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Managing people in local government

The bright light of scrutiny continues to shine on Australian public sector workplaces. Newspapers and journals remain full of information about changes to management of work practices and employee relations across the various public services. And state and federal trading utilities in communications, power and water are being subjected to unprecedented and very public upheaval.

But relatively little is written about local government. Yet it is a significant component of Australia's economy, employing more than 150 000 people and accounting for more than a quarter of overall public sector capital formation. A significant proportion of ALIA's membership is employed in the sector.

Local government's traditional insularity probably explains why it has been slow to adopt major management reforms which are by now accepted practice elsewhere in public employment. But changes are now occurring. And, as always, management of the workforce is a critical element. Writing in the *Asia Pacific journal of human resources* (volume 33, number 3), academic Chris Aulich provides a fascinating analysis of 'Reforms in human resource management in Australian local government'.

Aulich finds that, while reform is now beginning, it has a long way to go to reach the dramatic transformation which has occurred in the rest of the public sector. Until recently, personnel management in local government has been poorly developed, with only a few larger councils adopting even rudimentary staff development, employee participation or equal opportunity programs.

For decades, the requirement in most states' local government acts for senior managers to hold municipal certification caused council administrations to remain inward-looking. Management tended to stress differences between local government and general public administration and between public and private sector management. In a classic example of labour market inflexibility, an unhealthy barrier to entry of well

qualified outsiders was erected. Senior local government managers were able to achieve strong bargaining power within the sector based on demarcation of their work. Concomitantly, desirable renewal and enhancement of managerial acumen within local councils failed to eventuate. And the desire for strict managerial prerogative in workforce matters remained strong.

External pressure (from state and federal ministers, for example) finally forced local councils to commit greater attention and resources to modernising their people management. After the *National review of local government labour markets in 1988*, there was extensive criticism of gender segmentation. Antiquated employment policies were identified as a major impediment to greater financial efficiency and social justice in the sector.

Now there is ample anecdotal evidence of change in human resource management in many local councils. Even so, there is still wide disparity between those organisations which are vigorously introducing new practices and their more backward counterparts. A recent study of Queensland local authorities, for example, found that only one in twenty councils was spending more than two per cent of its wages budget on staff training. And more than half the sample had absolutely no policy for assistance to staff wanting to take up further study. Nor did they have any formal equity policy in place.

Nationally, the Local Government Training Expenditure Survey showed an increase from 1.4 to 2.2 per cent in training outlays. But this remained well below the public sector average of 3.3 per cent and was heavily skewed by the strong effort of just a few larger authorities. The majority have far to go before they can be considered as genuinely committed to developing 'the learning organisation'.

Similarly, a survey of 42 councils shows disappointing EEO performance. While many of the authorities studied were found to be undertaking EEO initiatives of some kind,

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there was almost no monitoring of activities, little evaluation and an almost complete lack of even basic performance indicators. The national sub-committee which was created to promote EEO in local government across the country was quickly abolished. Despite being identified as a major target for local government, employment equity does not appear to have been enhanced to any significant extent.

Overall, Australian local government is now making an effort to improve and bring up to date its management of the workforce. Some industry leaders are already adopting

a more strategic and contemporary focus but this has yet to permeate the sector fully. It remains a fact that local government generally is not doing enough in a number of human resource management areas.

As Aulich points out, the next five years are certain to bring even greater pressure for change. Amalgamations in Victoria, Tasmania and Queensland, the granting of enterprise powers to councils in South Australia, Queensland and Tasmania and greater emphasis on competitive tendering everywhere may all lead to downsizing and a more commercial focus in local authorities. For Australian local government to deal effectively with all this, improvement in its people management will be critical. ■

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