

House of Representatives Standing
Committee on Economics, Finance and
Public Administration

Local Government Cost Shifting

Inquiry

**SOUTH WEST GROUP
SUBMISSION**

JOHN McILHONE
DIRECTOR

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South West Group
PO Box 1501
Booragoon
WA 6954

Tel: 08 9316 3988
Fax: 08 9316 3788

Introduction

This submission has been prepared by the South West Group, a voluntary regional organisation of councils from southwest metropolitan Perth.

It is a summary of its views in relation to three of the statements in the inquiries terms of reference and provides a practical insight into the collective involvement of Councils seeking to address regional challenges and deliver coordinated community orientated solutions.

Examples of how and why this approach is pursued and the associated benefits are documented throughout the submission. Where no comment has been offered it is felt that the role and responsibilities of the Group does not extend to that particular role or responsibility and is the domain of individual Councils.

Also, member Councils of the Group may choose to respond to the inquiry or incorporate within their response reference to their involvement in the South West Group.

Background

The South West Group is a Voluntary Regional Organisation of Councils, a Local Government alliance and partnership that seeks to bring about positive change and deliver regional benefits to the communities of South West Metropolitan Perth.

The membership includes the Cities of Melville, Cockburn and Rockingham and the Towns of East Fremantle and Kwinana. The City of Fremantle is closely associated with the Group. Collectively, the Councils of the South West Group represent close to 300,000 people, it covers over 580 sq. kms and encompasses the state's industrial and manufacturing heartland as well as internationally renowned tourist attractions, wetland eco-systems, a regional coastline and strategic regional centres.

1. Local government roles and responsibilities

The role and function of the South West Group is best defined by its mission, which is:

**To work cooperatively for the benefit of the region
and well being of the community.**

It is recognition of the role played by Local Government that makes associations of councils desirable and often natural.

The South West Group has identified strategic regional goals that guide its activities and define its purpose. The role and function of South West Group is also expressed in part via a number of committees formed to facilitate broader council involvement in relevant activities and to enhance regional development opportunities. The committees are issues focused and are governed by a role and function statement that is reviewed annually and when appropriate amended or updated. The include:

Employment Development Committee

Role and Function:

Develop the role of local government in the fostering of a stable and balanced economy in a growth environment.

Promote the integration of economic planning with social and physical planning in conjunction with other relevant authorities and agencies operating in the southwest corridor.

Coastal Conservation Committee

Role and Function

Advocate on behalf of member Councils in relation to water quality issues.

Seeking additional information from proponents regarding development applications, which may impact on Cockburn Sound.

Responding to environmental review documentation relevant to the Cockburn Sound.

Coordination of Visual Pollution Policy

Transport Committee

Role and Function:

Identify transport requirements within the region and provide advice and recommendations to the South West Group on transport related matters.

Advocate on behalf of the region to other spheres of Government and non - Government agencies on transport related matters.

A coordinated, Regional Approach to Local Economic Development continues to be pursued to deliver local, employment opportunities and to address regional challenges, in particular regional disparities in unemployment and the disadvantage this creates.

Regional Goals

South West Group

- To maintain an efficient, proactive organisation that adds value to the aims and objectives of member Councils.

Regional Governance, Policy Development & Advocacy

- To promote the South West Group as a key stakeholder in the decision making processes that affect the growth and development of the region.

Economic Development

- To create a vibrant local economy and diverse economic base that encourages employment opportunities.

Transport

- To effectively influence the development of a regional transport network that provides safe, efficient, convenient and environment friendly transport options.

Environment

- To maintain and improve the value and quality of the region's environmental assets.

Municipal Services

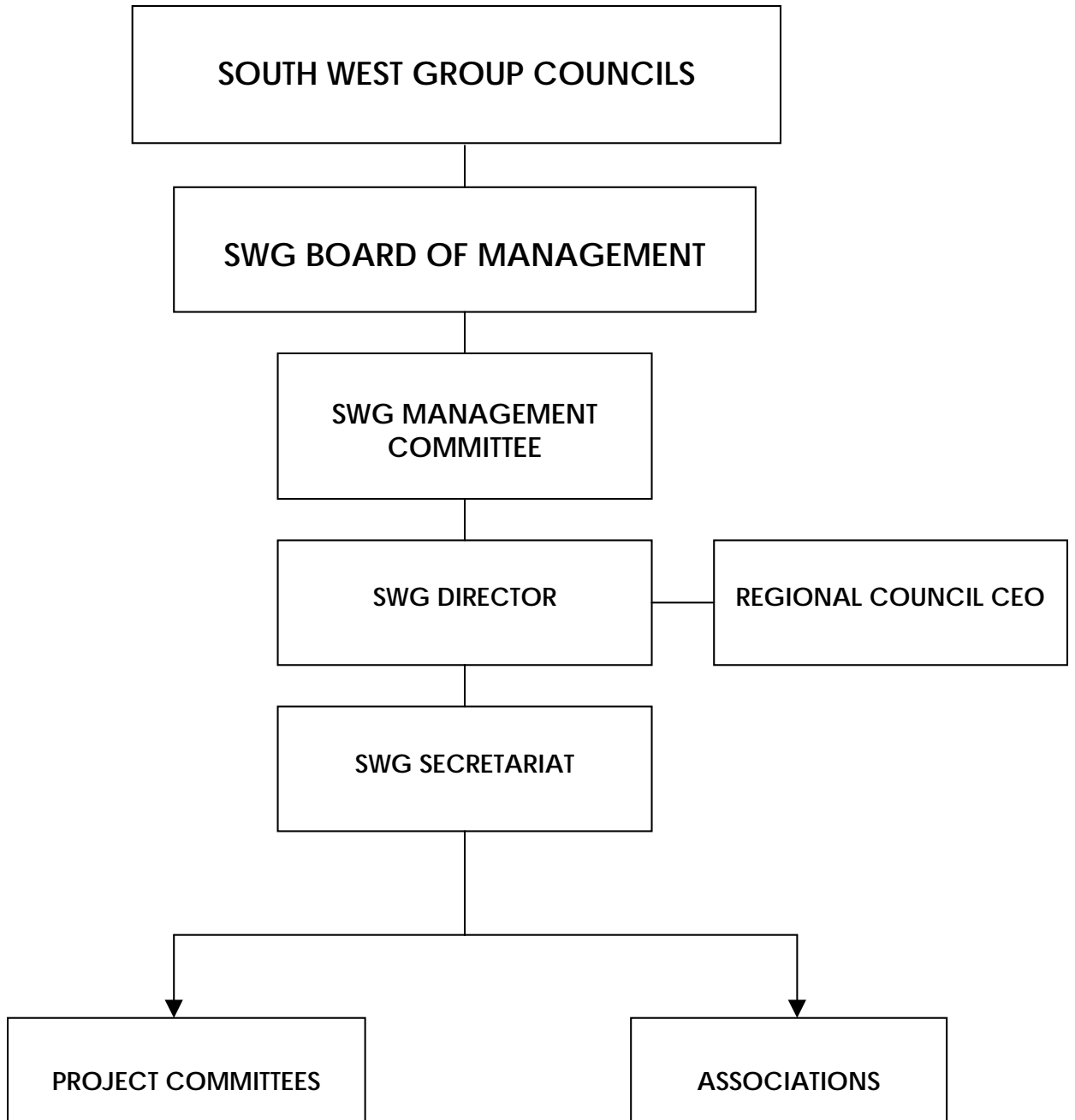
- To deliver effective and efficient municipal services to the community.

Six goals have been agreed covering economics - employment, environment, transport, recognition of the South West Group itself, effective service delivery and regional advocacy. These regional goals express the vision for the southwest metropolitan community rather than the organisation itself.

As with the goals, the strategies emphasise the advocacy role expressed in the mission statement. These are covered in depth in the South West Group Strategic Plan, which is attached to this submission. It conveys clearly the collective responsibilities of the Group.

Actions have also been developed for each strategy to identify the measures by which performance of the Group can be assessed.

Corporate Structure



Economic Development
Transport
Sport & Recreation

Coastal Conservation
Employment Development
Small Business
Defence Contracts Support
Local Industry Participation

3. The capacity of Local Government to meet existing obligations and to take on an enhanced role in developing opportunities at a regional level including opportunities for councils to work with other councils and pool funding to achieve regional outcomes.

The South West Group as a regional grouping of councils is not a unique vehicle but it has endured in one form or another for nearly twenty years. The basis of its operation reflects a belief in the ability of Local Government to work, not only with each other but also with other relevant stakeholder organisations to achieve positive regional outcomes.

The impact and influence Local Government can have at a regional level by adopting a cohesive and coordinated approach to challenges and opportunities maintains this partnership arrangement. Local Governments that can collectively agree a position on regional issues of national importance extend their influence in addressing the challenges such issues pose.

The capacity of South West Group member Councils to meet existing obligations and to enhance their role via regional associations reflects a broader, more strategic approach to local governance. The resource requirement to pursue such activities does not detract from core business nor does it compromise statutory and community obligations. It is a clear choice made by participating councils to add value to their operations and to extend their involvement and influence upon local issues of regional importance. In a practical sense it can be demonstrated by highlighting the regional economic development goal of the Group, which is:

.....To create a vibrant local economy and diverse economic base that encourages employment opportunities.

The Key Success Factors that drive cohesive Local Government involvement in Economic Development include:

1. Leadership and Advocacy
2. Partnerships and Networks
3. Sustainable Development
4. Quality of Life

As a result of the many economic and social challenges facing urban communities collaboration within Local Government is growing and is seen by enlightened Councils as a means of making regions more competitive. Regional alliances allow you to concentrate on regional issues. It is this premise that drives and sustains the South West Group partnership in regional economic development and makes it a credible partner in policy development and program delivery.

Employment and employment opportunities are the foundations of economic well being while unemployment is the single largest contributing factor to a region's decline.

The South West Group is committed to doing all it can to maintain a vibrant local economy capable of sustaining a diverse economic base that encourages regional employment opportunities. It works closely with other stakeholders in southwest metro to understand the causes of continued high unemployment in parts of the region and develops initiatives aimed at delivering solutions.

The higher than average unemployment levels in Rockingham, Kwinana and Fremantle is a long-term problem that requires a long term commitment and coordinated responses from relevant Government agencies and local groups. The South West Group has developed a three-year regional economic development plan that identifies employment, workplace and business development as regional challenges. Desired outcomes have been agreed and priority actions necessary to achieve them are being pursued.

The Group works in cooperation and close consultation with other organisations that seek to deliver similar outcomes. One such initiative is called Industry Direct. It is a local response to the unemployment challenge and online service that seeks to generate employment prospects in the region by profiling and projecting SME capabilities and connecting them to development opportunities.

The South West Group has committed \$50,000 over two years to develop and implement this new online service to enhance the access and connect small medium sized enterprises to contract opportunities at the Jervoise Bay Industrial Estate when this facility becomes operational. The service has been developed to identify and promote local capability thereby facilitating local industry participation. In addition, this project has the potential to extend beyond the Jervoise Bay project to include other major developments and beyond the southwest metropolitan region.

Local Government (South West Group) in the region is therefore engaged and involved in devising regional development policy, suitable delivery processes and coordinated, regional development support mechanisms.

Local Government in southwest metro can also boast a contribution and some credit for many favourable regional outcomes. They include: the establishment of the Cockburn Sound Management Council; addressing regional unemployment and complementing the Government policy commitment on local content and local industry participation with the launch of Industry Direct; the coordinated administration of Local Government support for regional tourism; cohesive lobbying on the Fremantle to Rockingham Industrial Area Regional Strategy or FRIARS; a unanimous policy position on the proposed southwest metropolitan railway alignment; a coordinated submission on the environmental impact of the proposed James Point Private Port; and broadened representation on the Commonwealth Government's re-constituted Area Consultative Committees.

Local Government Aboriginal Employment & Community Development Program

Another example of enhancing the role of Local Government at a regional level was the Local Government Aboriginal Employment Strategy, which was developed in 1995 to generate indigenous employment opportunities and to increase the number of Aboriginal people employed across all areas within Local Government in the region. It concluded in 2000.

Throughout its operation the program continued its emphasis upon placing Aboriginal Cadets and Trainees in jobs within the South West Group Councils but with greater consideration toward pre-employment training and cross-cultural awareness.

Over the five-year period the program was in place, Local Government demonstrated its regional commitment to addressing a community-wide challenge and along the way delivered many benefits, including:

- Improved cross cultural interaction within Local Government
- Promotion and networking activities with the Aboriginal Community
- Twelve trainees placed in 1998 and 2000
- Eight cadets placed during 1998 – 2000
- Five general employment placements during 1998 – 2000
- Twenty attendees at Pre-employment program seminars

For organizations participating in Aboriginal Employment programs it is essential to do so with an awareness of the issues and challenges involved. These strategies require commitment, patience, flexibility and an investment in time and money. It may also require a change in traditional business practice and how business success is measured.

The South West Group maintained this commitment for five years in partnership with the Commonwealth Department of Employment. While the program is now no longer functioning there remains a positive view of its success and the benefit it delivered to Aboriginal people, Local Government and the local community.

5. The scope for achieving a rationalisation of roles and responsibilities between the levels of government, better use of resources and better quality services to local communities.

The scope that exists for achieving rationalisation of roles and responsibilities between levels of Government is limitless. The reality however is more constrained. It is influenced by many variables some formal and some informal. The basis of any agreement to rationalise and therefore make better use of resources must be based upon need, cooperation and capability all of which must be underpinned by political will and good faith.

The difficulty associated with such arrangements can be illustrated by the recent failure of the partnering agreement attempt undertaken by the State and Local Government in Western Australia.

In August last year the Premier announced that a review of state & local government relations would be initiated with the aim of establishing a more formal partnership arrangement between the two levels to Government. The process has failed to even agree terms of reference and the WALGA have withdrawn their involvement at this time. The Government was to be congratulated on its intention to review State and Local Government relations but an opportunity to establish closer "formal relations" has been lost for now.

The South West Group of Councils has been working cooperatively for the benefit of the community in southwest metro on a range of regional issues for many years. Partnerships are the way forward for the Group.

RESOURCE SHARING

The SWG has previously demonstrated a commitment to developing opportunities for coordinated service provision through a resource-sharing initiative that sought to identify how and where financial, human or physical resources could be shared to achieve common objectives.

This would have involved member Councils working together to achieve benefits through cost effective and efficient use of their individual resources and sought to identify:

- How resources could be shared
- Scope i.e. what services
- Why – the benefits

While the project did not proceed terms of reference were prepared in order to examine and conclude proposed outcomes, which have been attached for your reference. They identify factors that local governments would have to consider if they were to attempt to formalise a rationalised approach to service delivery between Councils.

PROPOSED OUTCOMES

1. A Resource Sharing Model

The project will identify the process and procedures to be initiated that will determine and demonstrate the necessary approach and the benefits to be gained from implementing this change.

2. Essential Tasks and Core Objectives Identified

The project will review and establish quality considerations and standards and provide an itemised cost structure to initiating a resource sharing arrangement on agreed council activities. Workshops have been held with groupings of Officers from member councils and more recently the Chief Executive Officers have prioritised areas to be explored for resource sharing opportunities. These areas have since expanded to include:

Human Resources	Purchasing	Payroll
Waste Management	Ranger Services	Engineering Design
Legal & Financial Services	Customer Services	Environmental Health
Information Technology and Systems		
Fleet Management and Plant Tenders		

3. A Structure and Methodology Confirmed

The areas of activity identified will be analysed in order to identify service and delivery requirements, forecast service demand and the scope of service obligation for each council and establish and document the necessary procedures and practices needed to determine a standard. This will identify specific conditions and needs of councils, which could influence service delivery arrangements and will also ensure comparability and consistency on all costs associated with delivery.

4. Consultation Working Papers

The preparation and circulation of working papers for each service that will summarise the findings, identify viable resource sharing options and argue the strengths and weaknesses of the various options.

5. A Final Resolution

The appropriate resource sharing arrangement recommended for each service.

6. An Implementation Plan – Action Agenda

A draft implementation plan for each service will identify key implementation issues, develop resource sharing implementation plans for each service and facilitate the discussions of plans with councils, both individually and as a group.

The South West Group has of course since this exercise was considered formed, along with the City of Canning, the Southern Metropolitan Regional Council. This initiative has resulted in the regions domestic waste stream being collected and managed by the Regional Council. In addition to this example of commitment to regional cooperation to achieve real economies, the South West Group has also approached the City of Mandurah regarding their membership of the SWG Transport Committee. They are already members of the SW Regional Sport and Recreation Committee and have agreed to extend their involvement in regional cooperation and coordination by joining the Transport Committee.

Conclusion

While this submission has been brief, the inquiry is viewed by my organisation as extremely important. The findings it makes, the conclusions it resolves and its recommendations will be particularly relevant to this organisations ongoing support of a voluntary, coordinated and regional approach to local governance.

I wish you well in your assessment of submissions and will follow the inquiries progress and output with interest.

John McILHONE

Director – South West Group

SOUTH WEST GROUP

STRATEGIC PLAN

MISSION STATEMENT

**WORK COOPERATIVELY FOR THE BENEFIT
OF THE REGION AND WELL BEING OF THE
COMMUNITY**

GOALS

Transport

1. To effectively influence the development of a regional transport network that provides safe, efficient, convenient and environment friendly transport options.

Environment

2. To maintain and improve the value and quality of the region's environmental assets.

Economic Development

3. To create a vibrant local economy and diverse economic base that encourages employment opportunities.

Regional Governance, Policy Development & Advocacy

4. To promote the South West Group as a key stakeholder in the decision making processes that affect the growth and development of the region.

Municipal Services

5. To deliver effective and efficient municipal services to the community.

South West Group Management

6. To maintain an efficient, pro-active organisation that adds value to the aims and objectives of member Councils.

Goal 1. *To effectively influence the development of a regional transport network that provides safe, efficient, convenient and environment friendly transport options*

Objectives

- ◆ Government recognition of the regions' transport infrastructure needs and priorities.
- ◆ An equitable distribution of Commonwealth and State Government funding to meet the transport needs of the South West Metropolitan region.
- ◆ Greater emphasis on alternative transport options to reduce the usage and dependence upon private motor vehicles.

Strategies

- ◆ Advocate to Commonwealth and State Governments the agreed regional priorities for transport for the southwest metropolitan region.
- ◆ Advocate equity of funding for public transport for the southwest metropolitan region.

Goal 2. *To maintain and improve the value and quality of the regions environmental assets*

Objectives

- ◆ Balanced industrial development that guarantees appropriate ecological management and safeguards community access to the coast and rivers.

Strategies

- ◆ Promoting the South West Group of Councils as key stakeholders in the management of environment matters of the southern metropolitan coastal waters and river systems.
- ◆ Gain additional resources for policy development, planning and project management of initiatives associated with maintaining Cockburn Sound and Swan/Canning rivers as strategic assets.
- ◆ Make optimum and effective use of full and executive Local Government representation on the Cockburn Sound Catchment Management Council.

Goal 3. *To create a vibrant local economy and diverse economic base that encourages new employment opportunities*

Objectives

- ◆ Promote and facilitate the sustainable economic development of the region that is sensitive to the ecological and social environs.
- ◆ Enhance the opportunities for local residents to gain suitable employment.
- ◆ The maintenance, further development and attraction of peak industry to the region.

Strategies

- ◆ Project and communicate the economic profile of the region to promote and market business and development opportunities especially small to medium sized enterprises.
- ◆ Maintain and develop tourism, tourism attractions, services and facilities in the region.
- ◆ Facilitate cooperative partnerships with advisory organisations to assist small to medium sized enterprises increase their capacity to win government and defence industry contracts.
- ◆ Position Local Government to take a lead in nurturing growth and development opportunities of appropriate micro businesses in the region.
- ◆ Act as a cohesive and effective advocate for sustainable regional economic and industrial development.
- ◆ In association with relevant organisations identify regional skills gaps and training needs.
- ◆ Support training programs that will enhance local employment opportunities.

Goal 4. *To promote the South West Group as a key stakeholder in the decision making processes that affect the growth and development of the region*

Objectives

- ◆ Effective influence upon State and Commonwealth Government policy and funding decisions impacting on the region.

Strategies

- ◆ Promote an awareness of the South West Group to key regional stakeholders.
- ◆ Advocate and present to State and Commonwealth Government Ministers and senior officers of their departments local issues of regional and national significance.
- ◆ Advocate and present to local members of the State and Commonwealth Parliament local issues of regional and national significance.

Goal 5. *To deliver effective and efficient municipal services to the community*

Objectives

- ◆ Recognition as a valued broker in resources sharing of municipal services that provide economic and functional benefits to the region, member councils and the community

Strategies

- ◆ Determine resource-sharing opportunities and develop a business plan or plans of agreed priorities.
- ◆ Pursue regional opportunities that add value to South West Group member Council operations.

Goal 6. *To maintain an efficient, pro-active organisation that adds value to the aims and objectives of member councils*

Objective

- ◆ A results oriented management structure that is focused on maximising the optimum use of resources in pursuit of its aims and objectives.

Strategies

- ◆ Assess the effectiveness of the performance of the South West Group to achieve its goals, strategies and actions.
- ◆ Assess the effectiveness of the operations of all external committees supported or funded by the South West Group member Councils.
- ◆ Review and revise operational manuals and protocols for the guidance of the Board of Management, the Management Committee, sub committees and staff.
- ◆ Allocate resources in accordance with agreed priorities of the adopted actions.
- ◆ Provide a secretariat to service and administer independent incorporated bodies and other regional committees as required.

South West Group

A cooperative venture of the municipalities of
Cockburn, East Fremantle, Kwinana, Melville and Rockingham