighting critical actions and promoting ways in which to achieve the agreed vision for Local Government over the next 10-20 years:

'to implement and maintain a governance model that integrates effective service delivery (on a regional basis) with appropriate political representation (on a local basis).'

Given the volume of work presented by the Expert Teams and the role to be played by the Leadership Team, the Taskforce has resolved to extend the timeframe for completion of the report. A draft report will be submitted to the Taskforce in mid-November, and the completed document is to be published in February 2008.

One recommendation has already progressed towards reality, with the Finance Expert Team proposing an industry-wide accounting manual be created that will provide guidance to Local Government on accounting treatments, classification of transactions and disclosure requirements.

The Minister for Local Government has responded positively to this recommendation and the manual is currently being compiled by the Department for Local Government and Regional Development.

SSS TASKFORCE: QUESTION AND ANSWER

SSS Taskforce representatives have been attending Zone meetings to discuss the Taskforce's progress and gain feedback from Councils. A number of questions were posed to SSS Taskforce representatives at the recent Great Eastern Zone meeting, with the questions and Taskforce responses reproduced here for your information.

Q1: Local Governments have to report back to so many State and Federal Government Agencies such as DOTARS etc - should these agencies remain?

Q1 Response: Many of these agencies and departments administer grants and funding to Local Governments and receive acquittals at the end of the funding program.

There are many views about the confusing number of departments, agencies, compliance requirements Local Governments have to respond to and a rationalisation here would be welcomed by most – however, the task before us is to develop a **10 Year Plan for the Sustainability of Local Government into the Future.**

Q2: Is the SSS about Financial Sustainability or is it about Structural Sustainability along with Social and Community reform?

Q2 Response: The project that we are working on is about **much more than financial sustainability**; the unreliability of the data that was collected clearly shows that we can't trust the information we have. We know that there are financial sustainability issues – we don't know the exact extent of these issues.

We do know that there are problems with revenue streams; capacity to provide service, ability to recruit staff and availability of staff; and most importantly in some areas there are issues relating to competency, expertise and leadership.

Q3: Local Governments want some direction to keep them Sustainable.

Q3 Response: Yes – we agree wholeheartedly with this sentiment, which is why we are working so hard on the 10 Year Plan for the Sustainability of Local Government in to the Future.

The SSS Taskforce is **providing that direction** by developing a raft of options, strategies, ideas and resources so that Local Governments have choices; and are in a position to identify what works for them so that they can determine their own future.



Q4: Have there been any reported advantages on other State mass amalgamations and what have been the disadvantages?

Q4 Response: There is little evidence from other States that wholesale amalgamations provide any real advantage. The SSS Taskforce has consistently said that the work being done is about developing options, strategies and ideas to provide choice – amalgamation may be one of those options.

There is evidence within our own State that carefully planned and orchestrated amalgamations can provide benefits and the City of Albany, City of Geraldton-Greenough and Shire of Northam demonstrate this. Amalgamating two ailing Councils without fixing the systemic problems of the Councils will only result in one larger dysfunctional Council.

Q5: Should Local Government be looking at what form of Government we want:

- *State*
- *Regional*
- *Local Government?*

Q5 Response: The WALGA State Council has resolved in the first instance to work on strategies for the sustainability of Local Government.

The broader and more complex issue of whether it should be Local, Regional or State is something that could be explored at a later time if members support this direction.

Q6: Leadership Team needs to consider what form of Government is best suited for the future. (refer to Question Five)

Refer to Q5 Response. Also, the issue is about long term sustainability. No matter what size, form or structure is in place there must be a social connection back to local communities.

Q7: Is the Taskforce looking at one model fits all for Local Government?

Q7 Response: Western Australian Local Governments range from small poorly resourced Councils to large well resourced Councils – one model will not fit all.

Q8: Will Benchmarking be a one fit all model?

See response to Q7.

Q9: Opportunity for leadership in change as we have about six years to get it right before it will be forced upon us.

Q9 Response: Possibly, although the view held in the Taskforce is probably 16 months.

This is indeed an opportunity to lead the change process. As an industry and as Councils we need to review the way we have functioned and operated. We can ignore the changing environment or we can respond to the changes around us by looking at how we can “keep what works and change and adapt what doesn’t work”. History tells us that if we don’t adapt then a paternalistic State Government will force changes upon us.

Q10: Restructuring won’t work without financial restructure.

Yes, although restructuring doesn’t simply translate to amalgamation.

Changes should take place where they are required rather than across the board. Some Councils have very well organised and functional financial processes in place; some Councils are struggling so again full scale financial restructuring is not required.

What we do require is a Local Government Finance and Accounting Manual that provides consistent instructions and proformas for Councils and a range of financial models, strategies and applications for small, medium and large Councils.

Q11: Need to look at how we get Regional centres to deliver regional services with out it being a threat to outlying communities.

Q11 Response: This will be one of the biggest challenges for Local Government. Central to all service provision is the ability to provide qualified staff across the board.

This means medical, educational, environmental, planning and so on. As long as any regional centres stay within Local Government control we will have a good chance of making sure that all of our communities, especially outlying communities are looked after.

Q12: Taskforce needs to look at ways to get back the GST to Local Government.

Q12 Response: GST is a small proportion of the overall tax take; we are focused on a bigger picture without having to have a fight with the States.

Q13: Looking at Regional Services and the loss of community services is not a savings to Local Communities. Removing services from Local Communities to become sustainable is a loss of services to the community not a savings to the Council.

See response to Q11.

Q14: If infrastructure was taken out, Councils would all be sustainable as the problem is the depreciation factor; if depreciation was taken again most Councils would show that they are sustainable.

Q14 Response: Infrastructure is the basis of Local Government. If we were to remove infrastructure from Local Government then we wouldn't have Local Government.

Q15: Councils spend a huge amount of time doing compliance reports and are all on a different page. Local Government is criticized for this. This needs to be common across all sectors of Government.

See response to Q 10.

Q16: Depreciation is a problem but so is asset renewal and this needs to be addressed.

Q16 Response: Yes, and the good management of depreciation is the cornerstone to sustainability.

Q17: Was the President or CEO of WALGA involved in the QLD or NT review panel and have other States looked at any other reviews prior to making their decision to amalgamate? Has the State Government given any commitment on Amalgamations or are we wasting time and money if the State Government is going to do what they like.

Q17 Response: No.

The next meeting that will be held is a Leadership Expert Team Meeting on Thursday 11th October.

For further information, please contact Public Relations Officer, Kate Murray on 9213 2083 or email kmurray@walga.asn.au