

# Are Things Getting Better, Staying the Same, or Getting Worse...?

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# Local Government Sustainability Frameworks

- Financial sustainability of local government
- Asset planning and management
- Financial planning and reporting

In 2007, all three levels of government agreed on the three frameworks



# Local Government Infrastructure - Investment



**Roads**  
664,000 km  
**\$137bn**



**Bridges**  
22,000  
**\$14bn**



**Buildings**  
  
**\$57bn**



**Parks**  
  
**\$16bn**



**Stormwater**  
  
**\$61bn**



**Water  
&  
Wastewater**  
  
**\$59bn**



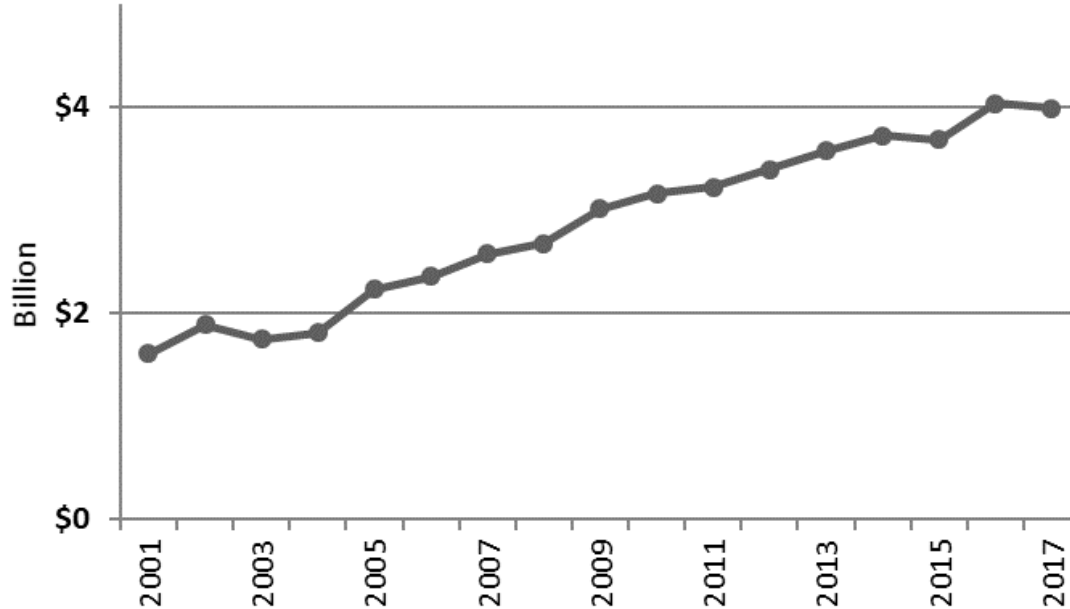
**Airports  
&  
Aerodromes**  
  
**\$1.7bn**

## \$345 billion

Source: ABS Cat. 5512 2016-17 Balance Sheet and the National State of the Assets Report (ALGA, 2018)



# Expenditure on existing road assets

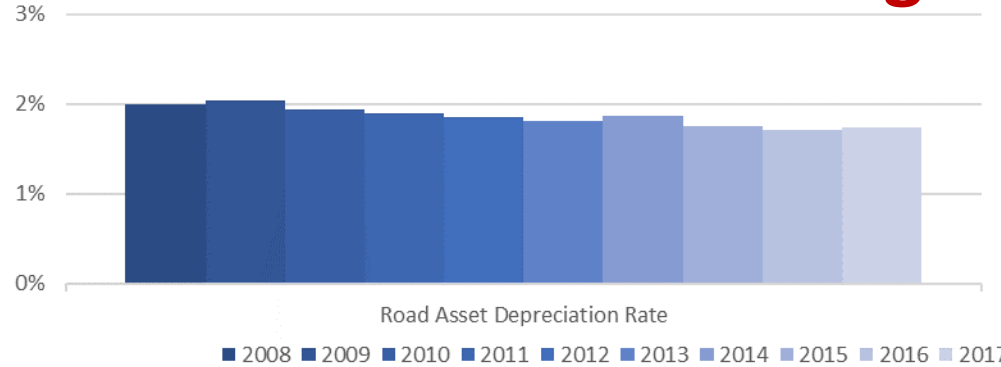


- Expenditure has increased
- Assets are lasting longer
- Service levels remain unchanged on aggregate
- Investment likely to continue increasing

National Local Roads Data System (NLRDS) (n.d.) [Online], Available: <http://www.jr.net.au/NLRDS/>, [Accessed 30 June 2019].



# Infrastructure assets are lasting longer



Indicator	Desired Trend	Likely Trend	Actual Trend 2010 - 2017	Comment
Asset Depreciation Rate (%)	Not applicable	↓	↓	Indicates road infrastructure is on average lasting longer, from 2.0% (approximately 50-years) in 2008 to 1.7% (approximately 59-years) in 2017.

Source: National State of the Assets Report (ALGA, 2018)



# Local Government Infrastructure - Performance

“How good  
is the  
service...?”

**Condition**

IPWEA Performance Indicators

“Is it the  
right  
service...?”

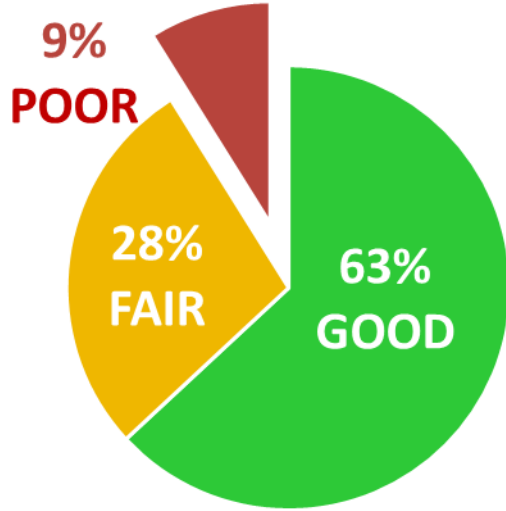
**Function**

“Do we  
need more  
or less...?”

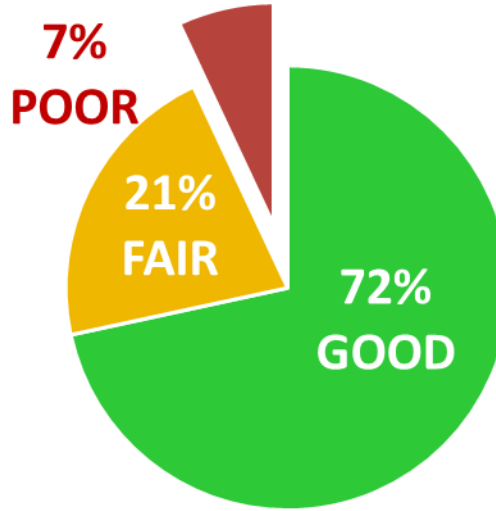
**Capacity**



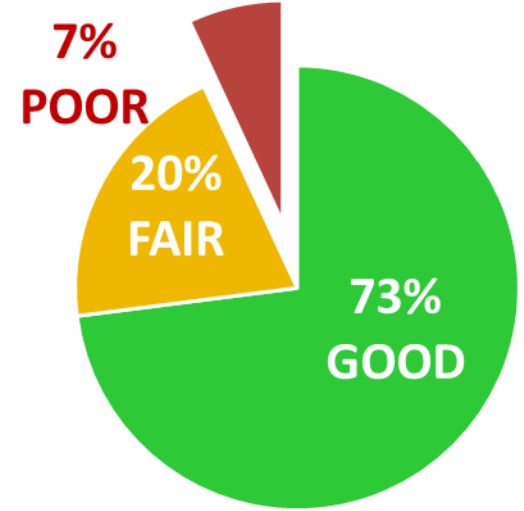
# Local Government Infrastructure - Performance



## Condition



## Function






## Capacity

IPWEA Performance Indicators



# Local Government Infrastructure - Planning

Indicator	Desired Trend	Likely Trend	Actual Trend 2012 - 2017	Comment
Proportion of Asset Management Plans Adopted				Indicates asset planning is optional and raises doubt on how local government is planning for the future.

Source: National State of the Assets Report, (ALGA, 2018)





# Demands & Challenges

1. Responsible financial management
2. Circumstances can and do change
3. Maintain existing assets and services
4. Poor incentives for pro-active long-term planning
5. Subjective performance measurement
6. Lack of nationally consistent data
7. Skill shortage



# Analysis

1. Asset management is stalling
2. No need to cry poor
3. A sustainable position is possible



# Improvement Strategies

1. Provide support to those who need it most
2. Connect to the Australian Infrastructure Plan
3. The role of debt
4. Consider drivers for change
5. Need for audit and follow up





# Closing remarks

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# Thank You