

26 April 2024

Committee Secretary

House of Representatives Standing Committee on Regional Development, Infrastructure and Transport
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Parliament House

Canberra ACT 2600

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Attention Mr Luke Gosling OAM, MP

Chair of Committee

We note that the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport is undertaking an inquiry into local government matters, with a particular focus on:

- The financial sustainability and funding of local government
- The changing infrastructure and service delivery obligations of local government
- Any structural impediments to security for local government workers and infrastructure and service delivery
- Trends in the attraction and retention of a skilled workforce in the local government sector, including impacts of labour hire practices
- The role of the Australian Government in addressing issues raised in relation to the above.

Please find attached a short submission from Wakefield Regional Council on the topics to be considered by the Committee and I would be happy to provide further information on any of these issues on behalf of Council.

Yours sincerely



Darren Starr

Chief Executive Officer

Wakefield Regional Council is situated in the Mid North of South Australia with a population of 6780 residents spread across 3,400km². In November 2020, Council adopted Wakefield 2030 – a community plan to guide our actions for the coming 10 years. The overall aims are to achieve the community's vision:

Wakefield is a thriving and connected regional community known for its lifestyle, vibrant towns and economic prosperity. The region is growing, supported by quality assets and driven by a strong sense of pride and confidence. Wakefield is a great place to do business and a great place to belong.

This vision guides our three key themes: Liveable Communities, Thriving Region, and Sustainable Future. These three themes are reflected throughout Council's services that are delivered.

Wakefield is home to the fourth largest road network in South Australia, with 2728km of road, 90% of these roads are unsealed. Servicing this road network is a key component to Council, with renewal and upkeep vital to keep roads accessible and in use for residents and agricultural use. Agriculture is at the heart of Wakefield with an estimated agriculture export value of \$327,600,000, with 37% of the population working in the agriculture industry.

Beyond roads and infrastructure, Council is also responsible for a raft of services including waste and recycling, development and regulatory services, community services and economic development with each of these areas continuing to see rising costs.

This year and into 2025 Council will implement fortnightly, three-bin-pick up to help mitigate waste going to landfill, as we continue to see prices for the disposal of waste rise year on year. Beyond kerbside collection, Council's waste services also include the provision of Community Waste Management Systems (CWMS) with five CWMS and 74km of waste-water pipe to maintain across the Council region.

Council is also responsible for community facilities such as swimming pools and community halls across multiple towns and settlements, with three Council owned swimming pools in Wakefield. Pools are major assets for Council, valued by our communities, with maintenance, the hiring of lifeguards and upkeep all proving pools to be costly assets and services to provide for communities.

All of these assets and components of our Council are what create this great region, but the ongoing costs continue to put strain on supporting these facilities so that they can remain operational. To gain a better understanding of the services we deliver specifically to Wakefield Regional Council our Annual Report highlights these: <https://www.wrc.sa.gov.au/ourcouncil/plans-and-reports/annualreport>

For an understanding of how these services are delivered and what our expenditure looks like for a year, Council's Annual Community plan outlays our plan for the past year: <https://www.wrc.sa.gov.au/ourcouncil/plans-and-reports/financialplans>

Financial sustainability and funding of local government

The changing infrastructure and service delivery obligations of local government

Local Government across Australia is given its authority and responsibilities via State Legislation, in South Australia the Local Government Act 1999.

Increasingly the role of local government in Australia is expanding, particularly in regional areas where state or federal services are not provided, as service expectations of communities increase, private sector entities are not able to provide the necessary infrastructure e.g. housing and local infrastructure and asset management particularly roads and demands on infrastructure are increasing. By way of an example in addition to the provisions of the Local Government Act 1999, Wakefield Regional Council has responsibility for enforcing elements of another sixty-five (65) Acts of Parliament or associated Regulations.

What is not increasing at the same rate as demands on local government are commensurate funding sources, particularly from State and Federal Government, making it extremely difficult to balance asset management (repair, renewal and replacement), provision of services to communities and support for the economic, social and community development of communities along with environmental stewardship. At the same time the reporting and compliance obligations of local government and risk management requirements, along with impacts from natural disasters and climate change, are substantially increasing. Leading to Local Government budgets, particularly in regional areas, under significant stress, assets not being reviewed at appropriate times, services not being able to be provided to communities or risks to financial sustainability.

With limited ability to raise funds through only raising of rates and local fees and charges, it is clear that either the responsibilities of local government must be reduced, noting that community expectations for services are unlikely to diminish meaning other tiers of government will need to provide those services, or funding mechanisms for local government must change to maintain its financial sustainability overtime while delivering quality and equitable services to both metropolitan and regional communities.

This issue was addressed in part by Wakefield Regional Council in its 2022 submission to the South Australian Local Government Grants Commission on the allocation of federal road grants to local government in South Australia, a link to this submission is outlined below:

https://www.dit.sa.gov.au/_data/assets/pdf_file/0003/1334838/Submission-to-SA-LGGC-on-ILRG-June-2022-Wakefield-Regional-Council.pdf

While grants are available to local government from other tiers of government, the very common requirements for matched funding (50/50) can at times limit the scope of projects that regional Council's can consider given more constrained financial positions, despite demonstrated community need or projects that service both a local and visiting community. The successful drought communities funding programme was a good example of what Local Government and communities can achieve with direct funding. See link below:

<https://business.gov.au/grants-and-programs/drought-communities-programme-extension>

Structural impediments to security for local government workers and infrastructure and service delivery

Trends in the attraction and retention of a skilled workforce in the local government sector

The difficulties faced by regional employers, including local government, in recruiting and retaining employees have been addressed in many forums with specific data relating to local government recruitment and retention in South Australia is addressed in the November 2022 Local Government Workforce Skills and Capability Survey South Australia Report, prepared for the Australian Local Government Association with funding from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. A link to this report is outlined below:

<https://alga.com.au/app/uploads/LG-Workforce-Skills-and-Capability-Survey-SA-Report.pdf>

The key findings of this report include:

- *Local government is a major national employer with over 190,800 workers in almost 400 occupations. It plays an important role as an anchor organisation and in increasing productivity through utilising endogenous talent and innovation.*
- *Local governments continue to experience skills shortages in multiple occupations, exacerbated by the impacts of the COVID-19 pandemic, the impacts of climate change and the accelerated take-up of technology and digitisation of services.*
- *Local governments are grappling with significant challenges in relation to recruitment and retention of skilled staff and accessing training opportunities to enhance workforce skills and capability. Employee attrition and an ageing workforce are ongoing and an escalating difficulty.*
- *Local governments are having difficulties in securing the right quantum and mix of skills to support local service provision which is affecting not only local government's productivity, but also the productivity of host localities and regions.*
- *Barriers to effective workforce planning and management include a shortage of resources within local government, a lack of skilled workers and the loss of corporate knowledge as employees retire or resign.*

A summary report for the whole of Australia is also available at:

<https://alga.com.au/app/uploads/LG-Workforce-Skills-and-Capability-Survey-National-Report.pdf>

A more localised report on the challenges in regional South Australia was prepared by the Central Local Government Region which is a regional subsidiary established under the Local Government Act 1999 (SA) and represented 15 local government authorities and Torrens University Australia. The link to the September 2022 Research Report titled Attracting, Developing and Retaining Regional Local Government Workforces is outlined below:

https://nylga.sa.gov.au/wp-content/uploads/2022/09/Research-Report_Legatus_TUA_LG-Workforces_31-August_22.pdf

Direct issues such as access to training and professional development, remuneration, career advancement, workload management, awareness of local government opportunities and roles and professional and technical support all contribute to the recruitment and retention of staff to local government.

Issues such as access to housing, child care, transport and health services are also having significant impacts on the ability of regional local governments to attract and retain staff. It is also local government that communities look to, to resolve these issues, which while outside the specific duties of local government, make significant contributions to the overall success of regional communities. Further exacerbating the demand on Council resources and contributing to overall sustainability of local government.

As the demands placed on local government increase, along with increased community expectation for services, the sustainable management of finances and budgets within local government is becoming increasingly challenging.

As organisations that manage significant volumes of infrastructures, particularly road networks and community buildings, community land and provide a wide array of critical community services, with difficulty attracting and retaining qualified and experienced staff, local government is increasingly experiencing substantial challenges to balance the demand for services, maintenance of infrastructure and impacts of issues such as disaster management and climate impacts. Particularly with the main source of revenue being property-based rates levied on communities increasingly struggling with significant cost of living pressures.

In order to maintain a quality of infrastructure and services to communities, particularly in those remote or regional areas where other levels of government or the private sector cannot or do not provide critical services, more equitable and sustainable funding of local government is required in order to benefit local communities.