



Financial Sustainability Program

REVIEW OF SOUTH AUSTRALIAN LOCAL GOVERNMENT JOINT SERVICE DELIVERY OPPORTUNITIES

ANALYSIS OF COUNCIL RESPONSES TO A SURVEY AND OPTIONS FOR IMPLEMENTATION OF VARIOUS RESOURCE SHARING MEASURES

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Background

Among its various findings, the Independent Inquiry into the Financial Sustainability of Local Government recognised that there are many forms of co-operation/integration currently operating between Councils but challenged Councils to do more. Specifically the Inquiry report recommended:

“11.2 (1) That, in canvassing alternative methods of delivery, councils consider further resource-sharing initiatives, especially involving the smaller councils, ranging from working together more effectively to more formalised regional groups, area integration and whole-of-sector initiatives.”

In order to promote greater efficiencies and savings through increased co-operation between Councils the LGA released *Information Paper 7: Service Delivery Framework including the Role of Shared Services*, which identifies a range of strategies for the delivery of services by Councils through shared or collaborative arrangements.

In November 2006 the LGA, in consultation with Local Government Corporate Services (LGCS), commissioned a comprehensive sector-wide survey to capture examples of what is currently occurring between Councils, the nature of savings being achieved and opportunities to enhance collaborative service delivery. The survey also gathered information regarding the number and nature of services that Councils are currently collaborating on and the structural arrangements for the joint delivery of services. This report provides an analysis to the LGA and the LGCS of the results and information arising from that survey.

The report makes suggestions about the processes which need to be adopted in order to develop robust and sustainable resource sharing initiatives including the development of business cases where appropriate and provides specific recommendations for appropriate next steps.

The report will provide Councils with information about current shared service arrangements across the sector and highlight areas where opportunities might exist for them to enhance the extent of their collaborative activities. The report does not provide a rationale for shared services, except to note that the reasons for and benefits derived from shared services arrangements are multi dimensional and do not relate solely to financial imperatives.

The Survey Instrument

The survey questionnaire was circulated to all Councils via LGA Circular 42.6 dated 16 October 2006 (copy attached) and sought information in relation to the following 3 questions.

- Q1.** What joint service delivery arrangements has your Council implemented?
- Q2.** What joint service delivery arrangements is your Council actively considering, or would like to implement, but has not yet done so?

Q3. What other resource sharing opportunities would be worthy of future investigation?

In answering these questions Councils were asked to provide detail, where appropriate, against a range of headings.

The questionnaire sought a description of the delivery models used and the functions covered in the arrangement (eg waste, IT, human resources, payroll etc). It was suggested that reference to Information Paper 7 on the role of Shared Services which contains an overview of resource sharing models and approaches may assist in answering these question eg Subsidiary/Regional Subsidiary, Regional Associations of Councils, Council to Council, Lead Councils, Private Sector Direct, Private Sector Management etc.

Councils were also asked to indicate whether the service is 'internal' i.e. a service to Council, or 'external' i.e. a service to the community and to indicate the estimated cost savings and other benefits that are being currently achieved or that potentially would result for the Council and the community.

Information was sought on the reasons for selecting a particular model with the following suggestions offered: optimising people and their skills, better utilisation of assets, time and other resources, concentration of functions either geographically or through a form of communication link, maximising the use of an investment etc.

The questionnaire also sought information on the achievements and other accountability issues and a description of both the positive and negative lessons learned from the shared service activity.

Responses Received from Councils

The survey received a good, representative response from Councils (a total of 34 Councils which represents a response rate of 50% of the 68 South Australian Councils). Of the 34 responding Councils 24 (71%) were regional/rural Councils and 10 (29%) were metropolitan. The proportions of regional/rural and metropolitan Councils responding were 48% and 56% respectively. A listing of the responding Councils is at Attachment 1.

As the analysis contained in this report is based on a 50% sample of all Councils some caution should be exercised in drawing conclusions about the range and extent of resource sharing initiatives being undertaken in SA as there may be a number of creative and exciting initiatives that were not reported.

Analysis of Responses to the Survey

Three tables presenting the detail of responses received to the 3 main questions asked of Councils are included at Attachment 2 along with a table summarising key issues identified from the analysis.

The responses to the survey suggest there is a wide range of resource sharing opportunities. The following highlights a number of areas that could be further developed.

Waste Management

This service area is the most common for examples of resource sharing. This is not surprising given the cost of waste management, increase in waste levies, the EPA requirements for the management of landfills and the SA Government's targets to achieve zero waste. It would appear that there may be further opportunities to share resources in the delivery of services in this area through the creation of a smaller number of (but larger) strategic regional waste management resource sharing arrangements designed to achieve greater economies of scale and improved management of this activity. The success and wide acceptance of resource sharing in this service area provides a positive template for other resource sharing arrangements.

Environmental Health/Building Assessment & Inspection/Development Assessment & Town Planning

These service areas are of concern in regional/rural Councils where it is difficult to attract qualified staff and giving rise to a significant number of resource sharing arrangements in place for this service area. The majority of collaborative arrangements are through Council to Council reciprocation and it would appear there are opportunities to provide for these services more on a regional resource sharing basis via larger groupings of Councils serving as regional sponsors and employers of skilled staff through the development of regional cadetship/trainee schemes and relief staff pools.

Sharing/Purchasing of Physical and Other Assets

There are many examples of regional/group resource sharing arrangements in this service area which could provide templates for more regional resource sharing which would result in greater economies of scale, reduced costs and reduced duplication of effort.

Back Office Operations (Including Payroll, Human Resources, Financial Management, Rates and Levies Collection)

This is a prime service area for resource sharing given the similarity in processes between Councils. There may be some sensitivity around potential job losses but this would need to be offset against cost savings through economies of scale, improved productivity and access to specialist expertise and reduction in duplication. The most common model of shared delivery would be by Council to Council reciprocation. The need appears to be greater in regional/rural areas but there is no reason why this would not also be significant in the metropolitan area. Given the sensitivity involved the introduction of changes in this area would require a high level management and consultation.

Access to IT Services

This is also a prime service area for resource sharing given the similarity in processes between Councils. There is an issue of compatibility of hardware platforms but the experience in other sectors suggests that these issues could be satisfactorily resolved.

Governance, Compliance and Audit Services

The need in this service area applies equally to the metropolitan and regional/rural areas and is recognition of the need for specialist skills, reducing duplication and achieving greater collaboration through Council to Council reciprocation. It is suggested that given the importance of governance and compliance it is somewhat surprising there are not

more arrangements in place and it is a service area which lends itself to resource sharing.

Other Initiatives

There are a number of individual initiatives which are the subject of resource sharing arrangements being undertaken by Councils, which may have broad application to the Local Government sector more generally. It is suggested that there needs to be an improved mechanism for informing Councils of the vast array of resource sharing opportunities. For example it is interesting to note that only 1 Council referred to the joint purchasing of legal services, which would appear to be an area worthy of further investigation given that all Councils have a need for and draw on the services of legal firms.

Other Key Observations from the Analysis of Surveys

1. The rationale and imperatives for resource sharing activities do not appear to be totally related to financial benefits in achieving economies of scale and reducing costs although this was cited for a large number of initiatives. Reasons given for entering into resource sharing activities related to Councils providing leadership in their communities and ensuring services are provided which may not be provided through the market place. This appears to be more pronounced in regional/rural areas than in the metropolitan area. Some striking examples include management of a football league and providing housing for medical practitioners.
2. While Councils identified financial savings as a key reason for entering into resource sharing activities only a small number provided an estimate of the dollar savings achieved from such pursuits.
3. While a number of Councils indicated that the joint service was provided to provide a community benefit they were also concerned that Councils should not be drawn into assuming roles which should be performed by other spheres of government.
4. Regional and rural Councils appear to have more resource sharing initiatives in both human resources and physical assets than their metropolitan counterparts due mainly to the small size of their financial base and their capacity to employ and attract professionals in a range of areas.
5. Council responses did not reveal new examples of resource sharing initiatives which are not currently in practice somewhere in South Australia.
6. A majority of Councils referred to membership of Regional Associations, PLAIN/Library agreement, Central LG Services eg Mutual Liability. As a majority of Councils are members of regional associations and participate in PLAIN arrangements, central Local Government services and programs such as HACC these are not listed separately. However, it was interesting to note that a number of associations of Councils are investigating or undertaking resource sharing activities. It is suggested that these organisations may provide a sound basis for the development of new and additional initiatives and therefore these

organisations should be encouraged and assisted to develop even more initiatives across the board.

7. It would appear that while a number of Councils referred to services provided by LGCS, there may be a lack of broad understanding of the full range of services provided. Some Councils indicated that the provision of after hours emergency contact should be provided or investigated however it is noted that LGCS has implemented this type of service through the RAA.

Options for Implementation of Various Resource Sharing Measures.

The first observation is that the survey response was quite high and so the results are expected to represent the range of joint service activities being undertaken by Councils however it is possible that there are some other resource sharing practices being undertaken by Councils that have not been identified in the survey results.

The key observation from the analysis is that the number of resource sharing arrangements appears to be confined to a narrow range of activities but which have proved to be successful and could provide the template for arrangements in a broad range of other areas. The extent to which this is not occurring following the recent media and other attention on the issue of shared services generally suggests there needs to be more promotion of the range of resource sharing arrangements which could be pursued and more encouragement and facilitation to Councils to engage in such arrangements. It is suggested that this could be a key coordinating role for the LGA in conjunction with Councils and other organisations such as LGCS.

As there are potential sensitivities and political impacts from pursuing some resource sharing opportunities it is suggested that a rigorous high level process be followed which should highlight the key issues and decision making steps required. While there are a number of approaches which could be used the process outlined in the LGA's Service Provision in Local Government Manual could be a useful tool to guide Councils. This process sets out a 5 step process which has been adapted as follows:

Step 1 – Identification of Resource Sharing Choices

- Assessing options for resource sharing
- What choices for resource sharing are we currently pursuing and why?

Step 2 – Examining Council's Strategic Management Plans and Employee Relations Environment

- Examining Strategic and Corporate Plans
- Examining the Employee Relations Environment
- Examining the Organisation and Service Provision Culture

Step 3 – Identifying Current Resource Sharing Choices

- Service Audit
- Internal and external factors
- Possible future choices

Step 4 – Establishing or Reviewing Council's Resource Sharing Policy

- Policy statement
- Guiding principles
- Decision making framework
- Example resource sharing policy

Step 5 – Promoting Council's Resource Sharing Policy

- Stakeholders
- Identifying promotional strategies

This process needs to be conducted at the highest levels and may need external assistance and support from the LGA and/or expert consultants. Once this process has been completed and the political sensitivities and other impacts have been identified and resolved the next phase of developing business cases and plans may proceed.

The preparation of business cases may be developed in-house if there is the capacity and experience to do this. In other cases assistance may be required from experienced external organisations such as LGCS and others.

Recommendations

In order to progress the development of business cases and promotion of increased participation in shared services arrangements by Councils the report recommends that the LGA:

- conduct a forum involving senior officers of Councils to consider the findings and recommendations resulting from this research;
- at the forum invite nominations for 'case study' Councils to participate in further development of business cases in key priority areas for service collaboration emerging from the report;
- access funding available from the LGFA for the development of business cases where the potential exists for the LGCS to undertake/co-ordinate collaborative service arrangements across the sector;
- put the outcomes of the survey and recommendations outlined in the report to the 2007 April General Meeting for endorsement;
- upon the development of the business cases identified above, assist Councils to participate in collaborative service areas, deemed viable through the conduct of the case studies;
- collect financial and other information to demonstrate the benefits gained already from collaboration between all Councils, groups of Councils and through other mechanisms already in place in the sector along with projected savings resulting from work undertaken following adoption of the report.

Councils Responding to the Survey

| | |
|--------------------------|-------------------------------------|
| 1. Adelaide | 18. Mitcham |
| 2. Alexandrina | 19. Mount Gambier |
| 3. Barossa | 20. Mount Remarkable |
| 4. Barunga West | 21. Murray Bridge |
| 5. Burnside | 22. Norwood, Payneham and St Peters |
| 6. Ceduna | 23. Orroroo/Carrieton |
| 7. Charles Sturt | 24. Peterborough |
| 8. Cleve | 25. Port Lincoln |
| 9. Copper Coast | 26. Prospect |
| 10. Flinders Ranges | 27. Robe |
| 11. Franklin Harbour | 28. Salisbury |
| 12. Grant | 29. Streaky Bay |
| 13. Holdfast Bay | 30. Tea Tree Gully |
| 14. Kangaroo Island | 31. Tumby Bay |
| 15. Karoonda East Murray | 32. Wattle Range |
| 16. Le Hunte | 33. West Torrens |
| 17. Lower Eyre Peninsula | 34. Whyalla |

Summary of Key Issues Identified from the Analysis

The services most commonly reported as being the subject of joint sharing arrangements, actively considered for implementation or worthy of future investigation are consolidated and summarised in the table below. A number of key issues are noted from the analysis of all the responses received.

| Type of service | Number of times referred to | Discussion |
|----------------------|-----------------------------|---|
| Waste management | 33 | <ul style="list-style-type: none"> • A total of 18 Councils indicated they have existing waste management resource sharing arrangements, a further 13 are actively considering implementation and a further 2 wish to pursue regional waste management opportunities. • The major service delivery model for this service was stated as being the regional subsidiary model. The rationale for this arrangement included economies of scale, access to specialist services, reducing duplication of services and increasing the capacity of smaller Councils. • A number of regional/rural Councils indicated their wish to pursue joint management of landfills and additional recycling and hard waste services. The increase in waste levies, EPA requirements for the management of landfills and the SA Government's targets to achieve zero waste, suggest that there should be a smaller number of larger regional waste management resource sharing arrangements designed to achieve greater economies of scale and improved management of this activity. |
| Environmental health | 23 | <ul style="list-style-type: none"> • There is no surprise that this service area has received a high response rate as it is well documented that there is a lack of available resources to fulfil Council statutory compliance in this area brought about largely because of the introduction of the Food Act and the according of greater responsibility to Councils. • This service area is of greater concern in regional/rural Councils where it is more difficult to attract qualified staff, leading to an increased |

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| | | <p>number of resource sharing arrangements.</p> <ul style="list-style-type: none"> The majority of arrangements in this service area are through the Council to Council reciprocity model of service delivery. The rationales for this arrangement included economies of scale, access to specialist services, reducing duplication of services and increasing the capacity of smaller Councils. |
| Sharing/purchasing of physical and other assets | 21 | <ul style="list-style-type: none"> The need appears to be greater in the regional/rural area due to the limited capacity of Councils to purchase expensive equipment in their own right and it obviously makes sense to promote these arrangements to achieve economies of scale and reduce duplication. The majority of arrangements are by Council to Council reciprocity. There are some regional subsidiary arrangements in place. |
| Development assessment/town planning | 20 | <ul style="list-style-type: none"> Similar to environmental health the development assessment area also suffers as a result of a lack of available resources. The combination of these 2 issues has resulted in the raising of the need for the development of regional cadetship/trainee schemes and relief staff pools. The majority of collaborative arrangements in this service area are via a model of Council to Council reciprocity, although a suggestion was made for the development of a regional subsidiary model approach. The approach to service delivery in this service area is being influenced by the move to a more regional approach to development assessment. The reasons given for pursuing these arrangements include economies of scale, reducing duplication and gaining access to specialist services and increasing the capacity of smaller Councils. |
| Back office operations (including payroll, human resources, financial management) | 20 | <ul style="list-style-type: none"> Interestingly, a total of 12 responses indicate that collaborative approaches in this service area are worthy of further investigation, 7 are investigating implementation and there was only 1 response that indicated an actual resource sharing arrangement which is in place. It is suggested that this is a prime service area for resource sharing given the similarity in processes between Councils. There may be some sensitivity around potential job losses but this would need to be offset against cost |

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| | | savings through economies of scale, improved productivity and access to specialist expertise and reduction in duplication. |
| IT services (including hardware and software procurement support, broadband services, software and systems development, specialist IT support services etc.) | 14 | <ul style="list-style-type: none"> • A total of 5 Councils reported having resource sharing arrangements are in place while 7 Councils are investigating such arrangements or feel that this area is worthy of investigation for shared service opportunities. • The majority of shared arrangements that are in place are undertaken via Council to Council reciprocity and 2 are via private sector direct arrangements. • Once again the need appears to be greater in regional/rural areas but there is no reason why this would not apply as well in the metropolitan area. |
| Building assessment/inspection | 11 | <ul style="list-style-type: none"> • The number of resource sharing arrangements in this service area is not as extensive as with environmental health and development assessment but there are similar issues regarding a paucity of resources. • Once again the need is greater in the regional/rural area. • The majority of arrangements are by Council to Council reciprocity. |
| Governance, compliance and audit services | 8 | <ul style="list-style-type: none"> • The need for collaborative arrangements in this service area applies equally to the metropolitan and regional/rural areas and is recognition of the need for specialist skills, reducing duplication. • While there is only 1 actual arrangement in place it is suggested that given the importance of governance and compliance it is somewhat surprising there are not more arrangements in place. • It is also suggested this area lends itself to resource sharing. |
| Economic development and tourism | 6 | <ul style="list-style-type: none"> • These arrangements apply to regional/rural areas mainly but also to the metropolitan area in 1 instance. • These arrangements are based on Council to Council reciprocity and acquiring specialist skills, increasing collaboration and reducing duplication. |
| Crime prevention | 6 | <ul style="list-style-type: none"> • Of the 6 responses received 5 are in the metro area and the majority employ State/Local collaboration models as a consequence of State funding provided to this service area. • These arrangements apply mainly to the |

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| | | |
|---------------------------------|---|---|
| | | metropolitan area but also to the regional/rural areas in 1 instance. |
| Road construction and sealing | 6 | <ul style="list-style-type: none"> • These arrangements apply mainly to regional/rural areas. • These arrangements are based on Council to Council reciprocity and acquiring specialist skills, increasing collaboration and reducing duplication. |
| STEDS | 5 | <ul style="list-style-type: none"> • These arrangements apply mainly to regional/rural areas. • These arrangements are based on a regional subsidiary model, economies of scale and reducing duplication. |
| Health and immunisation | 5 | <ul style="list-style-type: none"> • These arrangements apply to regional/rural areas mainly but also to the metropolitan area in 2 instances. • These arrangements are based on a regional subsidiary model and acquiring specialist skills, increasing collaboration and reducing duplication. |
| After hours contact service | 4 | <ul style="list-style-type: none"> • Only 1 response refers to an actual arrangement while 3 others suggest current investigation or being worthy of further investigation. • The model of delivery being used is the LG Corporate Model through LGCS. Although only 4 Councils reported participating in this service there are in fact a total of 31 Councils and Local Government entities using the after hours contact service established by the LGCS. |
| General inspection services | 4 | <ul style="list-style-type: none"> • These arrangements apply mainly to regional/rural areas. • These arrangements are based on Council to Council reciprocity and acquiring specialist skills, increasing collaboration and reducing duplication. |
| Engineering services and advice | 4 | <ul style="list-style-type: none"> • These arrangements apply mainly to regional/rural areas. • These arrangements are based on Council to Council reciprocity and acquiring specialist skills, increasing collaboration and reducing duplication. |

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TABLE 1: Examples of joint service delivery arrangements implemented by Councils

Notes:

1. Examples are shown in descending order of number of types of services being shared.
2. A majority of Councils referred to membership of Regional Associations, PLAIN/Library agreement, Central LG Services eg Mutual Liability. As a majority of Councils are members of regional associations and participate in PLAIN arrangements and central LG services these are not described in the table.
3. In addition arrangements involving programs such as HACCC are not referred to.

| Type of Service | No. of Councils | Delivery Model | Location Regional/ Rural (R/R) Metropolitan (M) | Internal (I) or External (E) Service | Reasons for Model and Benefits | Measurement | Positive Lessons | Negative Lessons |
|------------------------|------------------------|---|--|---|--|--|--|-----------------------------|
| Environmental Health | 17 | Council to Council (reciprocation) (C) | R/R and M | I | Economies of scale (E) Access to wider range of skills (S) Access to specialist services (SS). Reducing duplication of services (D) | Economies of scale (E) Reducing duplication of services (D) | Increased collaboration and increased capacity of smaller Councils | - |
| Waste Management | 18 | Regional Subsidiary (14) Private sector direct (2) | M and R/R | E | E,D,SS E,SS | Reduction of waste to landfill E, D | Increased collaboration | Need to monitor performance |
| Development Assessment | 13 | C | R/R | I | E,S,SS,D | E,D | Increased collaboration and increased capacity of smaller Councils | - |

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| Type of Service | No. of Councils | Delivery Model | Location Regional/ rural (R/R) Metropolitan (M) | Internal (I) or External (E) Service | Reasons for model and benefits | Measurement | Positive lessons | Negative lessons |
|--------------------------------|------------------------|------------------------------------|--|---|---|-------------------------|--|-------------------------|
| Building Assessment | 10 | C | R/R | I | Economies of scale (E) Access to wider range of skills (S) Access to specialist services (SS) | Economies of scale (E) | Increased collaboration and increased capacity of smaller Councils | - |
| Sharing Physical Assets | 8 | C | R/R | I | E,S,SS,D | E,D | Increased collaboration and increased capacity of smaller Councils | - |
| Regional Purchasing Authority | 6 | C | M | I | E,D | E,D | E,D | - |
| Crime Prevention | 6 | State/Local Collaboration | Metro (5) R/R (1) | E | E,SS,D | E,D, community response | Increased collaboration | - |
| Economic Development & Tourism | 5 | C | R/R | E | E,SS,D | E | Increased collaboration | - |
| IT Services | 5 | C (3) Private sector direct (2) | R/R | I | E,D,SS | E,D | Increased collaboration and increased capacity of | - |

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| Type of Service | No. of Councils | Delivery Model | Location Regional/ rural (R/R) Metropolitan (M) | Internal (I) or External (E) Service | Reasons for model and benefits | Measurement | Positive lessons | Negative lessons |
|--|------------------------|---------------------------------|--|---|---------------------------------------|----------------------------|--|--|
| Regional Road Sealing | 3 | C | R/R | E | E,D,SS | E | E | Time delays at peak periods |
| Youth Development | 4 | C | R/R | E | E,S,SS and D | E,SS,D, community response | Increased collaboration and increased capacity of smaller Councils | Potential for cost shifting by other governments |
| Emergency Risk Management | 3 | C | M | I/E | E,SS | E | Increased collaboration | - |
| Environmental education | 3 | C (2) Private sector direct (1) | M | I/E | E,S,SS,D | E, community response | Increased collaboration | - |
| Community Passenger Transport Network | 3 | State/Local Collaboration | R/R | E | E,D,SS | E, community response | Increased collaboration | - |
| Aged Services/ Supported Residential Accommodation | 2 | State/Local Collaboration | R/R | E | E,S,SS,D | E | E | - |
| Flood Mitigation | 2 | Regional Subsidiary | M | I/E | E,S,SS,D | E | Increased collaboration | - |
| ePermits (Small Business Registration System) | 2 | C | M | E | E,D,SS | E | Community Service | - |
| GIS Administration | 3 | C | M | I | E,S,SS,D | E,D | Increased collaboration | - |

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| Type of Service | No. of Councils | Delivery Model | Location Regional/ rural (R/R) Metropolitan (M) | Internal (I) or External (E) Service | Reasons for model and benefits | Measurement | Positive lessons | Negative lessons |
|--------------------------------|------------------------|---------------------------|--|---|---------------------------------------|-----------------------------|--|--|
| Cemetery Management | 2 | Subsidiary | M | E | E,SS,D | E,D | Increased collaboration | - |
| Business Enterprise Centre | 2 | State/Local Collaboration | M | I/E | E,S,SS,D | E,D | Increased collaboration | - |
| Engineering Advice | 2 | C | R/R | I | E,S,SS,D | E,D | Increased collaboration | - |
| Regional Health Authority | 3 | Regional Subsidiary | M | E | E,S,SS,D | E,D, formal reporting | Promotes consistency in application of statutory responsibilities | Need to monitor closely |
| Regional Rates Co-ordination | 3 | C | M | I | E,S,SS,D | E | Increased collaboration | - |
| Regional Grants Officer | 4 | C | M | I | E,D,SS | Amount of successful grants | Increased collaboration | - |
| General Inspection Services | 3 | C | R/R | I | E,D,SS | E,D | Increased collaboration | - |
| Arts and Community Development | 1 | C | R/R | E | E,S,SS,D | E,SS,D | Increased collaboration and increased capacity of smaller Councils | Potential for cost shifting by other governments |
| Social Planning Alliance | 1 | C | M | I/E | E,SS,D | E,D | Increased collaboration | - |

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| Type of Service | No. of Councils | Delivery Model | Location Regional/ rural (R/R) Metropolitan (M) | Internal (I) or External (E) Service | Reasons for model and benefits | Measurement | Positive lessons | Negative lessons |
|--|------------------------|-------------------------------|--|---|---------------------------------------|-----------------------------------|---|-----------------------------|
| Community Hub Feasibility | 1 | C | M | E | E,SS,D | E,D | Increased collaboration | - |
| Joint Tendering for Assets and Services | 1 | C | R/R | I | E,D | E,D | Increased collaboration | - |
| Regional Governance Support | 1 | C | M | I | E,SS,D | Increased awareness of governance | Increased collaboration | - |
| Solar Hot Water Service Grant Scheme | 1 | Lead Council | M | E | E,SS,D | Reports to Steering c'tee | Increased collaboration | - |
| After Hours Contact Service | 2 | LGA Corporate Model | M | E | E,D,S | E,D | Community service | - |
| Financial Management and Information Systems | 1 | C | R/R | I | E,SS,D | Compliance, E | Increased collaboration | - |
| Doctor Housing Management | 1 | State/Local Collaboration | R/R | E | E | Increase in GP's | Leadership role in community More GP's | Potential for cost shifting |
| Youth Centre Management | 1 | State/Local Collaboration (1) | R/R | I/E | Community Service | Nos attending | Higher nos of Indigenous youth attending Nos attending | Potential for cost shifting |
| | | Private sector direct (1) | R/R | E | Community Service | Nos attending | | |

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| Type of Service | No. of Councils | Delivery Model | Location Regional/ rural (R/R) Metropolitan (M) | Internal (I) or External (E) Service | Reasons for model and benefits | Measurement | Positive lessons | Negative lessons |
|--------------------------------------|------------------------|---------------------------|--|---|---------------------------------------|-------------------------------------|--|--------------------------------|
| Regional Water Supply | 1 | State/Local Collaboration | R/R | I/E | E,SS | E | Leadership role in community | Potential for cost shifting |
| Temporary Accommodation | 1 | State/Local Collaboration | R/R | I/E | E | Contract | Model scheme – won awards | Potential for cost shifting |
| Patrol Grading | 1 | Private sector direct | R/R | E | E | Contract | Contestability & mix of private & LG expertise | - |
| Far West Football League Management | 1 | Lead Council | R/R | I/E | Service to community | Increased participation in football | Leadership role in community | More being expected of Council |
| Regional Aerial Photography/ Mapping | 1 | C | R/R | I | E,SS,D | E | E | - |
| Regional Telecommunication | 1 | C | R/R | E | E,SS,D | E | Community service | Cost to Council |
| Water Recycling | 1 | C | M | E | E,D | E | Community service | - |
| Graffiti Database | 1 | Lead Council | M | I | E,SS,D | E | Community service | - |
| Regional Home Maintenance Project | 1 | C | M | I/E | E | Community satisfaction | Community service | - |
| Caravan Park Management | 1 | Private sector direct | R/R | I/E | E | Contract | Community service | - |

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| Type of Service | No. of Councils | Delivery Model | Location Regional/ rural (R/R) Metropolitan (M) | Internal (I) or External (E) Service | Reasons for model and benefits | Measurement | Positive lessons | Negative lessons |
|-------------------------|------------------------|--------------------------|--|---|---------------------------------------|--------------------|-----------------------------------|--|
| Temp Labour Hire | 1 | C | M | E | E | Contract | Resource sharing very effective | nil |
| Legal Services | 1 | C | M | E | E | Contract | Resource sharing very effective | nil |
| Purchase of Electricity | 1 | LG Groups and Committees | M | E | E | Contract | Information and expertise sharing | Takes longer to resolve issues due to nos. of people on committees |

TABLE 2: Examples of joint service delivery arrangements Councils are actively considering for implementation

| Description of Service | No. of Councils | Internal (I) or External (E) Service | Service Delivery Model | Regional/Rural (R/R) Metropolitan (M) | Benefits |
|--|-----------------|--------------------------------------|---------------------------------------|---------------------------------------|---|
| Waste Management (including Management of Landfill, Hard Refuse Service and Recycling) | 13 | I | Regional Subsidiary | R/R | Economies of scale (E) Access to specialist services (SS). Reducing duplication of services (D) |
| Financial Management | 7 | I | Council to Council (reciprocation)(C) | R/R | E,SS,D |
| Governance/Compliance Function | 5 | I | C | M | E,SS,D |
| Plant & Equipment Acquisition | 5 | I | C | R/R | E,D |
| Health & Immunisation Service | 2 | E | C | M | E,SS,D |
| Regional Development Assessment | 4 | I | Regional Subsidiary | M | E,SS,D |
| Engineering Services | 2 | I | C | R/R | E,SS,D |
| Asset Management System | 2 | I | C | R/R | E,SS,D |
| Library IT System | 2 | I | C | R/R | E,SS,D |
| Environmental Health function | 2 | I/E | C | R./R | E,SS,D |
| Road Construction | 2 | I | C | R/R | E,SS,D |
| Street Sweeping | 2 | I | Private sector direct | M | E,D |
| After Hours Emergency Call System | 1 | I/E | LGA Corporate Model | R/R | E,SS,D |
| Stormwater Management Plans | 1 | I | Subsidiary | M | E,SS,D |

Review of SA Local Government Joint Service Delivery Opportunities

| Description of Service | No. of Councils | Internal (I) or External (E) Service | Service Delivery Model | Regional/Rural (R/R) Metropolitan (M) | Benefits |
|---|------------------------|---|-------------------------------|--|--|
| Regional Street Lighting Project | 1 | E | C | M | Regional collaboration Environmental benefits |
| Disaster Recovery System (IT) | 1 | I | Private sector direct | M | Risk Management |
| Stationery & Printing Services | 1 | I | C | M | E,SS,D |
| Joint Maintenance & Contracting | 1 | E | C | M | E,SS,D |
| Garden Service for Elderly Residents | 1 | E | C | M | E,D |
| Regional Inspectorial Service | 2 | I | Lead Council | M | E,SS,D |
| Human Resource Function | 2 | I | C | M | E,SS,D |
| Shared IT Support | 4 | I | C | M | E,SS,D |
| GIS Services | 1 | I | C | M | E,SS,D |
| Regional Tourism | 1 | E | C | R/R | E,SS,D |
| Regional Audit | 1 | I | C | R/R | E,SS,D |
| Community Development | 1 | I | C | R/R | E,SS,D |
| STEDS | 1 | I/E | Regional Subsidiary | R/R | E,D |
| Relief Staff Pool | 1 | I | C | R/R | E,SS,D |
| EPLGA - investigating shared services arrangements re Plant Sharing, Development Assessment, Regional Planning (Coastal , Sport & Recreation) | 1 | I/E | Regional subsidiary | R/R | E,SS,D Achieving regional strategic outcomes |

Review of SA Local Government Joint Service Delivery Opportunities

| Description of Service | No. of Councils | Internal (I) or External (E) Service | Service Delivery Model | Regional/Rural (R/R) Metropolitan (M) | Benefits |
|---|------------------------|---|-------------------------------|--|---|
| Regional Aerial Mapping | 1 | I | Private sector direct | R/R | E,SS,D |
| Community Renewal Project | 1 | E | C | M | Building social capital |
| Sport and Recreation Planning | 1 | I | C | M | E,D Standardised approach to leases etc |
| Infrastructure and Natural Asset Services | 1 | I/E | C | M | E,SS, D |
| Electricity Contracts for Green Power | 1 | E | Cooperative contract | M | Environmental benefits |

TABLE 3: Examples of resource sharing opportunities worthy of future investigation

| Description of Service | No. of Councils | Internal (I) or External (E) Service | Service Delivery Model | Regional/Rural (R/R) Metropolitan (M) | Benefits |
|---|------------------------|---|--------------------------------|--|-------------------------------|
| Back Office Services (including Human Resources, Financial & Payroll) | 12 | I | C and/or private sector direct | M & R/R | E,SS,D improving productivity |
| STEDS | 4 | E | Regional subsidiary | R/R | E,SS,D |
| Environmental Health | 4 | I/E | C | R/R | E,SS,D |
| Vehicle/Plant Leasing/Purchasing | 3 | I | Regional subsidiary | R/R | E,D |
| Regional Development Assessment/Town Planning | 3 | I | C | R/R | E,SS,D |
| After Hours Compliance Service | 2 | I/E | LGA Corporate Model | M | E,SS,D |
| Regional Trainee Cadetship Scheme | 2 | I | C | R/R | E,SS,D |

Review of SA Local Government Joint Service Delivery Opportunities

| Description of Service | No. of Councils | Internal (I) or External (E) Service | Service Delivery Model | Regional/Rural (R/R) Metropolitan (M) | Benefits |
|---|-----------------|--------------------------------------|---------------------------|---------------------------------------|---|
| Media Monitoring | 1 | I | ? | M | E,SS,D |
| Library Management Systems | 1 | I | ? | M | E,SS,D |
| Regional Waste Management | 2 | E | Private sector direct | R/R | E,D |
| Delivery of Capital Works | 1 | I | C | M | E,SS,D |
| General Inspection Services | 1 | I/E | C | R/R | E,SS,D |
| Collection of Other Government Levies, Fees | 1 | I/E | Lead Council | R/R | Provide more services to geographically diverse community |
| Asset Management | 1 | I | Lead Council | R/R | E,SS,D |
| Building Inspection | 1 | I | Private sector direct | R/R | E,SS,D |
| Health & Immunisation | 1 | I/E | State/Local Collaboration | R/R | E,SS,D |
| Town Water Supplies | 1 | E | C | R/R | E,SS,D |
| IT Services | 2 | I | C | R/R | E,SS,D |
| Regional Audit | 1 | I | C | R/R | E,SS,D |

Review of SA Local Government Joint Service Delivery Opportunities

Review Of South Australian Local Government Joint Service Delivery Opportunities - Circular 42.6

To **Chief Executive Officer** Date **Monday, 16th October 2006**
Contact **Bill Furse**
Email: bill.furse@lga.sa.gov.au
Response **Yes** Respond By **Wednesday, 8th November 2006**
Required
Summary **The LGA is conducting a survey to identify current examples of collaborative service delivery and future opportunities for resource sharing/joint service delivery activities and undertakings in Local Government in South Australia.**

The Independent Inquiry into the Financial Sustainability of Local Government recommended that the LGA investigate with Councils opportunities to enhance current collaborative or shared services delivery in an effort to create better efficiencies and savings.

The issue of shared services was addressed in the [LGA's Information Paper 7: Service Delivery Framework including the Role of Shared Services](#) prepared as part of the LGA's Financial Sustainability Program. The [paper](#) identifies a range of strategies for the delivery of services by Councils through shared or collaborative arrangements.

It is recognised that there are already a number of areas where Councils are collaborating in providing services to the community and sharing resources. It appears however that there has been no comprehensive sector-wide research undertaken to capture the examples of what is currently occurring, the nature of savings being achieved and opportunities to enhance collaborative service delivery.

The LGA now wishes to consult with Councils` to identify current collaborative service delivery areas and future opportunities for resource sharing/joint service delivery activities and undertakings in Local Government in South Australia. The survey is being undertaken jointly by the LGA in association with Local Government Corporate Services (LGCS) and will build on the work which has already been undertaken.

The project will involve a survey of Councils to identify:

- current resource sharing and collaborative practices in service areas by SA Councils;
- resource sharing opportunities not currently in practice in SA but worthy of future investigation;
- options for implementation of various resource sharing measures relative to the future opportunities identified.

Council's detailed budget listing may provide a useful reference when completing the questionnaire.

The data and information gathered from the survey will form the basis of a detailed report to the LGA. The project will be completed in November 2006.

The survey questionnaire seeking identification of current resource sharing practices and future opportunities can be accessed by clicking on the link below.

[Joint Service Delivery Council Survey 2006](#)  (79 kb)

If you require clarification on any issues or assistance in completing the survey please contact Tony Lawson on 0417 895 180 or tlawcons@bigpond.net.au.

It is requested that the questionnaire be completed and emailed to bill.furse@lga.sa.gov.au by **Wednesday 8 November 2006**.

Your assistance in completing the questionnaire is appreciated.



REVIEW OF SOUTH AUSTRALIAN LOCAL GOVERNMENT JOINT SERVICE DELIVERY OPPORTUNITIES

COUNCIL SURVEY

INTRODUCTION

The Independent Inquiry into the Financial Sustainability of Local Government recommended that the LGA investigate with Councils opportunities to enhance current collaborative or shared services delivery in an effort to create greater efficiencies and savings.

The issue of shared services was addressed in the LGA's Information Paper 7: *Service Delivery Framework including the Role of Shared Services* prepared as part of the LGA's Financial Sustainability Program. The paper identifies a range of strategies for the delivery of services by Councils through shared or collaborative arrangements.

There has been recent debate in the media and within the Parliament suggesting that there is tremendous scope for Councils to collaborate further in service delivery. There is clearly interest within Councils themselves to find better ways of gaining efficiencies through enhancing collaborative activities.

It is recognized that there are already a number of areas where Councils are collaborating in providing services to the community and sharing resources. It appears however that there has been no comprehensive sector-wide research undertaken to capture the examples of what is currently occurring, the nature of savings being achieved and opportunities to enhance collaborative service delivery.

This survey has been prepared to capture information regarding the number and nature of services that Councils are currently collaborating on and to identify the structural arrangements for the joint delivery of services.

Review of SA Local Government Joint Service Delivery Opportunities

It is proposed that the information gained from this survey will be reported back to Councils along with recommendations for areas where opportunities might exist to enhance collaborative activities.

The LGA State Executive Committee at its September 2006 meeting resolved for the Secretariat to conduct research into the current and future opportunities for shared service delivery and so the conduct of this project is timely.

This project is being undertaken by the LGA in consultation with Local Government Corporate Services (LGCS) which has resources available to develop business cases for exploring areas for further collaboration.

It is suggested that Councils review Information Paper 7 prior to completing the survey to gain an appreciation of the scope of joint service delivery, definitions and identified models.

If you require clarification on any issues or assistance in completing the survey please contact Tony Lawson on 0417 895 180 or tlawcons@bigpond.net.au.

Your assistance in completing the survey is appreciated.

Please return the questionnaire to bill.furse@lga.sa.gov.au by 8 November 2006

JOINT SERVICE DELIVERY OPPORTUNITIES SURVEY

Q1. What joint service delivery arrangements has your Council implemented?

In answering this question please give consideration to the delivery models used and the functions covered in the arrangement (eg waste, IT, human resources, payroll etc). Reference to Information Paper 7 on the role of Shared Services which contains an overview of resource sharing models and approaches may assist in answering this question eg Subsidiary/Regional Subsidiary, Regional Associations of Councils, Council to Council, Lead Councils, Private Sector Direct, Private Sector Management etc. Please indicate whether the service is 'internal' i.e. a service to Council, or 'external' i.e. a service to the community.

Reasons for selecting a particular model may include: optimising people and their skills, better utilization of assets, time and other resources, functions are concentrated either geographically or through a form of communication link, maximising the use of an investment etc.

If your Council utilises a joint service delivery model that is different to those described in Information Paper 7 please provide a detailed description of the approach. Please add additional rows to the table if needed.

| | Description of Shared Service | Date of Commencement | Internal Service/External Service | Model of Shared Service Delivery Used | Functions Covered by Shared Delivery Arrangements | Reasons for Selecting this Model |
|----------|-------------------------------|----------------------|-----------------------------------|---------------------------------------|---|----------------------------------|
| A | | | | | | |
| B | | | | | | |
| C | | | | | | |
| D | | | | | | |
| E | | | | | | |

Review of SA Local Government Joint Service Delivery Opportunities

Q1: continued

| | Estimated Annual Cost Savings to Council | Benefits to Communities and Councils | How are Achievements of the Shared Service Delivery Model Measured? | How is Accountability to Council and Community Measured? | Positive Lessons Learned by Council from Experiences to Date | Negative Lessons Learned by Council from Experiences to Date |
|----------|---|---|--|---|---|---|
| A | | | | | | |
| B | | | | | | |
| C | | | | | | |
| D | | | | | | |
| E | | | | | | |

Review of SA Local Government Joint Service Delivery Opportunities

Q2. What joint service delivery arrangements is your Council actively considering, or would like to implement, but has not yet done so.

In answering this question please refer to Information Paper 7 on the role of Shared Services which contains an overview of resource sharing models and approaches.

Please add additional rows to the table if needed.

| | Description of Potential Shared Service | Internal Service/External Service | Model of Shared Service Delivery to be Used | Functions to be Covered by Potential Shared Delivery Arrangement | Estimated Annual Cost savings to Council (if known) | Proposed Benefits to Communities and Councils. |
|----------|--|--|--|---|--|---|
| A | | | | | | |
| B | | | | | | |
| C | | | | | | |
| D | | | | | | |
| E | | | | | | |

Review of SA Local Government Joint Service Delivery Opportunities

Q3. What other resource sharing opportunities would be worthy of future investigation?

Please add additional rows to the table if needed.

| | Description of Potential Shared Service | Internal Service/External Service | Potential Model for Shared Service Delivery | Functions to be Covered by Potential Shared Delivery Arrangement | Proposed Benefits to Communities and Councils. |
|---|---|-----------------------------------|---|--|--|
| A | | | | | |
| B | | | | | |
| C | | | | | |
| D | | | | | |
| E | | | | | |

Q4. Comments

Thank you for completing the questionnaire.

Please return the questionnaire to bill.furse@lga.sa.gov.au by 8 November 2006