

# Doing government better



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How would we go about following the Australian Government's lead, and reforming our sector made up of some 200,000 employees and 565 entities?

### Ahead of the game

In September last year, the Prime Minister established the advisory group to review the Australian Government administration and develop a blueprint for reform. The blueprint is published in a period of great change and great opportunity for government administration. Policy challenges in the area of globalisation are complex and the solutions are contested, so they call for the best and boldest thinkers that the public service can produce and recruit. The Australian people are all pursuing change on the back of dramatic advancements in information technology. There is an increasing expectation of higher quality services and greater citizen involvement in service design. As the population ages, these pressures will become more acute.

The advisory group proposes reform to the Australian public service in four areas:

- forging a stronger relationship with citizens through better delivery of services and through greater involvement of citizens in their government
- strengthening the capacity of the public service to provide strategic, big-picture policy and deliver service advice that addresses the most difficult policy challenges of the day
- investing in the capacity of the public service workforce through improved recruitment and training processes, greater mobility and alignment of working conditions across agencies and a new, more consistent approach to employee performance
- introducing a stronger focus on efficiency and quality to ensure that our agencies are agile, capable and effective, backed up by measures that help them plan and improve their performance.

The advisory group concluded that reform is driven from the top and that particular importance should be placed on leadership of the Australian public service.

I think that the proposed Australian public service reforms are very relevant to Australian local government. The question is, how would we go about reforming our sector that is made up of some 200,000 employees and 565 entities?

### Skill shortages: a high-risk business

In a recent survey undertaken by Deloitte on behalf of the Australian Industry Group (Ai Group) it was concluded that skill shortages remain a major problem and Australian firms expect these shortages to intensify over the medium term. More than one-third of companies in Deloitte's survey rate the risk of skill shortages impacting on the effective operation of their business as high or extreme and this number increases to almost half of all companies when they rank the risk for 2015.

The shortages are evident across the economy and occupations, with businesses looking for engineers, accountants, metal-casting trades workers, welders, machine operators, sales assistants and office, production and business administration managers. When companies can't recruit the skills, they overwhelmingly work to upskill their existing workers.

The recent downturn saw a significant fall in apprenticeship commencements, which has clear consequences for future skills availability. While the Government introduced successful apprenticeship programs, Ai Group has called for extra support to underpin apprenticeships.

When the Ai Group survey *Skilling Business in Tough Times* was launched back in October last year, the credit crunch meant that redundancies and cost-cutting were top of mind for Australian CEOs. Today, it is the negative impact that skill shortages will have on the growth of their businesses. Deloitte concluded that, despite the lack of talent, standing still is not an option. The first step is to treat this challenge with the same respect as other business-critical issues. Get it wrong and it could put a company's future in jeopardy.

Deloitte argues that CEOs and their management teams need to undertake a thorough workforce planning exercise and ask themselves some tough questions. Can we do this better? Can we retrain more of our people to work in value creation roles? Fundamental to workforce planning is the retention and development of existing talent. In a tight talent market, Deloitte argues that companies need to re-recruit their existing workforce at all times.

Companies that embrace process, system and people innovation are likely to win the race for talent. Deloitte is of the view that competing in today's labour market requires a fresh approach to flexible working arrangements that tap into the changed behaviour of the digital natives in the workforce. In addition to this, implementing and setting a strategy around gender diversity is crucial. What can your company do to get more than its fair share of female talent?

### Gender equity

The Australian Human Rights Commission recently published the *Gender Equity Blueprint 2010*, which sets out key reforms for Australia. The Blueprint puts forward a range of recommendations relating to:

- balancing paid work and family and caring responsibilities;
- ensuring women's lifetime economic security;
- promoting women in leadership;
- preventing violence against women and sexual harassment
- strengthening gender equality laws, agencies and monitoring.

Commissioner Elizabeth Broderick says that achieving gender equity requires elected representatives to drive and champion the policy reforms that are needed to build a stronger and more productive and fairer Australia.

The Year of Women in Local Government 2010 National Steering Committee is presently considering its agenda for the second half of 2010 and beyond.

### Planning, zoning and development assessments

The Productivity Commission has been asked to continue the program of performance benchmarking of Australian business regulation.

COAG agreed that the Productivity Commission should conduct a benchmarking study of the states' and territories' planning and zoning systems and land development assessments. In addition to business compliance costs, the Productivity Commission has been asked to benchmark how the states' and territories' planning and zoning systems impact on competition and the overall efficiency and effectiveness of the functioning of cities.

The results of the Productivity Commission study will highlight areas where there may be benefits from further reform. The Productivity Commission has recently released an issues paper on this study, which is available from its website.

### Australian Centre of Excellence for Local Government

After attending the recent Programs Coordination Committee of the Centre, I realised just how successful this initiative has been. The \$8 million invested by the Commonwealth Government has resulted in significant activity around the country. The challenge for us involved with the Centre will be to ensure everything it does is informed by the practice of local government management and that its findings lead the practice of local government management. For more information on the work of the Centre, visit [www.acelg.org.au](http://www.acelg.org.au).

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