# Innovation, Ingenuity and Initiative

The adoption and application of new ideas in Australian local government

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Table of Contents

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Case Studies

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Summary

The current economic, financial and policy climate requires that government services have to deliver significantly better performance at significantly lower cost. This requirement extends beyond a dedication to incremental and continuous improvement, characteristic of the quality movement of the 1990s. It requires a commitment to fundamental change in the way services are planned, organised and delivered.

The imperative
In a paper published for the National Endowment for Science, Technology and the Arts in 2009 it was argued that

> We need a rigorous experimentation for innovation in public services – focused on major challenges – which also encourages and embraces local solutions. We need to bring together the innovators who are already at the forefront of finding new solutions in the public sector, private companies and social enterprises. We need to strengthen the voice of citizens, and engage them in service design and delivery. And we need to strengthen the methods by which we discover, develop, and diffuse innovations – including a greater capacity outside of existing organisations to support great ideas from inspiration to implementation (Harris and Albury, 2009).

Innovation is the successful application of new ideas. It is about change in products, services, ways of doing business, and in the nature of the business itself. It is generally, but not always, linked to the adoption and application of scientific and technological knowledge. Innovation may also reflect the application of insights and understandings developed through practice and experience.

Innovation is a term that has almost become redundant through overuse. It is a term that has strong antecedents in management but has become widely used in public policy contexts to refer to the application of knowledge in the production of goods and services and the generation of knowledge through investment in research and development around a theme of 'science, technology and innovation' (STI).

The link between knowledge, technology, and economic progress, well understood by economic historians, has been taken up by contemporary policy economists in establishing the link between innovation and national productivity improvement. But while innovation has taken hold as an imperative in the goods-producing sector of the economy, and particularly in agriculture, manufacturing and mining, the impact in the services sector is only beginning to be realised.

Innovation is having a major impact in the banking, finance and insurance sectors, and is beginning to be seen in the media and publishing industry, for example. But progress in achieving productivity gains in the government services sector has been slow. This reflects, in part, a focus on ideas-driven and process-driven innovation (discussed in Section 2 of this paper), rather than on the transformative effect of innovation on organisational and industry structures.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Given the significance of the services sector in the Australian economy, services innovation is a national imperative for productivity improvement. As government services constitute a major proportion of the services sector, innovation is being seen as essential in areas such as education, health, and administration of justice. Such areas comprise the greater part of the public sector. Innovation is beginning to impact on higher education through the influence of technology and globalisation (Christensen and Eyring, 2011, Wildavsky, 2010, Wildavsky et al., 2011).

The potential for innovation
In local government the potential for innovation cuts across all functions and services including asset management, development control, waste management, sustainability programs, natural resource management, community services, trading enterprises and economic development. Within the sector there have been some significant achievements, as outlined in Attachment A, but widespread adoption and application of new ideas is uneven.

Public policy discussion makes a connection between expenditure on research and development and economic progress. This is often expressed as a 'linear flow', or 'pipeline' where scientific discoveries and technological inventions create intellectual property rights which, in turn, become commercialised through start-up companies or by sale to existing companies. Companies formed in this way attract a great deal of attention as 'innovation success stories' and innovations in consumer electronics and pharmaceuticals have even seen the emergence of new industry structures. These developments have focussed attention on private sector innovation and the start-up business.

To the extent that there is a 'flow' from research and invention through to adoption and application, it depends in very large measure on the capabilities of management and entrepreneurs to turn new knowledge into products and services that people actually want and can use, and are prepared to pay for. *Discoveries and inventions do not become innovations until they are adopted, applied and used.*

It is also the case that most innovation actually takes place in very large organisations, both public and private. Innovation is how large organisations remain sustainable and retain public support. This applies in both private and public organisations. This is very much a matter of strategic direction, management capability and leadership—irrespective of the form of ownership.

It was Peter Drucker who wrote in *The Practice of Management* (first published in 1954) that managers not only have to be concerned with the present, they must also be concerned with what is likely to happen in the future. In addition to finding out about market trends and changes in industry structure, they also have to find out about the *innovations* that will change customer wants, create new ones, extinguish old ones, create new ways of satisfying wants, change the concepts of value, or make it possible to give greater value satisfaction (Drucker, 1993).

The discipline of innovation
Drucker argued that innovation has to be studied 'not only in respect of engineering or chemistry, but in respect of all activities of the business'. He contended that 'innovation is not

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

only a servant of the marketing goals of a business but is, in itself, a dynamic force to which business contributes and which in turn affects it.' Drucker adds:

> Not that 'pure research' is a function of the business enterprise, although in many cases business enterprises have found it a productive way to obtain marketable results. But the 'advancement of the arts', the constant improvement of our ability to *do* by applying it to our increased *knowledge*, is one of the tasks of the business enterprise and a major factor in survival and prosperity (Drucker, 1993).

These considerations apply equally to public sector managers as they do to managers in privately owned organisations. In local government, elected members and staff need to study and learn about what is happening in the local government industry, the changes taking place in industry structure in Australia and around the world and the changing demands and expectations of communities, suppliers, employees and other stakeholders.

Innovation is often described as either 'transformative' or 'sustaining'. Transformative innovations, sometimes referred to as 'disruptive' innovations, change existing structures and systems whereas sustaining innovations simply improve the efficiency of the status quo—and prolong existing arrangements. Transformative innovations take advantage of advances in technologies such as the internet, digital technologies, mobile devices, social communication, and more recently cloud computing. All have had, and will continue to have, a major impact in local government.

Much of what is written about innovation in the public sector is about *improvement*. It is about adopting ideas that have been tried, tested and proven in other contexts. Improvement can, and does, lead to significant enhancements in efficiency, effectiveness and quality. This is based on extending what is already in place rather than achieving fundamental change in what and how products and services are delivered.

Improvement is reflective of a 'business as usual' approach. It is connected with program evaluation (value for money) and the quality methodologies inherent in the 'continuous improvement' paradigm of the late 1990s. As such it has a strong process orientation, and organisations have prepared manuals and handbooks about 'best practices' in undertaking evaluation and improvement programs. It is associated with the best practice benchmarking frameworks marketed by consultants.

There is, however, a real risk to innovation agendas if they are collapsed into improvement agendas. This approach is unlikely to result in substantial productivity gains across the local government sector. It is a diversion from a commitment to finding out about trends and changes in the local government industry structure in a broader context of change in the 21st century public sector governance environment and the changes in community needs, demands and expectations. It potentially overlooks new ways of satisfying wants, changes in how value is created and giving greater value satisfaction.

Local government innovation performance

This project has sought to identify areas where local government has embraced the adoption and application of *new* ideas and sought to *transform* the way the business of local

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

government is undertaken. It has been carried out in an environment where local government is budget constrained, resource poor, and operating environments are tightly controlled. Elected members and managers do not have a body of research and a stockpile of resources to invest in innovation.

Rather, innovation in local government has been carried forward by motivated, clever, smart and knowledgeable people. These people are innate problem solvers and prepared to 'think outside the square' and follow a passion for doing something new and different. There are a lot of people like this in councils right across the spectrum of capacity and available resources.

Local government innovators are acknowledged in awards and accolades. The most prominent of these are the National Local Government Awards for the years 2008 through 2012. There are approximately 250 award citations and descriptions. The Awards provide a rich database of material about innovation practice and provide evidence of how local government is approaching the innovation task.

What is clear from the profiles is that local government has approached innovation with people using a great deal of initiative and ingenuity in an environment that is characterised by resource constraints, change, and expectations. Many have adopted and applied new technologies to implement ideas that will improve local government performance. Rarely has this been done on a systematic basis, however.

The Awards have recognised innovation in the traditional sense; that is, flowing from an investment in research and development and from a specific innovation budget, and following a process documented in a procedures or best practice manual. The innovations seem to be effectively 'bootstrapped', relying on the resourcefulness and drive of elected members and senior staff and front line service personnel. It is likely that the key players have strong networks across all levels of government and with industry.

The innovation profiles also reflect a strong commitment to engage with new policy agendas and ensure that residents have access to high quality services, particularly in health and education that are funded by Commonwealth and State governments. It is also apparent that councils are quite resourceful in pursuing economic development opportunities through cooperation and collaboration with business, universities and research organisations.

Local government has recorded a high level of achievement in ideas-based and process innovations. But challenges lie ahead in achieving industry wide transformational innovations that will deliver substantial productivity changes. These changes will inevitably involve changes in industry structure and not necessarily through amalgamations. They are through changes in the way services are managed and delivered, greater collaboration and linkages with organisations in the private, public and education sector.

There is growing interest and involvement between local government and tertiary education institutions as a way of building skills and knowledge at the local level towards an objective of creating change in service planning, organisation and delivery. Local government is increasingly taking up roles as partners in collaborative programs in areas such as infrastructure, natural resource management, health, and education.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

This paper discusses the different approaches to innovation and how local government can best achieve innovation outcomes.

Towards a local government innovation action plan
The paper concludes with a number of challenges and agenda issues for consideration in developing innovation strategies and programs in local government. These relate to:

- Ensuring that proposed or envisaged amalgamations are driven by an innovation outcome rather than a narrow search for efficiency.
- Developing innovation skills, capacities and capabilities, particularly in areas that involve transformational innovations.
- Creating a culture and working environment that encourages and facilitates partnerships and collaborations with other government entities, businesses, universities, non-government organisations (NGOs) and the broader community.
- Using outsourcing and commissioning as an opportunity for securing innovation outcomes.
- Examining opportunities for open innovation and support for innovation tournaments or contests that reward the development and implementation of new ideas.
- Strengthening knowledge exchange networks to build innovation capability.

These challenges and issues should form the basis of a *Local Government Innovation Action Plan.*

Local government has the opportunity to participate and lever from the innovation strategy initiatives being implemented at the Commonwealth and State level. While the Commonwealth proposals are modest, and do not extend as far as the commitments in other countries, it is a base from which to launch a specific Local Government Innovation Action Plan.

The Local Government Innovation Action Plan should commit to a strategy of 'open innovation' and use participation techniques such as 'crowd sourcing' and innovation contests or tournaments to resolve problems and capture opportunities in service need, design and delivery as a way of encouraging and capturing ideas from the broader community.

Local government should extend partnership arrangements in developing innovations in communication and social technologies to provide solutions that can be applied to achieving greater efficiency, effectiveness and value in service delivery.

Finally, local government should seek to partner with Commonwealth and State governments in pursuing innovation outcomes as a way of consolidating its position in the federal system. After all, it is local government that it is the forefront of service delivery and in the best position to understand and address community needs and expectations.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

1. Introduction

1.1 Purpose of the project

This project has sought to identify areas where local government has embraced the adoption and application of *new* ideas and sought to transform the way the business of local government is undertaken. It has been carried out in an environment where local government is budget constrained, resource and time poor, and operating environments are tightly controlled.

The project outcome is a paper that focuses on innovation as the successful application of new ideas and carried forward in the domains of ideas driven innovation (relating to new products and services), demand driven innovation (meeting community expectations in new ways) and transformational innovation (using the assets of the organisation in new ways to deliver value).

The project seeks to identify the nature and purpose of innovation, innovation opportunities, dimensions of innovation strategies and ways that innovation has been implemented across all dimensions of local government roles and responsibilities. It draws on the database of profiles and case studies of councils that won National Innovation Awards.

1.2 The institutional setting

Local government innovation operates in a challenging, and often constraining, institutional environment. There is pressure to get things done on time and within budget, operate within the law and meet reporting and compliance requirements, and resolve many competing and conflicting pressures from diverse stakeholder groupings.

Broadly, the local government operating environment is characterised by:

- Community expectations of public 'value for money' in service delivery with economy in the use of resources (minimal waste), high levels of efficiency in administration and service delivery, and increased productivity, effectiveness and quality in the traditional functions.
- Growing complexity of planning, development and infrastructure delivery.
- Plethora of plans and planning documents.
- Severe budgetary and financial pressures.
- Avenues for legal redress by aggrieved citizens.
- Procedure and process driven purchasing and procurement policies oriented towards 'value for money' and avoidance of risk.
- Extensive requirements for accountability for process and performance, compliance reporting and monitoring.
- Clear designation of organisational structures, position profiles and job descriptions.
- Reliance on categorical, competitive and project based funding.
- Avoidance of risk.

In this operational environment there is limited capacity for experimentation and investment in new initiatives. There is limited 'organisational slack' and discretionary resources that are often seen as a requirement for innovation. The focus on delivery drives out time for innovative thinking. Innovation therefore demands ingenuity, initiative and resourcefulness.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

It is possible to redefine the meaning of innovation to accommodate incremental improvements to products and service delivery, adoption of methods and practices developed elsewhere, and enhancements to 'business as usual' obligations. There is no doubt of the many achievements and successes in this area, many of which are recognised in the various state/territory and National Local Government Awards.

Many of these reflect ingenuity more that innovation. Ingenuity is a capability that some people exhibit and has three elements: an inclination to work with the resources easily to hand; a knack for combining these resources in a surprising way; and in doing so, an ability to solve some practical problem (Young, 2011).

Ingenuity does not become innovative until ingenious ideas and solutions are adopted and applied. Generally this requires someone to take the initiative and find a way of overcoming the many procedural, attitudinal and cultural barriers that stand in the way of implementation.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

2. Definitions and concepts

2.1 Innovation

Innovation is, quite simply, the successful adoption and application of new ideas. It is at the foundation of the market economy where firms compete to attract new customers (and retain existing ones) and sustain their operations by producing at a lower cost than their competitors. In this context, innovation relates to the introduction of new products, processes, and ways of doing business.

Innovation can also relate to the way organisations communicate and engage with people and customers, acquire materials, recruit and contract with staff, undertake manufacture and deliver products and services to end users, and execute marketing and promotion plans. It can extend across the whole value chain.

Innovation has both demand and supply dimensions, which are:

- Demand considerations relate to satisfying customer and client wants, ensuring that products and services meet needs and expectations, and creating a positive 'user experience'.
- Supply considerations relate to how organisations seek to improve efficiency and effectiveness in the use of resources to achieve cost reduction, productivity, and quality outcomes.

Innovation is an economic and social phenomenon and not a technical one. Scientific discoveries and technological inventions do not become innovations until they are adopted widely by a business, a government organisation, or a community. On the other hand, ideas and insights with modest intellectual pretensions may have far-reaching innovation implications.

Scientific and technological brilliance might remain as narratives in the pages of academic journals for many years: but they are available for future application and use by innovators grappling with contemporary problems or visualising opportunities. In this respect, there is an important role for discovery and invention carried out in research and academic settings aimed at extending the frontiers of knowledge.

Inventions and discoveries that may initially be seen as *useless* may become *useful* when adopted and applied through the insights and intuition of innovators and entrepreneurs.

It follows that an innovator might not be the inventor. Innovation is most likely to come from the *integration* of knowledge and ideas, and from insights garnered from a number of sources. Some of these are technical, some practical, and others aesthetic. So innovation is generally associated with groups of people and teams working collaboratively rather than the sole inventor persevering in a laboratory or garage.

Increasing attention is now being given to the contribution of 'the crowd' as a source of innovation insight (Libert and Spector, 2010, Surowiecki, 2004). Organisations, both public and private, are tapping into the 'wisdom of the crowd' through a variety of crowd sourcing

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

methods, including innovation contests, competitions and tournaments (Terwiesch and Ulrich, 2009).

2.2 The environment for innovation

Innovation flourishes in environments that are organic, active and nimble and where there is a focus on purpose, achievement, and results. Highly structured, process oriented, and procedure driven (bureaucratic) organisations and management styles are not seen to be conducive to innovation (Burns and Stalker, 1994).

Whereas firms cannot survive if they do not innovate (or unless they are monopolies), public sector organisations have no such constraint. Firms follow innovation strategies to reach new customers and drive productivity, but in the public sector innovation has become a driver for achieving efficiency, effectiveness, and quality service outcomes. Much of this has involved improvement rather than innovation.

It is the case, however, that the *absence* of competitive pressures and short term bottom line performance has enabled the public sector to invent, adopt and apply some pioneering and ground breaking solutions to major infrastructure challenges and resolution of social problems. The public sector has been able to take the long term view and has not always been subject to major resource constraints.

Innovations in infrastructure delivery occurred within the public sector at a time when government employed talented engineers and had access to funds through established works programs and concessional borrowing arrangements. Australia's post- World War II construction effort, based on public investment in infrastructure, saw many innovations in design, construction and use of materials.

In the current climate of budgetary and financial restraint, public sector innovation has become linked to the mantra of 'managing with less' and strategies to deliver productivity and performance improvement. Increasingly innovators are looking towards the application and use of information and communication technologies in a wide variety of settings.

With decreasing costs and enhanced capacity, computers, micro-processors, sensors and mobile devices are everywhere; in planning and design, development control, public works and services, and communication with citizens and stakeholders.

Advances in technology have been, and will continue to be, major enablers of innovation. Technology is not the innovation. The innovation is in the way it is adopted, applied and used.

2.3 Innovation and change

Innovation is concerned with change. This is in new products and services, new production methods, new business processes and procedures, new ways of reaching and interacting with customers and constituencies, new organisation and industry structures, and sometimes the emergence of entirely new industries.

For many organisations, creating a climate for innovation will require change in organisational culture, management practices, and leadership styles. Some innovators argue for the creation

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

of new organisations, business units, or even start-ups, as a foundation for innovation to capture the elements of responsiveness, agility and flexibility associated with the innovative organisation.

Creating an innovative organisation is not always possible in government contexts, although many public sector organisations acquire innovation capability through partnerships, contracting and outsourcing to other organisations.

Change through innovation is sometimes referred to as being 'disruptive'. *Disruptive innovation* is a term coined by Clayton Christensen to describe the creation of a product, a process, or a service in a way that consumers and users did not expect or anticipate (Christensen, 1997, Christensen and Raynor, 2003). Yet these have a transformative effect on a market or even an entire industry.

To eminent management philosopher Peter Drucker, innovation consists of the purposeful and organised search for change, and the systematic analysis of the opportunities such changes may offer for economic or social innovation (Drucker, 1994). For something to be regarded as an innovation, it has to be new, and it must be adopted, applied, and in widespread use.

Drucker advised his clients that innovation means disengaging, and sometimes abandoning, the past. Abandonment is the discipline of regularly challenging every product, service, policy, and distribution system with the question, 'if we were not in it already, would we be going into it now?' (Drucker, 1997).

A great deal of what public organisations do is clearly pivotal and essential to their mandate: but there are many activities that lose relevance in the light of changing situations and circumstances, or are no longer relevant or appropriate to achieving mission. It is very difficult, however, to abandon long established practices and traditions and make way for new, sometimes uncertain, processes that are out of a comfort zone.

It often requires courage to challenge the *status quo* and *take risks*. Challenge is often associated with a person, group or team taking the initiative to drive and secure change. This is sometimes confronting and requires overcoming barriers. Initiative is associated with creativity, ingenuity, and resourcefulness.

2.4 From improvement to transformation

Many public sector organisations have interpreted innovation as a strategy for continuous improvement, around some very clear and simple objectives. For example, improving processes to keep costs down, providing reliable services, enhancing quality, and ensuring sustainability. What passed for continuous improvement, advocated and promoted in the quality literature and by consultants a few years ago, is now being re-badged as innovation. Process improvement is fundamentally different from process innovation (Davenport, 1993).

Whereas innovation is the application and adoption of something that is new, improvement is the application of practices and procedures that have already been tried, tested and proven. Whilst innovation is uncertain and inherently risky, improvement can draw on a body of knowledge and experience, sometimes defined as 'best practice', or 'better practice'. The vast

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

literature on quality systems and dissemination of performance standards, together with a wide range of certification bodies, is testimony to this.

A commitment to quality, looking for better practice, and adherence to standards can result in significant and sustained improvement in performance. However, improvement only becomes innovative when it is transformative; that is, it results in major change. Transformative innovation flows from decisions to use an organisation's assets (people, property, knowledge, funds) in new ways to create value for customers, constituencies, employees, regulators, and shareholders and taxpayers (in the case of a public organisation).

Australia Post, for example achieved transformative innovation through an improvement program that changed the way post offices operate, what they do, and the services they provide. The company has also developed strategic alliances and partnerships with other national and international organisations in small parcel delivery (Howard Partners, 2006).

2.5 Capabilities for innovation

With resource constraints, budget pressures, and a conservative philosophical agenda of smaller government, the opportunities for the public sector to be an innovation leader in the traditional sense of large expenditures on research and development are constrained. The public sector has to do with what it has, in terms of assets and capabilities, and less in terms of recurrent budget funding at a time when the community expects more.

Response to this situation calls for capabilities relating to creativity, ingenuity and initiative. Aspects of these capabilities are addressed in turn.

2.5.1   Creativity

Creativity is the capacity to *generate* new ideas, either as a new way of looking at a problem or a situation, or seeing new opportunities. It is usually recognised as an ability to produce something that is novel, and potentially useful. Innovation extends creativity from the conception of new ideas into the way they are implemented (Young, 2011).

Very little is known about what really makes a person, team, organisation, region or country, creative and innovative. This is despite the plethora of books, articles and other publications on the subject. Many identify traits and characteristics and recommend investment in capabilities such as knowledge creation (through research and development) and creating a culture of collaboration and entrepreneurship. Institutional settings that display similar, or even identical 'traits' can be associated with quite different innovation outcomes.

Academics, consultants and commentators study innovators like Steve Jobs, Bill Gates, Jack Welch, and other successful entrepreneurs and business leaders. But the stories are complex and the narratives involved are quite often determined by circumstance including demand conditions, capacity to capture economies of scale and scope, and accompanying financial innovations. The work of business historian Alfred Chandler is important in this regard (Chandler et al., 1999, Chandler and Cortada, 2003, Chandler and Hikino, 1997)

Clayton Christensen and colleagues argue that innovative skills *can* be developed (Dyer et al., 2011). They suggest that creativity comes through learning, from understanding a skill,

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

practising it, and gaining the confidence to create. Creativity tends to occur in societies (and organisations) that encourage merit and acknowledge, reward and celebrate achievement. From this perspective the capacity to generate innovative ideas stems from a number of behavioural and cognitive skills associated with challenging the status quo and taking risks. These relate to:

- *Questioning:* innovators ask questions about 'why', 'what if', and 'what would happen when …?' Questions provoke new insights, connections, possibilities and directions (Dyer *et al.* 2011, p. 23).
- *Observing:* innovators tend to watch what goes on around them, including customers, products, services, technologies, and companies. This provides insights and ideas for new ways of doing things (Dyer *et al.* 2011, p. 24).
- *Networking:* innovators are inveterate networkers. They work through and participate in social, business, professional and academic linkages. They use networks to source, test and confirm ideas, looking for synergies and common ground.
- *Experimenting*: innovators try out experiences and testing ideas, both intellectually and experientially.

Christensen found that leaders with an innovation track record spent 50 per cent more time on these activities than leaders without such attributes. This translated into:

spending almost one more day each week on discovery activities. They understand that fulfilling their dreams to change the world means they've got to spend a more significant amount of time trying to discover *how* to change the world. And having the courage to innovate means that they are actively looking for opportunities to change the world [emphasis added] (Dyer et al., 2011).

It is argued that a mission that embraces change makes it easier to confront the inevitability of mistakes, and the ability to learn from what went wrong.

The model for generating innovative ideas is represented in Figure 1 below.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Figure 1: The Innovator's DNA

Source: Jeffrey H. Dyer, Hal B. Gregersen, and Clayton M. Christensen, *The Innovator's DNA: Mastering the Five Skills of Disruptive Innovators*, Harvard Business Press, p. 27
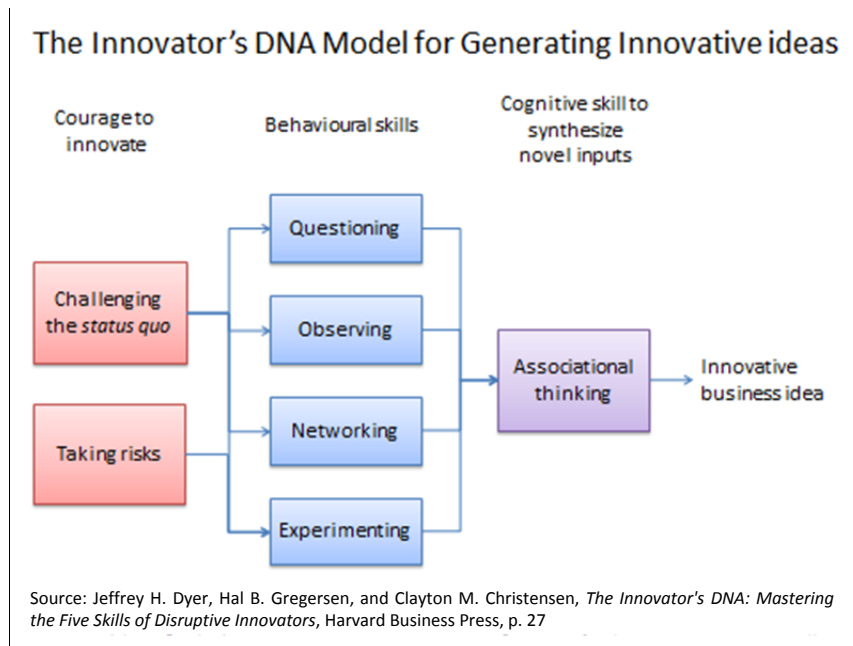
Local government elected members and staff, being close to their constituencies and stakeholders exhibit these cognitive and behavioural skills in large measure. The case examples and profiles included in latter parts of this paper provide testimony to this.

2.5.2   Ingenuity

With many decades of 'managing with less' elected members and local government officers have developed a capability for ingenuity. This is reflected in the projects that received National Local Government Awards over the last several years.

Pressures, constraints and absence of resources encourage people to be *ingenious*. They make do with what is available, tap into knowledge and experience developed in diverse domains, and navigate around rules, regulations and operating procedures that hinder new ways of thinking and operating. This is a characteristic of the public sector operating environment and is particularly relevant to local government.

The Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) sees ingenuity as a *capability* that some people exhibit. It has the three elements of:

- An inclination to work with resources easily to hand.
- A knack for combining these resources in a surprising way.
- In doing so, an ability to solve some practical problem.

Better ingenuity is characterised by frugality or elegance and implies a tendency to first use resources that are readily available. It can be social as well as technological in nature (Young, 2011). It is based on a premise that ideas don't have to be new to be useful (Homer-Dixon, 2000). Innovation is quite often seen as the adoption and implementation of ingenious solutions.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

2.5.3 Initiative

Taking the initiative means creating a path through unexplored territory and having the confidence to try new things. It does not mean committing to risky and unauthorised actions, for example, 'act now, think later'.

The NSW Public Sector Capability Framework identifies a number of attributes relating to innovation and initiative[1]:

- Recognises and reacts to present opportunities.
- Identifies what needs to be done and takes action before being asked or required to do so.
- Acts quickly and decisively in a crisis or other time sensitive situation.
- Takes independent action to change the direction of events.
- Acts with a sense of urgency in situations in which the norm is to wait for the problem to resolve itself.
- Anticipates and takes action to create opportunities or avoid future crises.
- Thinks 'outside the boundaries' or apparent limitations of the situation to develop solutions or more effective ways of operating.
- Takes intelligent risks and commits resources for pursuing innovative ideas.

Initiative flourishes in open working environments where there is room for exploration, discussion of ideas, and opportunities for building informal teams across professional and functional boundaries. Many councils are set up and operate this way.

Initiative involves pushing through innovation while at the same time looking to achieve time technical excellence and ensuring prudence in the management of resources and approach to risk.

2.6 Innovation strategies

Organisations typically address innovation at three levels:

- Product and process driven innovations, responding to and building on the creativity of people and teams for new products and services.
- Service driven innovation, responding to the ideas and insights that come from the community for new services.
- Transformational, changing the way an organisation undertakes its business.

Although each of these perspectives is by no means mutually exclusive, they serve to indicate the variety of ways in which councils identify the innovation task and manage their innovation commitment. The perspectives also differ according to where a council is located, either metropolitan, regional, or rural and remote areas.

Each dimension involves external consideration pressures and constraints. There are also considerations relating to time taken for adoption and implementation and the revenue returns and expectations. A strategic framework is outlined in Figure 2 as an 'inverted

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[1] See http://www.pscapabilities.nsw.gov.au/

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

pyramid'. The framework was developed in a project that examined innovation in Australia's largest businesses and has proved to be a useful diagnostic and explanatory vehicle.

Figure 2: Innovation Strategies

Source: Howard Partners 2006, *Changing Paradigms: Case Studies in the Management of Innovation in Australian Business,* Melbourne, Business Council of Australia.
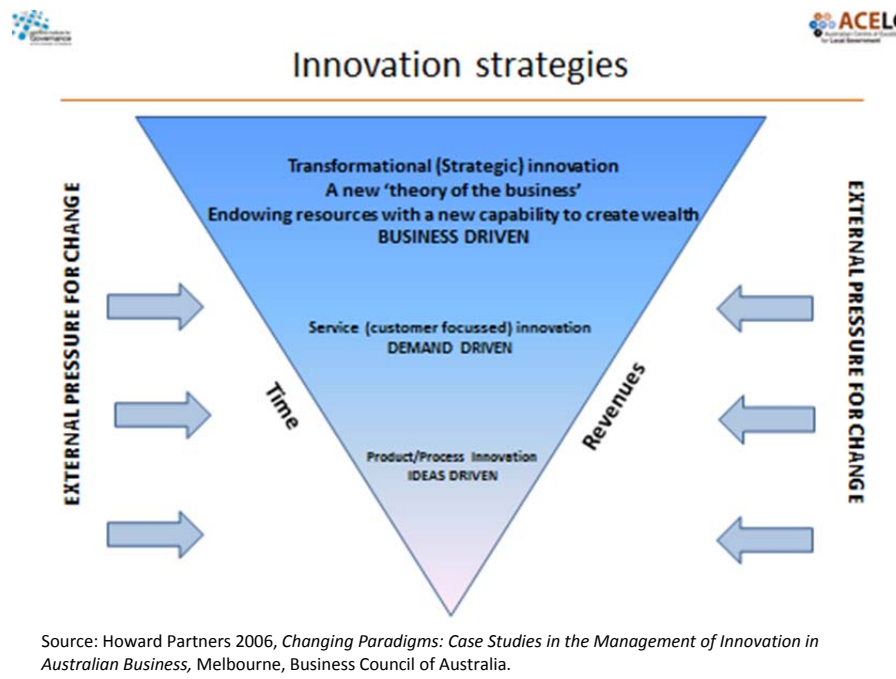
2.6.1   Ideas driven innovation

At the apex of the pyramid are *ideas driven innovations*, the context of which has been referred to extensively in earlier parts of this section of the paper. These innovations build on the creativity, ingenuity and initiative of staff, elected members and the community and provide a vitally important dimension to innovation performance. At the same time, however, most ideas driven innovations do not have a major impact on revenues (or saving money), but they can be implemented quite quickly.

Ideas driven innovations are vitally important, however, when taken in aggregate. The challenge for local councils is to ensure that there is a flow of ideas for innovation. This will come through creation of an environment that supports the generation and expression of ideas and has a strategy for testing ideas for adoption and implementation. People rapidly lose interest if their ideas are not taken seriously.

Many organisations are adopting a *'stage gate'* assessment approach that involves selecting promising ideas for trialling, experimenting and prototyping and supporting further development through project and seed funding. Following evaluation those judged suitable for further development are funded for full implementation. Senior level committees are involved in managing this process.

In business there is an understanding of the importance of having a continuous stream of new or enhanced products and services entering the market as they compete for market share and distribution channels. For these businesses, new product development lies at the foundation of business strategy.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Organisations are also encouraging ideas based innovation through contests, competitions and tournaments that encourage people and teams to come up with ideas presented in the form of a business plan, or an approach to resolving a specific problem or opportunity. Large corporations are using this approach to generate ideas from outside the organisation through techniques of 'crowd-sourcing'.

2.6.2   Demand driven (process) innovation

At another level, public organisations seek to implement *demand driven innovations* in response to expectations from ratepayers, contractors, developers, managers, and other stakeholders about better service. Demand may be expressed or implied, or discovered through surveys, market research and feedback. It is most often expressed in terms of convenience, cost, and accessibility.

Demand driven innovations may require detailed planning and resource commitment. Adoption and implementation of information and communication technology based applications have the potential to increase productivity and performance in service delivery. For local government, often the community will have a need, or express a problem, and yet infrequently suggest a solution.

Many councils in Australia have achieved substantial progress through the use of web-based and mobile technologies for innovation in service delivery. The time taken and resource cost of service innovation may be longer than ideas based innovations, but the returns can be significantly greater.

Social media has emerged as a vehicle for the community to voice its needs and expectations. But, the community do not necessarily know what they want in terms of future products and services, particularly ones they have not seen or had an experience with, or whether they wold be prepare to pay through increased rates or charges.

2.6.3   Business driven (transformational) innovation

At a higher level, *business driven* innovation is undertaken in a corporate and strategic context. It may involve a fundamental re-think about the way an organisation operates, the way it manages resources and the way it delivers value to its constituencies. Local government does not have the opportunity to withdraw from the delivery of what are seen as 'core services', however it does have an opportunity to think about how they are delivered.

For some councils, innovation is seen as a constant willingness and desire to rethink established practices. Many elected members and leading CEOs continually question the status quo of their councils on the premise that someone must be doing it better.

Organisations see innovation as a need to constantly change, adapt, and redefine the nature, purpose, and direction. This transformational process reflects a business view of innovation as a way to use resources in new ways to create wealth (Drucker, 1994). Those resources might be currently under the control of council, or they may be acquired where they are seen to be under-performing or lacking potential in other contexts.

Business driven innovation may involve one or more of the following:

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

- Changing the way in which physical and other assets are used, either on their own or in combination, in the creation and delivery of products and services.
- Achieving a substantial shift in the way people work and think about a council through attitudinal, behavioural, and cultural change strategies and programs.
- Entering into new lines of business related to core competencies and capabilities through investments, partnerships, and collaborations.
- Sale or divestment of under-performing business assets.

Inevitably business driven innovation means challenging the way in which council 'business' is conducted. It involves a commitment to sustaining and enhancing public value by responding to changing business drivers and meeting a broad range of stakeholder expectations. At a broad level it can involve using existing assets in new ways to create value.

For many councils the only way they can become sustainable, and continue to deliver public value is through continuous updating of their business models in the light of changes in regulatory oversight, shifts in community tastes and preferences, and more demanding stakeholder expectations. Transformational innovation represents a paradigm shift in the purposes, processes, and behaviours for many councils.

In the public sector there is pressure to ensure that current services provide value for money and that services that no longer meet needs are eliminated to make room for new ones. In the UK councils are being redesigned as 'commissioners' of services. This is seen to be a mechanism to provide services that communities really want, and councils are being encouraged not to commission exactly the same services they have been providing for decades (Fearn, 2012).

The UK Government is creating a *commissioning academy* to provide professional development for public sector commissioners. The academy will look at innovative ways of bringing commissioners together and elevating the status of commissioning and procurement, and developing a new cadre of professionals that are progressive in their outlook on how the public sector uses the resources available to it (Andalo, 2012).

For councils that succeed in transformational innovation the financial returns and value creation outcomes can be substantial. However, the way in which expenditures are incurred to achieve these results may not show up in conventional measures of innovation.

2.7 Conclusion

Councils that have been successful at transformational innovation have elected members and executive leadership teams that bring broad experience from the local government industry and other sectors. This form of innovation involves a major cultural transformation in the values of the elected members, managers and staff. This includes the attitudes, beliefs and behaviours towards the way work is done and how services are delivered to the community.

Apart from performance expectations and a changing business climate, there are no single 'events' that generate a commitment to transformational innovation. It can be associated with crisis, a change in elected members, and a change in corporate leadership.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

In austere fiscal times, councils should not need to wait for crises to drive an innovation agenda.

Notwithstanding the climate of austerity, many councils still want to take on new and extended roles in response to community demands and expectations. These relate, for example, to promoting economic development, increasing access to education, protection, preservation and repair of natural capital, and responding to climate change threats. Local government must also perform its on-going role in the development and maintenance of essential economic, social and community infrastructure and services.

These macro settings create opportunities, as well as an imperative, for ingenuity, the exercise of initiative and the pursuit of innovation through adaptation of technology and partnerships and collaborations with business, community organisations and education institutions. A strategic framework to assist councils looking at opportunities for innovation is addressed in the following pages.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

3. Innovation opportunities

According to Drucker in his classic work *Innovation and Entrepreneurship* (Drucker, 1994), opportunities for innovation arise from seven broad sources:

- Unexpected successes, failures, or events.
- Incongruities between reality as it is and as is assumed to be, or 'ought' to be.
- Process need.
- Changes in industry structure or market structure that catch everyone unawares.
- Demographic change.
- Changes in perception, mood and meaning.
- New knowledge, both technical and non-technical.

In this section these opportunities are used as a basis for reviewing innovation performance in Australian local government. Further discussion where councils have been achieving innovation outcomes in service delivery frameworks are set out as an attachment to the paper. The discussion draws on case studies and profiles prepared for the National Local Government Awards and the online Innovation and Knowledge Exchange Network (IKEN) operated by the University of Canberra on behalf of ACELG.

3.1 Unexpected successes, failures, or events

In local government innovation emerges quite often in response to emergencies. Of particular relevance in local government is the impact of natural disasters and the need for rapid response. It is often said that innovation occurs in response to crisis situations, where new approaches are needed, including ones that have not been required before or necessarily thought of.

Notwithstanding the desirability of preparedness, and the existence of manuals and procedures to protect critical infrastructure, it is rarely practical, or feasible, to foreshadow and plan for *all* possible contingencies that might impact on a council. Initiative and ingenuity are often at the heart of responses in emergency events.

There are many recent examples drawn from the recent flood disaster in Queensland and the Victorian bushfires of February 2009. In 2011, these floods drove innovation in asset management at Somerset Council.

Adversity Drives Asset Management Innovation
Somerset Regional Council, 2012

Somerset Regional Council is situated an hour west of Brisbane and is the fastest growing local government area in southeast Queensland. It has strong agricultural, environmental, heritage and tourism values. It contains important vegetation and forest, areas of high scenic and landscape amenity and significantly, the key water catchments for southeast Queensland.

In January 2011, southeast Queensland experienced the most devastating floods in living memory. Most of the local government area of Somerset Regional Council (SRC) was directly affected, with over $80 million damage to essential road and drainage infrastructure at more than 2,000 individual sites. Several vital road

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

links including bridges were lost and needed to be restored urgently to reconnect isolated communities.

The scale of the catastrophe required new thinking to be able to restore these vital links. This process was critically important from not only a physical sense but also from an emotional perspective for victims who were suffering from the losses caused by the flood including a deep sense of isolation and feeling alone.

SRC Officers where challenged with the need to quickly respond but within a sound financial and asset management protocol in adverse circumstances. Hence, the title of our submission 'Adversity drives Asset Management Innovation'. To succeed, existing systems and available resources were worked into an integrated model to deliver on the demands for urgent recovery of essential public assets. This process lead to the ideal arrangement as the model was being tested live as work progressed.

Various systems exist within local government as part of normal business. What is unique about this model for delivery of the restoration program is that it took advantage of existing systems and assembled them into an integrated model to deliver the restoration and enhancement of public assets to maximise community benefit. The added advantage is that the ongoing management of the restored assets beyond the flood restoration phase has become a seamless, business as usual exercise for future generations to come.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=AS011&entryYear=2012

Severe Tropical Cyclone Yasi in February 2011 called for innovative responses. Yasi hit the North Queensland coast with devastating results for coastal communities. The storm caused an estimated $3.6 billion in damage, making it the costliest on record tropical cyclone to hit the Australian mainland. One of many serious consequences for the Townsville community was the vast amount of fallen trees and vegetation needing removal quickly to enable recovery efforts such as the reconnection of power and making streets safe and accessible again.

Innovation in green waste management to enable more sustainable disaster recovery outcomes
Townsville City Council, 2012

To assist the community to recover as quickly as possible after this disaster, Townsville City Council coordinated the biggest street clean up in the city's history. This clean-up effort took seven weeks and generated over 500,000 tonnes of green waste. To manage the safety, amenity and environmental risks posed by the chipping and storage of such vast volumes of mulch Council worked in partnership with a local company, VRM Biologik, to apply a cutting edge biotech product with microbial agents grown and harvested right here in Townsville.

This project successfully managed the safety, amenity and environmental risks but also produced high quality mulch and soil as its end products. The devastation of Cyclone Yasi provided an opportunity trail a biotech product and demonstrates best practice and innovation by capitalising on nature's own processes to reduce risks and enable a more effective and safe disaster recovery.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=IO047&entryYear=2012

From another perspective, Frankston Council (Victoria) found unexpected success with its community driven YouTube network, Australia's first community driven YouTube network. The initiative was developed by Frankston City Council in mid-2011 and has evolved into one of the most innovative social infrastructure programs in Australia.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

FrankstonTV - Australia's 1st community driven YouTube network
Frankston City Council

FrankstonTV was originally implemented to address a wide-spread online perception problem that the Frankston area is subject to. Within one year, search results for 'Frankston' on YouTube have transformed online perception from parody, to parochialism. Unique web functionality was commissioned by Council, allowing the community to upload videos direct to its own YouTube channel through http://www.frankstontv.com. This provided impetus for the program's unprecedented success.

Beyond satisfying its core objectives, FrankstonTV has generated a diverse raft of outcomes, exceeding all expectations along the way. FrankstonTV has proven to be fillip for local creative industries and students, as demand for film production services grows. Local business, sporting clubs and community groups are queuing up to be featured on FrankstonTV.

Such demand has prompted Council to harness local creative talent, sparking the launch of 'FrankstonTV Enterprises'. This is a spin-off initiative that links demand for film production services to local multimedia students and agencies. The scheme ensures that Frankston City is NBN ready and ahead of the pack.

The initiative has proven to be an excellent educational and youth engagement tool, both for education institutions and to raise awareness about key local issues (such as mental health and environmental). As a social and economic infrastructure program, FrankstonTV is a first for Local Government in Australia.

Few (if any) other programs provide a diverse, interactive and wide reaching public medium. FrankstonTV stimulates community dialogue in a way that no traditional media program has the ability to deliver.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=IO008&entryYear=2012

Frankston Council argues that FrankstonTV has also made Frankston City a model council when it comes to local democracy, providing a wide-reaching, transparent and effective community advocacy platform.

3.2 Incongruities
Innovation occurs when there is an incongruity between an existing reality or situation, and what it is assumed to be, or 'ought' to be. This may occur, for example, when processes and procedures are not relevant or appropriate to addressing or resolving a situation that has emerged or an opportunity that has been created.

3.3 Process need
Local government is under pressure to achieve greater efficiency and effectiveness in processes. Efficiency relates to reduced cost per unit of output and time taken to produce it, such as processing rates payments or approving development applications. Effectiveness relates to quality and client or community satisfaction. In local government these considerations relate to achieving greater value for money from available resources.

Responses to process need can focus on incremental improvement by improving the performance of processes already in place ('repaving the cow path') or developing brand new ways of meeting process objectives and requirements, known as process innovation.

Opportunities for process innovation flow from technology and e-government, an extension of the concept of e-commerce now applied widely in the corporate sector. Advances in

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

information and communications technologies can make innovations possible in payments, purchasing, and other transactions.

Banks and insurance companies are leaders in e-Commerce to the extent that physical interactions between a customer and a bank are no longer necessary. Banks have developed sophisticated customer relationship management (CRM) systems and linked these to banking and financial transactions. Bank accounts can be monitored, payments can be made, and transfers executed through websites and mobile devices. Local Government lags in terms of interactions with the community through CRM systems.

As an example of process improvement, Hills Shire Council (NSW) has developed a new improved Section 94 Development Contributions Register to report on and manage developer levies collected to fund new essential infrastructure such as open space, roads and water management facilities.

Hills Shire Council Section 94 Developer Contributions Register
The Hills Shire Council, 2012

The Register provides a number of benefits in relation to compliance with reporting requirements, management of funds, delivery of works and meeting customer expectations.

The new Register goes beyond conventional reporting mechanisms for developer contributions by integrating Council's existing reporting processes into a streamlined financial tool that reduces the need to maintain separate databases.

Developed using Council's existing corporate finance software, the project was jointly undertaken by Council's Forward Planning, Financial and Corporate Strategy and Information Technology teams.

The Register represents best practice on the grounds that financial transactions, project delivery and revenue forecasts are integrated into a single system. The framework established by the Register will improve the financial sustainability of Council and assist the timely delivery of essential infrastructure for new communities.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=AS018&entryYear=2012

Process innovations have also been developed in relation to pricing and costing and asset management.

Logan City Council (Queensland) is cited as an example of a council that has approached process need through innovation in its development assessment operations, moving from a bureaucratic to a business basis of operation.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Logan City Council - From Bureaucracy to Business
Logan City Council, 2012

In 2008, Council's development assessment business was in crisis. Council has overcome many challenges, transforming itself from being one of the worst performing councils across South East Queensland (SEQ) to be amongst the best in the region. Assessment timeframes have reduced by 68% with a five-day turnaround target being achieved for a large percentage of low risk applications. Council is receiving federal government recognition for these initiatives and relationships with the development community have improved significantly, reaping rewards for all parties.

The approach to the challenges faced by Council included shifting from a bureaucratic to a business mindset, implementing internal referral partnerships, developing a robust reporting framework and redesigning the structure to support the business improvement initiatives. A significant innovation was the involvement of the development community during this journey in Council's commitment to improve service delivery. Council listened to its customers and responded accordingly, adopting a business philosophy and transitioning from a reactive management style to a proactive/consultative approach.

Strong support from Councillors and executive management enabled Council to embark on its journey to deliver best practice in development assessment. The journey has just begun. A significant influence on the transformation was the development of a four year business plan for the Development Assessment Business. Importantly the business plan developed a Branch vision, aligned to the Corporate vision and outlined a cultural plan. Council now has a 24 hour assessment turnaround target for low risk residential development applications.

As part of its 2011-2012 budget, Council announced wholesale reductions of development application fees on key residential applications, including residential subdivisions and multi unit developments. Council has drastically improved its level of customer service, by establishing a dedicated customer service team within the development assessment business who were responsible for all development assessment enquiries. Currently, the Development Assessment customer service team answers 90 per cent of all planning and development enquiries within 24 hours with our goal being 95 per cent by the end of the year.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RE043&entryYear=2012

Process innovation may require a longer time and resource commitment, but the pay-offs can be substantial. The Logan project took two to three years to implement.

Liverpool Plains Shire (NSW) encountered a problem in that its approach to noxious weeds management did not meet requirements. It developed the *Tr@ceR Weeds Mobile Mapping Program*.

Tr@ceR Weeds Mobile Mapping
Liverpool Plains Shire Council, 2009

The development of the Tr@ceR Weeds program stemmed from Council's initial search for a more strategic approach to noxious weed management. Council wanted to introduce a management plan that incorporated measurable outcomes and enabled performance monitoring and benchmarking of the property inspection and weed control process. To achieve their aim, Council developed an in-house computer based program, aptly named Tr@ceR Weeds that takes the inspection and management of weeds into the cutting edge of data collection and validation.

The program combines an exacting process of mobile GPS satellite navigation with the power of interactive

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Smart Forms. Weeds inspectors now have specific information at their fingertips enabling them to record specific data on weed infestation, while an integrated cadastral map allows the inspectors to determine the owner details, address details, Lot/DP and global position.

The Tr@ceR Weeds system captures data regarding the type of weed, infestation size and geographic infestation trends assisting inspectors to pin point areas posing a potential risk to the environment. The system also offers a range of suggested treatment processes for landholders to reduce the incidence and potential spread of weed infestations. A unique user interface gives the inspectors the ability to accurately access their location and to print inspection reports in the field reducing the time and cost of processing property inspections.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=NR022&entryYear=2009

Opportunities for process innovation come about when councils are required to develop new decision-making frameworks. At Ku-ring-gai Council (NSW), a view had emerged that response to climate change required the introduction of new decision making processes that would address returns to climate change related investments.

In collaboration with Macquarie and Bond Universities, the Council undertook a study to identify financially sound methods to determine monetary and non-monetary return of investment in climate change initiatives. The results of the study were applied in the development of a model that provides decision makers with a comprehensive evaluation of the strengths and weaknesses of a suite of adaptation options.

Climate Change Decision Making in a Bean Counters Realm
Ku-ring-gai Council, 2011

The climate change problem is represented as a predominantly global concern but paradoxically requires local level solutions and responses that profoundly implicate local government in new decision making challenges. Ku-ring-gai Council has developed a climate change adaptation model that integrates mitigation and adaptation and provides critical information needed by decision makers to justify investment in a completely transparent way.

The options are contextualised, community validated strategies designed to reduce climate change risks through a combination of mitigation and adaptation while managing unintended consequence for the cheapest possible price. Those that represent the best return on investment are currently underway with over one hundred tonnes of CO_2 already saved. Staff have contributed several journal articles to peer review academic journals to share the product of their research.

Delegations from Korea and China have visited Council in the past few months to learn more about the model developed in an effort to find a suitable model for their own local governments to implement. Council is currently co-ordinating a research team involving Macquarie and Bond universities, ANU and the University of Tasmania to develop a bid for research funding to examine the post planning phase of climate change to identify common barriers and investigate solutions for local government.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=LE002&entryYear=2011

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

This approach reflects initiative on the part of staff to develop an innovative approach to a framework for climate change decision and resource allocation decisions.

Councils should regularly look at the opportunities to achieve innovation in more traditional decision making processes, including the preparation of budgets and plans, development applications, and procurement from an overall supply chain perspective. Too often decision processes are oriented to following rules of compliance and avoidance of risk. Compliance and risk management are important for accountability, and to counter fraud and dishonesty, but pushed too hard can drive out and stifle innovation.

The Commonwealth Government's paper in public sector innovation suggested that procurement can foster innovative solutions for public sector challenges (Australia. Management Advisory Committee, 2010). It recommended that agencies facilitate innovative solutions by focusing on outcomes, rather than specifications, through:

- Being open with potential suppliers about what the agency is trying to achieve and why.
- Engaging with the market prior to commencing the procurement process to identify the problem to be solved and gauge what the market can deliver.
- Establishing a secure portal for the receipt of unsolicited innovative proposals where potential suppliers can suggest innovative proposals without risking loss of intellectual property or competitive advantage.
- Using a stage-gating approach to invite and filter proposals for larger procurement processes and so maximise opportunities to develop innovative ideas (Australia. Management Advisory Committee, 2010).

Procurement based upon sustainability principles is also an area where councils can tap into innovations being developed and applied in other sectors through a strategy of 'innovation sourcing'. Many councils have implemented initiatives that are designed to improve and streamline administration of the procurement process. Many have incorporated sustainability elements[2].

Within local government, and government in general, there is a critical shortage, as well as an increasing need, for educated and appropriately trained procurement professionals. Many universities are now offering graduate and post graduate programs in strategic procurement. Courses have been designed to develop the professional management competencies of current and future leaders in procurement, and enhance their career prospects. Courses focus on total lifecycle approaches.

The Master of Strategic Procurement program at RMIT University, for example, is a dedicated procurement program available at vocational, undergraduate or postgraduate level. It is designed to meet skills requirements in procurement, and address the increasing demands in this area of supply chain management and attract suitably qualified individuals to the profession.

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[2] A number of improvements in procurement processes are profiled in the Innovation Knowledge Network (IKEN). See
http://www.iken.net.au/communities-of-practice/financial-and-corporate-managementment/case-studies/procurement

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Strategic procurement at RMIT
RMIT University

The procurement and purchasing professions are essential components of the logistics element of the supply chain.

Strategic sourcing has been adopted as standard practice by public and private organisations in Australia and internationally. This practice will impact on all Victorian State Government department and local government councils. (Source: Strategic Sourcing Policy requirements related VGPB Policy and Guidelines)

Strategic procurement specialists:

- develop skills to deliver cost and service efficiencies for commercial advantage
- need knowledge and skills across a range of areas including market analysis, strategic sourcing, category management, business performance, economic analysis, organisational behaviour and spend analysis
- understand longer-term environmental and social trends associated with strategic sourcing-related issues.

Source: http://www.rmit.com/programs/MC186

This program is the result of an explicit need recognised by the Australian Technology Network (ATN) universities in partnership with the Australasian Procurement and Construction Council (APCC) to develop the professional management skills of current and future leaders in strategic procurement.

3.4 Changes in industry structure

The local government industry has been undergoing change on a number of fronts. It is responding to demands from Commonwealth and state/territory governments to be more involved in the delivery of services that they have defined and provide funding for, as well as expectations from the community for a broader range and better quality of sporting, recreational, cultural, and community services. There has not, however, been a fundamental change or shift in overall industry structure.

Changes in industry structure stem from de-regulation and the introduction of competition. Structural change may also come through amalgamations, providing the opportunities for councils to operate as larger, more sustainable entities, new forms of organisation in involving collaboration and partnership with other councils or with the private sector, or through a change in approach to service delivery, such as 'commissioning' which is being introduced in the UK.

Structural change is evolving in some States and Territories through forced or voluntary amalgamations, outsourcing, separation of purchaser and provider roles and responsibilities, compulsory competitive tendering, and formation of 'arm's length' delivery entities to provide services on a business-like basis (where costs of delivery and revenue can be clearly linked). These approaches can be innovative to the extent that new ways of doing business (business models) emerge.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

The forced amalgamations in Australia have largely been approached on the basis of trying to achieve efficiency and productivity gains through cost reduction and capacity building. They have not been driven by opportunities to innovate. The advocates for amalgamation rarely cite innovation as a driver. Even the ACELG report on consolidation in local government (Aulich *et al.* 2011) does not mention innovation either as a driver or as an outcome of amalgamations.

Changes are happening with the emergence of social enterprise as a way of commissioning new community services. The extent to which commissioning will lead to the sort of changes in industry structure that are anticipated in the UK is not likely unless it becomes fully embraced by state/territory governments as a way of achieving improved performance in local government.

Peppercorn Services Inc.: A model for Social Entrepreneurship in Local Government
Hawkesbury City Council, 2008

Peppercorn Services Inc. (PSI) is a social enterprise unit of Hawkesbury City Council created to provide a competitive vehicle for commissioning new community services. The need to achieve sustainable competitive advantage within the community services sector was the primary objective driving the creation of PSI.

The Hawkesbury LGA has traditionally been serviced by small and fragmented community-based funded services while, at the same time, larger not-for-profit (NFP) organisations located outside of the City's boundaries have been unable to maintain a visible and viable outreach presence within the City (even where funded to do so). Recent changes in government tendering arrangements have favoured larger organisations who have attracted the majority of new funding. Consequently, the Hawkesbury (as a region) was placed at a competitive disadvantage in attracting external investment for locally-based community services.

PSI operates as an incorporated association managed by a Community Board made up of community leaders and representatives of key institutions. Board members are appointed on the basis of their skills and industry expertise. Since 2002, Council has delegated to PSI responsibility for the management of Council's portfolio of externally funded community services and key community facilities. This management transfer has provided PSI with a revenue and asset base which it has used to leverage external funding for new projects and as start-up capital for new social ventures.

Under the PSI governance framework, Council retains responsibility for identifying the human service needs of residents through its community planning processes. Council, in partnership with PSI, then tenders for grants to commission new services which are delegated to PSI to operate as the contracted community services delivery arm of Council. The model recognises the critical role of Council in providing strategic and policy leadership to direct and co-ordinate the investigation and planning of regional responses to meet the human service needs of residents. This model also acknowledges Council's role in facilitating inclusive community engagement processes and building strong community connections.

Over the last five years, Council, through the PSI social enterprise model has secured additional recurrent funding of almost $1.1M per annum (as well as $539K in capital funding) - a 56 per cent increase in annual revenues from community service grant receipts.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RD014&entryYear=2008

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Much has been written about social enterprise as a form of local services delivery. Social enterprises are businesses with social objectives and use surpluses to reinvest in the business or in the community, rather than being driven by the need to maximise shareholder value.

According to social enterprise advocate Charles Leadbeater, social enterprise offers a new way to do business that is animated by a social purpose. He suggests that although most social enterprises are small, and many are fragile, the sector has attracted growing interest from policymakers, young people, entrepreneurs, funders and established businesses. This is associated with what is seen as a 'rising tide of voluntarism'. He argues that government can tap into this resource through policies that support social enterprise in four main areas of activity (Leadbeater, 2007):

- Support social entrepreneurs to operate at greater scale, through organisational growth where appropriate, clustering, networks and licensing.
- Encourage a wider giving culture and sense of social responsibility that will feed into consumer behaviour in ethical markets, charitable giving to support social enterprises and voluntary contributions to support public services, for example in the care economy.
- Commission public services to promote social innovation and more effective social outcomes, including encouraging user-led innovative public services.
- Encourage and where necessary require a more urgent sense of social responsibility from business.

Local government has a key role in fostering this agenda—and, arguably, a great deal of progress has been made in councils and LGAs that do not have the resources to provide needed social and community services funded directly from their own budgets.

3.5 Demographic change

The expansion of the outer areas of the major cities carries with it a change in population distribution. Many councils have taken specific initiatives to support a growing proportion of people aged 65 years or over, increases in the numbers of young children, and address issues associated with increases in the numbers of unemployed youth.

Frankston City Council (Victoria) introduced a Student Discount Card Scheme (Splash Card) as an economic development initiative to encourage local employment, local shopping, and engages with youth and support education.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Frankston Student Discount Card Scheme (Splash Card)
Frankston City Council

The program predominantly operates through online mediums including website, email, SMS, Facebook and Twitter, and connecting with young people through the avenues that they prefer.

The methodology behind Splash Card leads the way forward for council to engage young people and alert them to local employment opportunities in a no-nonsense fashion that reduces bureaucracy that plagues many local government youth programs.

The program has an array of benefits including retention of locally educated talent through local employment; support for local small businesses; and youth engagement. The program bridges the gap between local employers and local students.

Working locally has never been viewed as a viable option for educated professionals, and they have been drawn into working in professional hubs (e.g. Melbourne CBD). Employing more educated people locally translates to increased intellectual capital, entrepreneurship and, thus, ability for the local economy to grow.

So far, in its 15 months of operation, Splash Card has been distributed to over 25,000 students (20,000 of which are tertiary students). Over 2,200 students have registered their card online and this figure continues to grow, providing council with a powerful database that is being linked to local employment.

The Splash Card is an innovative tool to engage students and young adults to participate in the local economy and community. It is an excellent example of a local government trying out a new concept by building it up from a simple discount card to encourage students to spend in the local economy, to engaging with them through social networking media, and then extending it to advertise local jobs. It demonstrates excellent partnership arrangements with the nearby TAFE, university and local businesses.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=IC002&entryYear=2011

3.6 Changes in perception, mood and meaning

The expectations of local government are continually changing and evolving. Over relatively short periods of time there can be significant changes in community perceptions, moods and meaning, which create innovation opportunities for local government.

A generation ago there was a perception that local government should extend its role beyond delivery of 'property' based services towards a greater role in human services delivery and promoting economic development. More recently, there is a perception that local government should be involved in the areas of climate change, sustainability, and higher education. There is also an expectation that local government should facilitate access to Commonwealth and state/territory provided health and community services. These aspects of extended role are addressed in the following pages.

3.6.1   Climate change and sustainability

Many councils are adopting innovations in response to changes in community perceptions, attitudes and thinking about climate change. Some have been in the pipeline for some time, whilst others are more recent.

In 1996, City of Cockburn (Western Australia) committed to reducing greenhouse gas emissions. Since then the City has grown and developed a well-rounded Sustainability and

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Climate Change Program that provides key enablers for the city to minimise its carbon footprint and proactively lead climate change action within the Cockburn community.

City of Cockburn's Sustainability and Climate Change Program
City of Cockburn, 2011

The program has a number of very successful features:

- A clearly articulated Greenhouse Action Plan and Climate Change Adaptation Action Plan for the city's business units to follow.
- A Community Engagement Strategy that features a suite of educational and awareness raising activities.
- A clear corporate emission reduction target to work towards.

The City's Sustainability and Climate Change Program applies a range of innovative Mitigation and Adaptation strategies to reduce greenhouse gas emissions and help minimise the impacts of climate change. The City commits a considerable amount of funds, upwards of $650,000 per year into this program, with a large proportion of these funds spent on community engagement. Since 2001, the city has been able to abate approximately 330,000 tonnes of CO_2 pollutants.

The program is a blend of initiatives including investment in renewable energy systems, research, new technology, awareness campaigns and council policy. At the heart of this program is the key objective to actively engage the City's stakeholders. The project's range of education programs, informational brochures, interactive displays and websites have engaged and ultimately inspired the community to invest in renewable energy and adopt sustainable living choices.

Similarly the city's investment in research will shortly see the City become one of the first local governments to map wind resources across their geographical area and make this available to corporate business and the community via an online geographical information system. The City's innovative waste management initiatives such as weekly recycling, gas capture from landfill and its recycle shop have also significantly contributed to the community climate change action.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=LE009&entryYear=2011

In 1997, the world's biggest coal exporter, Newcastle, New South Wales, conceived a vision of itself as an international testing ground for the application of sustainable technology and practices. Four years later, the Council developed the world's first greenhouse gas speedometer (www.climatecam.com) to measure and report progress on its local greenhouse action plan.

ClimateCam - International Test Laboratory
Newcastle City Council, 2009

Council reduced its own electricity consumption by 40 per cent based on 1995 levels and the City is set to meet its 2008 greenhouse gas reduction target by the end of the current year by returning the City's emissions to year 2000 levels.

Council developed the ClimateCam family of action-based learning programs to show community and businesses how to achieve deep and sustainable reductions in energy and water consumption. This work has culminated in a world-first environmental initiative, the Together Today partnership

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

www.togethertoday.com.au launched in April 2007.

The partnership between Council, government organisations and Hunter region industry aims to lead the community in creating Australia's most energy and water efficient region. The programs have been purposely developed so that they can be replicated throughout Australia and overseas if required Newcastle's world first initiatives were presented at the OECD Competing Cities and Climate Change Conference in Milan Italy in October 2009 at the invitation of the OECD and in partnership with the Commonwealth DEWHA.

The ClimateCam initiative has now been included in an OECD preparation report for the City of Copenhagen in the lead up to the Conference of the Parties (COP15).

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=LG009&entryYear=2009

Randwick City Council (NSW) has also been on a journey to tackle both its ecological and carbon footprints. Working with its community and other Councils, Randwick has been leading by example, implementing tangible programs to reduce energy consumption and increase its own abatement actions and those from community sectors.

Getting to the heart of Randwick's carbon footprint
Randwick City Council, 2010

Over the past year Council has installed an additional 48 kilowatts of solar photovoltaic (PV) panels at various sites including 36 kilowatts alone at its Works Depot, representing the largest rooftop solar PV installation of any local government in Australia.

Randwick has also led the development and implementation of the first local government carbon trading scheme in Australia. Known as LGETS, there are now 12 NSW Councils (nine metropolitan and three regional) collaborating to achieve an annual four per cent reduction in emissions over a five year trial period. With the emissions register complete, LGETS Councils are currently carrying out practice trades and further refinement of their trading framework.

Council has signed a MoU to install small scale wind turbines at two of its sites and recently completed the first NSW installation of new solar technology streetlights. This technology relies on ultra efficient solar film wrapped around the pole powering computer controlled multi directional LED lighting technology.

Council also conducted its 12 month Sustainable Home Makeover rebate program, providing 470 rebates for householders installing energy and water saving measures around the home. This program has delivered $2.4 million in new energy and water saving investment, saving in the order of $160,000 in energy bills and significantly reducing greenhouse gas emissions.

Working with neighbouring Councils, Randwick has successfully retrofitted and opened a sustainability demonstration house in Randwick City for Eastern suburbs residents to visit and learn firsthand about affordable energy saving solutions and carried out other major community education initiatives.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=LG013&entryYear=2010

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Changing attitudes towards sustainability have created many opportunities for innovation in local government. Councils are now being expected by their communities to take a more active role in progressing sustainability. Many of these have been combined with other innovation opportunities, including waste minimisation, social responsibility, and social business incubation.

Towong Shire Council (Victoria) has embraced sustainability responsibility and delivered a series of innovative programs under the banner *Sustainability at the Source*. Towong is located at the headwaters of the Murray River and surrounds two of the nation's most significant water storages, Lake Hume and Dartmouth Dam. Land use practice in this region impacts on communities along the entire length of the Murray.

'Sustainability at the Source'- Best Practice in Sustainable Agricultural Innovation
Towong Shire Council, 2009

The program targets innovation, technology and best practice in agriculture, natural resource management and community engagement to provide sustainable pathways for communities in this pristine region in the foothills of the Australian Alps. Sustainability at the Source is primarily about developing best practice in water and soil management, plant and animal health, environmental management and energy use. The programs have been delivered via an outstanding partnership of local government, industry and various state and federal agencies.

The considerable achievements of these partners culminated in 2008 with the launch of an Australian first website called My Farm which presents real time environmental data collected from a shire wide network of weather stations, environmental monitors and radio telemetry infrastructure. My Farm also monitors essential farm infrastructure, even remote wild dog exclusion fences, and can issue alarm warnings via email or SMS. It is an innovative and practical response to managing natural resources in large and remote locations and also combats some of the challenges of drought and long term climate change.

Sustainability at the Source is integrated with other sustainability and technology initiatives such as wireless telecommunications and renewable energies. Towong Shire Council will continue to push its claim as the nation's most progressive council in promoting and delivering best practice in sustainable agriculture and natural resource management and is proud to showcase the outstanding achievements of Sustainability at the Source.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=NR016&entryYear=2009

Townsville City Council has implemented a *Citysolar* program as a vision for a sustainable city. The Solar City project forms part of a $94 million program to build community capacity through a range of innovative initiatives including sustainable precincts, stimulation of resident and business action, and the application of behaviour change methods. These are seen to be transforming the way people think about and use energy and resources.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Townsville City Council Citysolar Community Capacity Building Program
Townsville City Council, 2012

A city powered by the community, Citysolar is:

- Utilising all of our collective knowledge, vision and actions;
- Creating new systems and utilising old processes; and
- Integrating environment, economics and social systems.

The key objectives of the program are to support local people and business to reduce energy use in our community, build community capacity to think and act sustainably, and trial and/or promote new ideas to help tackle climate change.

Some of the things the project is delivering include:

- Practitioning one of the most comprehensive Community Based Social Marketing programs in Australia targeting Residential Energy Demand.
- Creating an Eco-Efficiency Experience throughout the city for the whole community, using a Learning-Creates-Action approach to delivery.
- Developed Townsville's first Plug-in Hybrid Electric Vehicle which is used as a tool to communicate and uncover new technologies and innovation.
- Demonstrating and trialling alternative renewable energy technologies and uncovering the barriers and benefits within a Townsville context.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=EE011&entryYear=2012

Four more examples covering climate change are included in the IKEN website[3].

3.6.2 Access to services

Councils meet community expectations by taking innovative approaches to ensuring that services are available and accessible. This can involve taking the initiative and the lead in bringing a number of parties with different, but complementary responsibilities together to provide a service that, on their own, they might not have delivered.

Local government, particularly in rural areas, has taken a role of ensuring that services that are available under Commonwealth and State/Territory mainstream and periodic competitive funding programs are secured and these services are available and delivered in their council areas. This requires effective lobbying and advocacy, as well as competent grant writing.

Innovative approaches to enhancing access to facilities and services are addressed under the headings of health, knowledge and education.

Access to health services

Local government, particularly in rural and remote areas, is keen to ensure that residents have access to primary health care services. For example, Cabonne Shire Council was instrumental in securing the delivery of a fully integrated primary health care facility in Molong (NSW). The

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[3] http://www.iken.net.au/communities-of-practice/sustainability-environment-and-climate-change/case-studies/

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

$3.6 million Waluwin Community Centre is seen as the 'jewel in the crown' for the delivery of rural health services[4].

Waluwin Community Centre
Cabonne Shire Council, 2011

The most exciting initiative undertaken by Cabonne Shire Council, the centre in the small country town of Molong was Australia's first fully integrated primary health and community care facility. The result of an amazing partnership between all three tiers of government, health service providers, community organisations and local residents, the facility houses general practitioners, community health workers and allied professionals, such as a speech therapist, occupational therapist, physiotherapist, and child and family health nurses, as well as pathology services. It is also the headquarters of the council's Family Day Care and Family Links services and is the venue for community playgroups, mothers' groups, community meetings and training sessions.

Regarded as a model for the delivery of future health services in country areas, the Waluwin Community Centre has been described as 'the pinnacle of best practice in Australia'. This new model of care has a focus on preventative care, involving early detection of illnesses, early diagnosis, intervention and treatment. The result of eight years of extensive consultation, planning and construction, the Waluwin Centre was funded by an eclectic collaboration, including the Federal Government's Regional Partnerships program, New South Wales Health, Greater Western Area Health Service and Cabonne Council, as well as community groups as diverse as the Country Women's Association and Anglican Church.

The Waluwin Community Centre, named after an Aboriginal word meaning health and wellbeing, stands today as a permanent example of how federal, state and local government can come together with the local community to develop a concept into one of the most important community facilities ever constructed in Cabonne Shire.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=II002&entryYear=2011

A similar initiative was taken in Corangamite (Victoria) to address high risk factors relating to cardiovascular disease. It involved developing a network to build collaboration among health service providers and researchers.

Heart of Corangamite
Corangamite Shire Council, 2008

The 'Heart of Corangamite Project evolved in response to the Greater Green Triangle University Department of Rural Health, Flinders and Deakin University Cardiovascular Disease Risk Factor Study (2005) which identified Corangamite Shire residents as having significantly high risk factors for CVD. The' Heart of Corangamite' Network was formed in 2006 and has grown into a cohesive, dynamic group.

With an evidence based approach the Network is targeting low income families, using the D.H.S. Health Promotion Priority Areas of promoting accessible and nutritious food, physical activity and active communities. The purpose of the Network is to:

- Facilitate understanding of healthy lifestyle choices.
- Encourage sustained positive behavioural changes in physical activity and nutrition at a population health level.

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[4] This was the term used by New South Wales Parliamentary Secretary for Health, Dr Andrew McDonald when he officially opened the building in February 2010.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

- Developing and encouraging 'upstream' health promotion initiatives.
- Map and disseminate information on local services in regards to physical activity and nutrition.

A whole of Shire approach has been taken, acknowledging the diversity of populations within the geographical region and utilising the Shire's human and physical resources already in place. Shire staff (management, childcare, HACC, kindergarten and Maternal and Child Health) participate in the Network as well as representatives from the South West Primary Care Partnership, Community Health Centres, Disability ,Sport and Recreation, Rotary, Community Houses and Community Garden, Respite and Volunteer networks, Schools, Deakin University, the Australian Breastfeeding Association and Parks Victoria. Local community representatives are the conduit between the Network and the broader community.

The Shire's role has been significant, not just through the support of management and in-kind contributions, but also through the funding of a series of Capacity Building workshops for all Network members, including a four hour Health Promotion Short Course and a series of facilitated workshops to develop the Network's Strategic Action Plan.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=HW004&entryYear=2008

Cardiovascular risk factors prompted the Moree Plains Council (NSW) to make electronic defibrillators available throughout the Shire. Being conscious of its ageing workforce and the ageing population in general the council purchased eleven automated electronic defibrillators (AED's) for distribution throughout this rurally isolated shire, one of the largest in NSW.

Saving lives in Remote Areas: A Moree Plains Shire Council Initiative
Moree Plains Shire Council, 2008

The AED placement is being supplemented by Council's First Aid Training Officer providing accredited instruction in their use to NSW Rural Fire Service Volunteers based in each area. These emergency service volunteers were selected because of their prominence in small communities and their subsequent availability 24 hours a day.

The AED is located at local Rural Fire Service Headquarters. Those persons trained display their names and telephone numbers in prominent places such as Community Notice Boards, Libraries, Hotels and Post Offices for example so that residents can access a trained Officer and an AED if it is considered one may be required.

In 2004, coronary heart disease (mainly heart attack) was the underlying cause of 24,502 deaths (Heart Foundation 2006 p5). Given the huge areas and long distances that an ambulance has to travel to reach large sections of our population, often over an hour's travelling time, the availability of an AED in the event of a Sudden Cardiac Arrest (SCA) is considered a life saving initiative.

In addition to this measure, Moree Plains Shire conducts community consultations and meetings where the ideology of a healthy lifestyle and the skills of CPR are provided, particularly where AEDs are located. Printed material has been purchased from the National Heart Foundation, for example 'CPR - Saving Lives' and 'How to have a Healthy Heart' for distribution throughout the Shire as an integral adjunct to the project. Residents are also informed by Council staff (the trainer) of the urgent need to call for an Ambulance in case of emergency as this technology does not replace expert professional assistance.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=HW001&entryYear=2008

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Dental health is a major problem in rural and remote communities. By facilitating the development of a student placement program, Brewarrina Council (NSW) achieved success in locating a dental care service in the town.

Brewarrina Rural and Remote Dental Project
Brewarrina Shire Council, 2010

The Brewarrina Rural and Remote Dental Project is an innovative solution to the high demand of dental care for rural and remote communities in the Western Division of NSW.

In December 2006 Brewarrina Shire Council approached Griffith University, having heard that Griffith University was developing a Rural Placement Dental Program and was seeking a community to host final year dental students undertaking practical experience.

Community consultation was undertaken and a partnership between Brewarrina Shire Council, Griffith University, Ochre Health and Greater Western Area Health Service (GWAHS) was formed, resulting in the Brewarrina Rural and Remote Dental Project.

The project has two clear objectives:

- Provide a dental service to residents of North Western NSW (Brewarrina and the surrounding areas).
- Provide dental students with a rural and remote residential placement that will encourage students to work in rural and remote communities after graduation.

The initiative involves groups of up to 8 Griffith Dental Students, accompanied by a qualified Dental Supervisor who come to Brewarrina for blocks of 3 weeks to provide dental services to the community. Holders of Australian Health Care Cards and Children under 18 receive free treatment

Since commencing in February 2009 over 700 patients have received treatment from as far away as Cobar, Bourke, Walgett, Moree and Dubbo and 1300 appointments have been attended.

The Brewarrina Rural and Remote Dental Project demonstrates a unique and creative approach to delivering health care services in rural and remote locations and is supported in full by the Brewarrina community.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RH003&entryYear=2010

These initiatives draw attention to the key role of local government in securing community access to services. It involves innovation through taking the initiative and building collaborations among diverse parties. It is a role that can only be performed at the community level.

Access to knowledge
Many councils have adopted innovative approaches to the provision of library services to meet community expectations in an increasingly knowledge based economy. Canning Bridge Library Lounge (Western Australia) has moved from 'a place for books to a space for people'.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Canning Bridge Library Lounge
City of Melville, 2012

The City of Melville's recently redeveloped community space at Canning Bridge is proving popular with visitors old and new. The Canning Bridge Library Lounge has retained the friendliness associated with the 50 year old library service while increasing the vibrancy of its interior and the relevance of the services it provides. Changing from a place for books to a space for people is what the lounge is all about, making our community feel at home.

The library lounge welcomes all community members to come in and spend time, meet and chat with others, watch the 24 hours news channel, have a coffee. Of course there are also the latest books, magazines and DVDs to browse and borrow, and Internet PCs to use. Or, bring your own laptop and plug in to our power and Wi-Fi. The lounge space has seen a 50 per cent reduction in book stock for that location, changing the face of our library service to meet the changes in community needs and expectations.

Creating an experience that is bigger than the book, the lounge focuses on technology, relaxing, meeting people, sharing ideas, reading or purely just lounging around. The interior space also provides for flexibility and can be arranged to meet the needs of groups wishing to meet informally or formally. A four person meeting room is also available for hire. Activities for children are conducted on Monday mornings. The library is closed to the public on Wednesdays, but may be booked by business and community groups on this day.

This innovative infrastructure project has made a quiet library into a home away from home.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=IO020&entryYear=2012

In North Sydney, the Coal Loader Centre for Sustainability is located on the Waverton Peninsula and opened in July 2011. This aims to provide access to knowledge about adaptive refurbishment of ex-industrial infrastructure for community use, with sustainability at its core.

Coal Loader Centre for Sustainability
North Sydney Council, 2012

Returned to the community in 1997 as part of the then Premier Bob Carr vision for the Sydney Harbour foreshore, the site has been the subject of intensive, community-directed redevelopment. This 2.8ha site now provides the local and regional community with a unique environment for hands-on learning about sustainability in everyday life and a community meeting point and hub for Council's extensive range of environmental and sustainability programs all within an open space setting.

The Centre presents a diverse range of formal and informal opportunities for learning and community engagement. It is home to many of Council's existing sustainability and environment programs and workshops; the range and nature of activities, programs and workshops housed in the Centre will continue to grow and develop over time in conjunction with Council's program partners. Learning opportunities are enhanced by the site's intrinsic qualities including Aboriginal heritage, proximity to natural bushland and Sydney Harbour, and substantial intact remnants of industry.

These themes are explored across the site through a range of media including interpretive signage, audio-visual presentations, and sculpture and art installations. Open space areas of the site support facilities including a community garden, community nursery and Aboriginal bush-foods garden which offer further opportunities to meet and interact with community members.

What distinguishes the Coal Loader Centre for Sustainability from other facilities is found in:

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

- The multiple layers of history conserved and celebrated on this site.
- The achievement of a delicate balance between community expectations and long term conservation principles.
- The use of innovative and leading technologies.
- The underpinning of the site with an extensive research and planning framework.
- The integration of sustainability principles throughout all levels of the site and.
- The unique juxtaposition of 'old' industry overlain with new ideas and technologies, as captured by the phrase 'Learn from the Past - Embrace the Future'.

All these factors combine to produce the substantial legacy the Coal Loader Centre for Sustainability provides for future generations.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=IO016&entryYear=2012

3.6.3   Tertiary education

Councils are responding to a growing mood in the community, particularly in rural communities, to the value of tertiary education. Councils recognise the contribution of education to employment and local economic development. Many councils have adopted a tag line of 'knowledge city' or 'knowledge region' based on the presence of universities, research institutions, and new technology based firms, or on the proportion of tertiary educated people in the work force.

Few councils, however, have been able to allocate significant resources to building capacity and capability to achieve economic development outcomes. At the same time, many advocate and lobby universities to establish campuses in their towns. There are several examples of councils that have actively encouraged the delivery of and access to tertiary education within the community. The City of Coffs Harbour (NSW) made land available for a joint campus involving Southern Cross University, NSW TAFE and the Department of Education.

Parkes Council (NSW) adopted a similar approach in relation to securing education services by supporting the establishment of a University Study Centre.

Parkes University Study Centre
Parkes Shire Council, 2012

The Parkes University Study Centre is an innovative way of bringing higher education to Parkes and the Central West, by utilising the infrastructure at TAFE Western, Parkes campus to offer TAFE and Charles Sturt University (CSU) courses. It is based on a model which has been successfully offered in Griffith since 2004 and which was highlighted in the 2008 Bradley Report as being as an innovative way of providing tertiary education to regional Australia. The report called for more 'higher education service points to be established'.

The Parkes University Study Centre is not only important to the Parkes Shire but to rural and regional Australia. We believe that it is a model that maybe emulated to bring tertiary education to the regional Australian centres. We also believe that it will help achieve the initiatives put forward in the 2008 Bradley Report into Higher Education in Australia which called for 40 per cent of 25-34 yr olds by 2020 to have a degree or greater qualification and for 20% of this group to represent low socio economic backgrounds which

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

including from regional areas.

By having a University presence in Parkes we believe that it will help break down barriers and make the concept of going to university achievable to local people who may not have considered the option in the past.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RE023&entryYear=2012

Similar initiatives have been adopted in other centres with funding from the Commonwealth's Regional Loading Scheme. Some study centres, such as at Bega on the NSW South Coast, are integrated with the council library and sports facilities.

In the North Midlands region of Western Australia, about 370 kilometres from the state capital of Perth, Morawa Shire with a population of approximately 1000 residents, took the lead in developing an innovative partnership that could become the blueprint for other communities to follow.

Education 'Revolution' Through an Award Winning Partnership in Rural Region of WA

The Morawa Education Alliance (MEA) was formed in 2005 between the Shire, WACOAM and MDHS. The Alliance secured funds under the Agricultural Development Partnership to conduct a pilot study into a strategic plan for 'Community revitalisation through education'.

The MEA concept was expanded in 2008 to include industry and business partners including: Durack Institute of Technology, Karara Mining Ltd, Sinosteel Midwest Corporation Ltd, Morawa Community Resource Centre, Mid West Chamber of Commerce & Industry and the Morawa Farm Improvement Group. This led to the formation of the MEITA and a strategic plan was developed. In 2009 funding was secured for an audit, review and update of the Strategic Plan. Ongoing targets and goals were set for 2010-2013, which is part of a Strategic Plan for 2010-2013. The process also developed an Operational Plan, actioning parts of the Strategic Plan in 2010-2011.

MEITA secured $3 million in State Government Royalties for Regions (R4R) funding to establish a new residential accommodation facility at the WACOAM campus. Agreement was reached with the Education Department of WA to set aside 12 beds at the new residential campus for access use by the Morawa District High School. This became one of only a few district highs in the State to offer a residential service attracting students from other regions and providing jobs.

The Durack Institute of Technology, currently based in Geraldton, is now looking to build a Morawa campus to offer mining related training. An 'Industry Training Centre' is in the planning stage, and the business case is currently being prepared to seek funding.

There are also plans to make Morawa an electronic educational hub to operate at a district and regional level for secondary education that all rural schools can access.

Reference: http://www.iken.net.au/communities-of-practice/regional-collaboration-and-consolidation/case-studies/education-%E2%80%98revolution%E2%80%99

The City of Rockingham (Western Australia) has established a highly successful partnership with Murdoch University in which the city funds the university to employ a Chair in Education at its Rockingham regional campus.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

City of Rockingham Chair in Education (Foundations for the Future)
City of Rockingham, 2012

This innovative regional collaboration has produced successful and measurable outcomes including nationally and internationally recognised research on education and community health parallels, yearly increases in the numbers of students registered in teacher education courses and the strengthening of the region's educational wellbeing.

The accomplishments of the Chair were commended in The External Review of the School of Education undertaken in September 2006 chaired by Professor Alan Reid from the University of South Australia. The report acknowledged that the Chair has provided 'local leadership at the regional campus and that the benefits of this position are already apparent.'

The City of Rockingham long concerned with the low rates of school completion and tertiary enrolments within the region views the funding of the Chair in Education as imperative to increasing participation in higher education and lifelong learning, as well as the social and economic success of the communities in the region. Investment in the future of young people within the community through providing accessible pathways to local tertiary education is seen by the City as central in their commitment to the health and wellbeing the community.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RE027&entryYear=2012

The City of Adelaide was concerned that young people from rural and interstate areas who move to the city for the first time to study often report being overwhelmed, isolated and confused by their new environment. The Rural and Interstate Student Support Program aims to make the transition to tertiary study in Adelaide easier.

Rural and Interstate Student Support Program
Adelaide City Council, 2009

The Adelaide City Council builds relationships with young people before they get to the City, by visiting them in their own community. Council engages regional young people and provides important information about the City including accommodation options and links them to a Council funded welcoming and orientation event during their first week of study.

Get on the Bus is a fun and informative Bus Tour of the City, run by Adelaide City Council for rural and interstate students who have moved to Adelaide for the first time. The Tour targets tertiary students aged 17-25 years attending City Universities and TAFE. There are two Tours held each year in Orientation Week. The first Tour is part of the Adelaide University's transition program 'Smoothstart' and the second is open to all students. In 2009, 265 students attended Get on the Bus.

Council has been running the Get on the Bus program for three years and welcomed a total of 807 students in that time. Getting to know the City and all it offers can be daunting. Get on the Bus orientates students to the City's sporting and leisure venues, services and facilities, shopping and entertainment hotspots, cheap eats and Adelaide festivals and icons. Young Adelaide comedians lead the Tour with a quick wit and strong knowledge of the City from a young person's perspective.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=YE013&entryYear=2009

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

The roles of councils in promoting higher education are addressed in a forthcoming paper by ACELG and ANZSOG Institute for Governance on local government and higher education.

3.7 New knowledge application

The availability of new knowledge provides opportunities for innovation. New knowledge developed in the social sciences is as important as knowledge emanating from the natural and technological sciences for local government.

As local government roles and functions become more knowledge intensive, it becomes more important for councils to be able to tap into the knowledge resources and capabilities in universities and research organisations. Many councils have developed relationships with university research centres to contribute to and access knowledge, particularly in relation to traffic and transport (civil engineering), clean energy, and natural resource management.

Great Lakes Council (NSW) is implementing a sustainable estuary and catchment management program for Wallis, Smiths and Myall Lakes. These lakes underpin the Great Lakes local economy and environment and are recognised, locally, nationally and internationally for their ecological values.

Integrating water quality science into Local Government Planning – achieving ecological and economic health
Great Lakes Council, 2009

Wallis Lake, a wetland of National Significance, proudly produces over 30 per cent of the States Sydney rock oysters, 20 per cent of its seagrass, and thriving professional fishing and tourism industries. Formal conservation agreements include international migratory bird agreements and Ramsar listing for the Myall Lakes. The centre piece of Council's successful program is the Great Lakes Water Quality Improvement Plan.

This innovative and comprehensive plan was approached holistically, combining scientific research, catchment and estuary modelling and research into management and implementation options. The plan is underpinned by a genuine program of stakeholder engagement that built on, and established new partnerships with agency representatives and the community. This approach has resulted in plan adoption and timely implementation. The Water Quality Improvement Plan implementation showcases the integration of the latest catchment and estuary scientific research and best practice recommendations into local level planning and management.

As a result of the Water Quality Improvement Plan, Council has streamlined and strengthened its program of catchment management establishing a defensible system based on the best available science. The plan clearly identifies water quality objectives that have been translated to new policies and procedures for water sensitive urban development through development assessment and re-zoning land. In rural areas, catchment management programs have expanded to focus on holistic farm management and sustainable grazing in partnership with landholders.

The plan has also supported existing projects such as the buy back and conservation of wetlands and has also initiated further research projects which will lead to protection of ecologically sensitive areas of Wallis Lake.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=NR020&entryYear=2009

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Kogarah City Council (NSW) is the first local government council in Australia to introduce fuzzy logic modelling into its stormwater drainage assets condition model. It is a collaborative effort between the council and the University of Technology, Sydney, and is the first model application of its type for determining the condition of underground infrastructure assets.

> **Model for Underground Infrastructure Stormwater Assets**
> *Kogarah Municipal Council, 2010*
>
> The benefits of the Stormwater Drainage Asset Condition Model is that it uses a number of different criteria in determining the condition of the pipes, including:
>
> - Traffic loads and volumes on the road.
> - Maintenance regimes of pipes.
> - Composition of pipe material.
> - The size and age of the pipe.
>
> The land use that predominates where the pipe is located.
>
> Council's Stormwater Drainage Assets Condition Model can be used to predict the condition of underground stormwater assets without going through the expensive exercise of running Closed Circuit Television Cameras (CCTV) through its underground network of pipes.
>
> The new Stormwater Drainage Assets Condition Model incorporates the use of advanced technical software and fuzzy logic. The premise behind fuzzy logic is that everyday language descriptors are defined in a mathematical manner for which the model is then able to mathematically define the basis for poor, average, good or excellent. Maintenance is also part of calculating the condition index of a pipe. As a result of this method, certain specified criteria are combined mathematically to predict the condition of pipes.
>
> The model has currently been validated and calibrated by the use of comparisons of output, which have been generated by limited CCTV surveys using a small pipe network. Results show that there is a very high correlation between the results predicted by Council's Stormwater Drainage Asset Condition Model and the results obtained by the Closed Circuit Television Cameras (CCTV).
>
> It is expected that the Stormwater Drainage Asset Condition Model will deliver both tangible and practical benefits to council. In particular, in the long term, Council expects more advanced understanding of research in this area, reduction in costs, sustainability and increased efficiency in terms of council's operations with its infrastructure assets. Not only this, but based on the analysis using our asset management model, Council envisages to deliver at least 20 - 30 per cent increase in serviceability levels as opposed to the standard model.
>
> Fuzzy logic based modelling is not only limited to determining the condition of underground stormwater drainage assets but the model is also geared for the condition assessments of any type of infrastructure asset.
>
> http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=AM002&entryYear=2010

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

3.8 Conclusion

The profiles of local government innovation presented in this section have indicated how councils respond to 'opportunities' for innovation.

They provide examples of how councils have responded to unexpected events, the need for process change, the possibilities for changes in industry structure through social enterprise, demographic influences and needs of special groups, and changes in perception about what local government should be doing. This is particularly in the areas of climate change, sustainability, health and education. The profiles also indicate how councils have accessed new knowledge to develop and implement new approaches to natural resource management and asset management.

The profiles reflect the *demand side* of innovation, where community needs and expectations call for innovative responses. Inevitably, the adoption and application of innovative responses will lead to change in the way the business of local government is undertaken and delivered.

In the next section attention is directed towards the supply side, - how councils source the ideas for innovation.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

4. Sourcing and nurturing ideas for innovation

As already emphasised, innovation is the successful adoption and application of new ideas. The characteristics and opportunities for innovation have previously been identified. However, the way in which ideas are created from these opportunities and translated into practical application need to be addressed.

Successful councils, through their elected representatives, CEOs and top management teams, are constantly looking for new ways of doing things and meeting expressed and latent community needs and expectations. They are looking at ways to promote economic development, secure the area's physical and natural capital as part of sustainability, and ensure that the community has access to high quality facilities and services in health, education, sport, culture and recreation.

Similarly, people in the community, professional staff, suppliers and contractors provide ideas for innovation. Councils also look to a range of external sources, such as websites, portals, and social networks for ideas. These sources will now be explored.

4.1 Elected members

People seek election to council for many diverse reasons. Many bring knowledge, skills and experience from business, government and the not for profit area and have a commitment to innovation in the way councils develop, operate and deliver services. Many are elected with a strong vision for what a city should aspire to be and the achieve change. The vision of the Mayor of the City of Adelaide is demonstrative, indeed inspirational.

Stephen Yarwood, The Lord Mayor of Adelaide
A town planner with 20 years in State and Local Government and an MBA, Stephen's business is cities. Stephen's vision for Adelaide is a modern, vibrant and sustainable place to do business, live and enjoy life. Stephen believes an economy based on innovation, education, arts and culture will make Adelaide prosperous. He is committed to excellence in customer service and a culture of optimism, teamwork and efficiency. Stephen plans to work hard to ensure federal, state and local government work in partnership with businesses and the community so that Adelaide realises its full potential. He is a prolific and proactive using social media including regular blogging.   Source: http://www.adelaidecitycouncil.com/council/council-members/steven-yarwood

This highlights that a commitment to innovation starts at the top. It is characteristic of a vision by many leaders in local government for achieving efficiency in service delivery and balanced budgets. Within the context of the current environment, pressures and challenges for local government, these goals are essential. Productivity, performance and promoting a city demands even more.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

4.2 Corporate and business strategy

The most important driver for innovation is located in a council's corporate and business strategy. In the contemporary business climate corporate strategy is focused on creating and retaining value for the community and other stakeholders such as employees, suppliers and the environment.

While contemporary public management thinking has a focus on enhancing public value, sustainability and social responsibility have emerged as key business drivers. Within this overall context, many councils see high performance as a strategic goal for long term sustainability. This is supported by a substantial business literature on high performance organisations.

In most councils innovation decisions are approached from an investment perspective.

4.3 Advances in technology

A research paper prepared by Oxford Economics for AT&T, Cisco, Citi, PwC & SAP (Oxford Economics, 2011) identified the following several significant shifts that organisations will need to address over the next five years:

- Global digital economy will come of age. The internet will transform many aspects of the global marketplace, from consumer behaviour to new business models. Mobility, cloud computing, business intelligence and social media underpin the shift.
- Industries will undergo digital transformation. Firms across a range of industries have seen their business models change as they contend with the forces of technology and globalisation. Many sectors, including technology, telecoms, entertainment, media, banking, retail and healthcare will be reshaped through the application of information technology. Local government is not likely to be spared from this.
- New technologies will accelerate the speed of most business activities, from product development to customer response. Real time business intelligence and predictive analysis will be required for faster decision making and to cope with unexpected risks and opportunities.
- Firms will reorganise to embrace the digital economy, moving from hierarchical decision making towards network structures.

The overwhelming view from the Oxford Economics study is that technologies are not seen to be sources of innovation. Technology is seen as an enabler but by no means a driver of innovation. Elegant technology that doesn't fit a real customer need, or enable innovation in a business process, is a major trap for councils.

Many councils see technologies as providing the capacity to drive down costs. This may not always transpire, as evidenced by the first wave of information technology applications. It is not necessary to be the first to adopt technology; instead manage it better in terms of performance by 'tweaking' it, making it better, and by getting productivity improvements.

Many councils have achieved innovative outcomes by adopting and applying web-based and mobile technologies. Councils are making extensive use of GPS technologies to assist in asset management and maintenance.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

4.4 Executive leadership

The association between effective council and CEO leadership and innovative performance has been researched extensively in the business, government and academic literature. It is also a major topic in the pages of Harvard Business Review, Fortune, Forbes, and BRW.

Councils identify leadership, teamwork, nurturing creativity, and competency as key management practices that support innovation. Innovation is a specific component of the recognised competency framework for many leaders, as such it forms part of the competency assessment and development program for all leaders.

For councils with limited resources this means developing and applying ingenuity and taking an initiative for collaboration and partnership. The development of these capabilities is vital for effective innovation performance.

4.5 Staff

Most councils see innovation in terms of nurturing ideas and bringing them into practical application through projects and implementation. The term 'ideation' has entered the lexicon of innovation, as a starting point for a process of taking ideas through to adoption, application and use.

In the corporate sector, companies have a willingness to fund new ideas, although these must constantly compete for funding and investment. They are also prepared to terminate a project that is not meeting technology or strategic milestones. Some projects may continue to incubate as future options.

4.6 The community

Ideas are nurtured by people who are passionate. Many of these ideas are generated by councils in partnership with the community.

Some councils have instituted a formal innovation program that involves creating awareness of the importance of innovation and formal processes for submitting ideas.

The Commonwealth and some state governments have embraced an agenda of 'open government' as a way of tapping into community ideas. The Advisory Group on Reform of Australia Government Administration in its report *Ahead of the Game: Blueprint for the Reform of Australian Government Administration* recognised that 'an important component of open government is enabling citizens to collaborate on policy and service design' (2010).

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Citizen Surveys

The *Blueprint* proposed conducting a citizen survey to collect feedback on citizen's satisfaction with government service delivery. The survey would initially focus on Australian Government services, and would ideally be expanded over time to cover State, Territory and local governments (Australia. Advisory Group on Reform of Australia Government Administration, 2010).

The *Blueprint* sets out a Vision for the Future as follows:

An APS that captures ideas and expertise through the transformative effect of technology by:

- Citizens directly communicating their views and expertise to government through multiple channels, including Web 2.0 approaches (for example, online policy forums and blogs);
- Greater disclosure of public sector data and mechanisms to access the data so that citizens can use the data to create helpful information for all, in line with privacy and secrecy principles; and
- Citizens become active participants involved in government, rather than being passive recipients of services and policies

Advisory Group on Reform of Australia Government Administration 2010. *Ahead of the Game: Blueprint for the Reform of Australian Government Administration*, Canberra, Commonwealth of Australia.

The report does not, however, canvass use of social media, open innovation or crowdsourcing.

4.7 Collaborations and partnerships

In both the private and public sector collaboration is seen as an essential way of adopting and implementing new ideas. Collaborators bring different skills, knowledge and experience and can deliver outcomes that might not otherwise have been possible (or thought of).

Councils enter into collaborative ventures with other councils as a way to use resources in new ways to create value for communities. Councils in the study also highlighted examples of collaborations with other councils that may not have transformed their business operations but still created innovative outcomes.

Whilst there are many examples of successful collaborations, the joint initiative between the Great Lakes Council (NSW) and Resource Recovery, a not-for-profit landfill contractor, won the award for Local Government Innovation in Waste 2011. This was for their work in providing training and employment to the long term unemployed and participants from Juvenile Justice and Probation & Parole. The project also addressed an innovation opportunity around sustainability.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

NFP Waste Reduction Initiative
Great Lakes Council, 2011

This partnership has culminated in the establishment of THE GREEN Community Project - an all-of-community project which aims to showcase environmentally sustainable living practices with a focus on re-using, recycling and up-cycling.

Resource Recovery operates council landfills, and a waste management centre on the mid north coast of NSW, providing training and coaching in landfill operations including plant operations, computer and weighbridge operations, customer service, retail sales and recycling.

The Green initiative includes a shop-front incubator for new green enterprises along with construction of water-wise, permaculture, native and children's gardens and structures.

The Project will also provide environmental (sustainability) education in waste avoidance, re-use, water and energy use minimisation.

John Cavanagh, the Council's Manager of Waste, Health and Regulatory Services, says in the past many councils have considered that these initiatives come with a risk too high to consider, but it has been proven that by having a contractor whose key objectives include training and rehabilitation of the socially disadvantaged and long term unemployed and a council willing to work with that, it is achievable and exceptionally rewarding.

Council's experience is that neither contract performance or Occupational Health and Safety are compromised, and they are pleased with the positive community outcomes that can be achieved.

In addition to education and training for the public, other ideas being considered as part of the initiative are establishing a community cafe, grey water systems, bamboo farming, alternative power generation, eco-tours, facilities for sports and hobbies, e-waste facility, chicken tractor, driver-training and construction of public access pathways connecting to Darawank Wetlands, the beach and Tuncurry Skate Park.

Source: http://www.probonoaustralia.com.au/news/2011/05/nfp-waste-reduction-initiative-wins-national-award

For more information, see: http://www.resourcerecovery.org.au/index.htm

4.8 Suppliers and contractors

Councils look to suppliers and as sources of, and partners in, innovation. These include technology, product and service suppliers.

Local government is a heavy user of contracts and consultancy. But the opportunities to use procurement as a form of 'innovation sourcing' can be constrained by an embedded 'purchasing' philosophy, negative attitudes towards the value add potential of consultants and contractors, and a tendency to specify requirements in terms of components rather than the overall solution required.

Engineers, architects and designers can bring major innovations in the creation of public assets and infrastructure. Council buildings are frequently the subject of innovation awards that involve the adoption and application of ideas that deliver enhanced energy ratings, greater usability and functionality.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

In some cases councils might identify areas of innovation and seek partners for development. Partners might also take the opportunity for further commercialisation. An initiative at MidCoast Water (NSW) provides a recent example.

Lightweight Lockable Manhole Covers
MidCoast Water, 2009

Developed by a project team of MidCoast Water staff, in conjunction with a polyethylene manufacturer, the innovative manhole lid design eliminates a number of risks associated with traditional manhole lids and has the potential to be implemented worldwide. The lifting and moving of manhole lids has been a manual handling risk for the water and sewerage industry for many years. To reduce this risk MidCoast Water have been working to produce a new range of lightweight, lockable and water tighter manhole covers. The idea of redesigning the traditional manhole covers was fuelled by a number of issues.

The traditional covers are heavy (about 38 kilos) which poses a manual handling risk for staff. They also often leak, allowing stormwater to enter the wastewater network. MidCoast Water staff also identified other problems such as corrosion of the concrete used in the lids, jamming of the cover into the surround and rusting of lifting lugs. It was also decided any new cover should be lockable to eliminate any unauthorised entry into a potentially dangerous environment. The project team was formed to identify the requirements and work with manufacturers to develop a range of concept designs.

MidCoast Water approached a range of organisations about the potential of developing prototypes, finally selecting SmartStream Technology (formerly Wormall International). The new cover weighs 14 kilos, is made from a non-corrosive material, and provides a watertight seal. It is lockable, non-slip, cost-effective and environmentally friendly. The lightweight nature of the cover will minimise the potential for manual handling injuries and reduce work cover claims. The new lids are now in production and MidCoast Water has implemented a program for replacement of existing covers in areas of high risk and incorporates the new design into the standard for new subdivisions.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=EI021&entryYear=2009

4.9 External ideas and influences

Councils have commenced using innovation contests to encourage new business development. This approach is now becoming more commonplace as a way of supporting innovation by giving people an opportunity to develop and promote their ideas. Councils can have an important role promoting innovation in this way. The Innovation in Boroondara program sought to tap into the community for business ideas, in collaboration with Swinburne University.

City of Boroondara - Innovation in Boroondara program
City of Boroondara, 2012

The Innovation in Boroondara program targeted people who lived, worked or studied in the City of Boroondara and had a business idea or entrepreneurial dream that they wanted to develop. The project was promoted through local youth networks and Swinburne University. Applicants were asked to submit an online application outlining their business idea or passion.

The Innovations in Boroondara program was successfully delivered in four seminars on 21, 24 and 28 June 2011 and culminated in a panel presentation session on 1 July in which participants presented their

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INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

innovation or business idea to a panel of judges. The program was delivered by Andrea Travers from the Chutzpah Factory and was free for all participants. Fourteen people completed the program which assisted in identifying and developing personal and professional strengths, provided business skills and resources and one-on-one mentoring.

The judges awarded the winner of the most innovative business idea to Dung Vu, for her Bikee business idea. Bikee provides low cost electric bike rental to students around Swinburne University. The $500 prize was awarded in September at a Business Boroondara Network event in Hawthorn.

The program created a positive and supportive environment for the participants to confidently share and develop their creative ideas and has resulted in the establishment of an Innovations network to develop and promote entrepreneurial ideas and to encourage supportive partnerships within the city.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=YO036&entryYear=2012

With the internet and social media, councils can source ideas for innovation from a number of sources, including:

- Professional networks and associations: national and state/territory conferences, magazines, newsletters and bulletins (e.g. LGMA, IPWEA, ACELG).
- Websites and portals: there are many websites that provide information specifically for local government, and examples include:
  - Guardian Local Government network - http://www.guardian.co.uk/local-government-network
  - Innovation and Knowledge Exchange Network (IKEN) - http://www.iken.net.au
  - Local Government Improvement and Development (closed in August 2011), though the site is still searchable - http://www.idea.gov.uk/idk/core/page.do?pageId=1
  - Local government associations (various sites)
  - Next Gov - http://www.nextgov.com/?oref=nextgov_today_nl
  - Government Technology – http://www.govtech.com.
- Social networks including LinkedIn, which has a Local Government IT Group (1,115 members) - http://www.linkedin.com/groups?gid=2647048&mostPopular=&trk=tyah and Local Government Managers, NSW (82 members) - http://www.linkedin.com/profile/view?id=141719300&locale=en_US&trk=tyah.
- Blogs and wikis initiated by prominent people in management, technology and local government.
- Thought leadership where councils look to external ideas and 'thought leaders' as sources and drivers of innovation. There is a vast innovation management literature and array of 'self-help' publications.
- Academic and applied research.
- Awards and recognition programs.

Cairns Regional Council (Queensland) has instituted an innovation awards program aimed at encouraging innovation. Although this is an 'after the event' award, it does drive an innovation agenda.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Cairns Regional Council - Tropical Innovation Awards project
Cairns Regional Council, 2011

A first for Australia, the Tropical Innovation Awards establish Tropical North Queensland as a centre for tropical expertise, innovation and sustainable development. The Awards recognise, reward and support innovation and invention across the region to support economic diversification and sustainability. It is an opportunity for local inventors, innovators and businesses to showcase their ideas, projects and processes to potential investors, mentors, government officials and the public.

As a major focus of Tropical North Queensland region's economic development agenda, the initiative is not only an awards program but also a potentially significant catalyst to new economic development activity.

The awards highlight the importance of innovation in driving key economic benefits for the region and serve to:

- Encourage and support innovation, invention and creativity.
- Promote Tropical North Queensland as a world-leading innovative region.
- Encourage the participation of existing and new entrepreneurs and visionaries.
- Provide opportunities for practical inventions to be realised for commercial application.
- Develop and drive locally grown export opportunities.
- Connect award winners with government-funded business development programs, mentors and potential investors.
- Assist applicants to access a range of support mechanisms to protect, develop and commercialise their products.
- Recognise innovation as an employment generating activity. The multi-stakeholder partnership model, which is a key element in the success of the awards is particularly transferable to other councils.

Initiated by Cairns Regional Council to support and promote diversification through innovation, the Awards have placed Tropical North Queensland's creativity on the leading edge in a fast changing world. By recognising and rewarding local ingenuity and showcasing original ideas that will generate regional employment, the Awards support and promote diversification through innovation and creativity.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RE006&entryYear=2011

4.10 Conclusion

Ideas for innovation come from many sources. Many do not involve significant outlay, and can be adopted and implemented using ingenuity and resourcefulness.

A major challenge for elected representatives and senior management is finding the time to address, prioritise and nurture innovation opportunities. In many situations this becomes a matter of priority and a careful consideration of what is important for the future of a council and its community.

But as was argued in the introduction to this paper, innovation is much more than being responsive to ideas. As Drucker argued, innovation consists of the purposeful and organised search for change, and the systematic analysis of the opportunities such changes may offer for economic or social innovation (Drucker, 1994). Innovation means change, disengaging, and sometimes abandoning, the past.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

In this context, local government leaders must regularly challenge every product, service, policy, and delivery system with the question, 'if we were not in this now, would we be doing it in the future, or would be doing it in a different way?'. By looking to the future (and unencumbered by the past) local government leaders have the opportunity to identify substantial productivity and performance gains, and transform the way councils deliver services to create value for their communities.

Clearly, many of the things that local government does are pivotal and essential to their mandate: but there many activities that lose relevance in the light of changing situations and circumstances, or are no longer relevant or appropriate to achieving mission. And there are many things that can be done more efficiently and effectively, and there are others, such as providing access to services that are delivered by other organisations, that are highly valued by the community.

There is a need, and an opportunity to move beyond ideas-driven and process-driven innovation to a transformational approach that means creating new ways for delivering value to communities. Issues associated with transformational innovation are addressed in the following section.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

5. Towards a new agenda for local government innovation

Based on material discussed in earlier parts of this paper, this section identifies a number of challenges and issues to ensure that innovation is embedded in the ongoing development and performance of Australian local government.

5.1 Industry restructure

Amalgamation is on the agenda again. Inevitably, the focus is on efficiency, economies of scale and scope, and cost reduction. For amalgamation to be seriously considered as a long term 'solution' it must give attention to innovation and transformation. Amalgamation must be addressed in the context of industry re-structuring.

The recently released ACELG paper *Consolidation in Local Government: A Fresh Look* (Aulich et al., 2011) identifies four broad strands in the debate about reform, each underpinned by particular views about the appropriate role of local government. These are:

- Efficiency.
- Strategic capacity.
- Service delivery.
- Local democracy.

Innovation and transformation are not identified as drivers of consolidation.

It has been mentioned earlier in this report that the greatest returns from innovation are connected with transformation. This has happened in industries that have been exposed to the forces of competition, and to a much lesser extent in those industries that are being protected.

The local government industry commenced a process of transformation with the deregulation of labour markets 20 years ago. It allowed more talented managers, engineers, planners and service personnel to enter the industry and the benefits have been immense.

With resource constraints it is opportune to think about innovation in terms of transformation, and the benefits that can be achieved *for communities.* Restructuring necessarily involves new organisational forms, new roles and responsibilities, new relationships.

There is an opportunity to re-think the structure of the local government industry within the broader context of sustainability. This should be undertaken in a wide range of regionally and locally based and relatively autonomous service delivery arrangements. This covers health, education, community services, natural resource management, leisure facilities, transport and regional development. Many of these organisations have regional representation on boards and committees.

The overlap and intersections between organisations involved in regional governance gives rise to complexity and cost. They often reflect a form of organisation and functional arrangement suited to providers, and not consumers or constituencies.

There is a need to think whether the existing local government council structures are suited to all current and future service delivery options and whether the allocation and distribution of

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

functions and responsibilities between the numerous local and regional governance structures are still appropriate.

It may be appropriate, for instance, to have larger regionally based infrastructure and natural resource management authorities. These would combine with, for example, formal Regional Organisations of Councils (ROCs), regional alliances of councils, Catchment Management Authorities (CMAs), Rural Lands Protection Boards, and livestock health and pest authorities. Service delivery costs in these areas are amenable to achieving economies in scale and scope. Greater interaction creates opportunities for sharing ideas—and innovation.

At the same time, it might be appropriate to strengthen the planning and provision of a range of local services that are best organised and delivered at a community level. These relate principally to community and social services where there is a need to tailor service arrangements to local situations and circumstances. Local participation, leadership and engagement is a critical component of service delivery.

There is a need to ensure that local government does its job in local and community representation in areas where there is genuine potential for priority setting and discretion in the allocation of resources raised at the local level.

5.2 Leadership in regional innovation systems

Knowledge clusters and knowledge networks have been identified in public policy as important for achieving innovation outcomes. In many areas local government is taking a leadership role in securing access to tertiary education and research capability.

Internationally, innovation thinking has moved towards regional innovation systems, involving a dynamic interaction between business, government, higher education and research organisations, and the NGO sector. Local government has the potential to take a lead role in regional innovation, especially with the support and involvement of ROCs or alliances of councils based around common themes.

5.3 Partnerships and collaborations

Partnerships and collaborations are seen by industry and policy makers as critical for innovation.

The project has found that collaborations between councils (for example, ROCs), universities and higher education institutions are extensive, and yet few are undertaken through formal arrangements such as Co-operative Research Centres or Australian Research Council linkage grants. The collaborations involve knowledge transfer, rather than the sale and licensing of intellectual products in the form of registrable 'intellectual property'.

There is a need to give greater attention to the institutional basis on which collaborations and partnerships between local government and tertiary institutions can flourish. In the present institutional environment relationships are built around transactions reflected in contracts and academic research projects. Public funding arrangements for research tend to favour academic outcomes rather than innovation results.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Opportunities exist to build closer relationships between research organisations and local government through new forms of collaborative research arrangements that give priority to innovation and implementation.

5.4 Outsourcing and commissioning

In the UK attention is being given to changing the role of local government to one of 'commissioning' the delivery of services rather than delivery by a local government organisation. The approach is by no means new, of course. The thinking on 'steering rather than rowing' in the *Reinventing Government* paradigm, goes back many years (Osborne and Gaebler, 1992, Osborne and Plastrik, 1997, Patricia W. Ingraham, 1997).

Australian local government has a great deal of experience in 'commissioning', particularly in areas such as waste management, parking operations, and infrastructure construction and maintenance. Many services, such as building inspection and certification are comparable with private suppliers. The impacts have included the reduction of costs as well as innovation in the way services are provided and waste is managed. Commissioning has made it possible for single suppliers to service many council areas.

Many organisations have built successful and sustainable businesses through contracting to local government. On the Mid North Coast of NSW, JR Richards and Sons have built a strong business through providing waste management services to councils firstly across the region and now state wide. It has had the added impact of building an innovative and sustainable business in the town of Tuncurry, a fishing port on the NSW coast.

JR Richards and Sons

In 1958 JR (Joe) Richards started JR Richards & Sons at Tuncurry. It now operates widely throughout New South Wales and contracts to over thirty different Councils, serving large regional centres such as Taree, Port Macquarie, Tamworth, Grafton, Armidale, Forbes and Orange. Overall the Company employs over 260 people and a fleet of over 250 heavy vehicles used in its operations.

In addition to Waste Management, JR Richards and Sons have been to the forefront of engineering and design within the industry. A large engineering division is owned and operated at Tuncurry, which employs over 15 people. Here most of the Companies engineering needs are manufactured including a wide range of compaction equipment in conjunction with JJ Richards. These units are now used extensively throughout the industry with some being exported overseas. The Richards compactors and loaders are highly regarded and are indicative of the Company's determination to not only keep pace with modern technology but indeed set the standard for others to follow.

Recycling is another area into which the Company has expanded. Currently Richards operate a kerbside recycling collection service for over 50 councils with 17 purpose built Material Recovery Facilities processing the collected materials. This aspect of waste management further exemplifies the Richards Company's ability to expand and diversify to meet industry trends and satisfy market demands.

The Company JR Richards and Sons have enjoyed an unblemished industrial record for over 49 years and also enjoy being part of the community, a tradition it intends maintaining.

See: http://www.jrrichards.com.au/about.php

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Specialist local government providers have emerged in information and communications technology, human resources management and financial services. Contestability among providers is designed to ensure that councils receive the benefits of innovation investments.

5.5 Technology and public sector innovation

Economic history demonstrates that advances in technology have the potential to enable major change and productivity improvement. The enabling conditions, reflecting demand considerations (such as increased disposable incomes, opening up of new markets) often receive less attention. It is the case, however, that in the current technology environment, 'ICT is everywhere' and its application is only limited by the ingenuity and initiative of managers, front line service personnel and users.

The Commonwealth intends to increase the use of ICT, including Web 2.0 technologies, to improve policy development and service delivery. The National Broadband Network will make high-speed, information-rich online services available to all Australians. The Government expects it to revolutionise the way it does business and access government programs— including education and healthcare. It will also open up a new era of e−democracy.

The Government's policy paper, *Powering Ideas: An Innovation Agenda for the 21st Century* devotes a chapter of six pages to innovation in the public sector. The main focus of the paper is on innovation in services, procurement, regulation, enabling technologies, intellectual property, and information management.

The policy paper notes that the Australian Government controls mountains of information, and that it is 'determined to make more of this vast national resource accessible to citizens, business people, researchers, and policy-makers'.

> Commonwealth agencies such as the Australian Bureau of Statistics, the Bureau of Meteorology, and Geoscience Australia already gather, analyse, and disseminate information in the public interest. The Australian Government wants to build on this foundation.
>
> The technology needed to make information universally accessible already exists; advances in ICT and construction of the National Broadband Network will remove whatever technical obstacles remain.
>
> That still leaves some knotty policy questions to deal with — for example, about Intellectual Property rights, privacy, security, and cost — but the Australian Government is determined to work through these questions.
>
> It will start by taking steps to develop a more coordinated approach to Commonwealth information management, innovation, and engagement involving the Australian Government Information Management Office and Federal agencies.

The paper argues that public sector innovation is not just a matter for politicians and officials. It concerns everyone. 'Policy innovation and evidence based policy making is at the heart of

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

being a reformist government. Innovation can help us deliver better policy and better outcomes for the whole community.'[5]

The Commonwealth wants to take its place 'in the vanguard' and demonstrate techniques and create capabilities that can be exploited by businesses and community organisations throughout Australia. This is a different reverse sentiment from the United States where the government wants to draw on ideas generated in business and the broader community.

5.6 Social media

Social media refers to a wide range of tools that enable people and organisations to communicate using internet based technologies. Millions of Australians already use social media in their daily lives to communicate with family, friends and professional colleagues, and to keep up to date with happenings that interest them. Social media tools can be accessed on computers and mobile devices making them both flexible and readily available regardless of time or location.

The Commonwealth Government views social media as having a major role to play in driving innovation. The Australian public sector innovation initiative is set out in three policy documents:

- *Powering Ideas An Innovation Agenda for the 21st Century*, the Government's innovation policy paper (Australia. Minister for Innovation Industry Science and Research, 2009).
- *Empowering Change: Fostering Innovation in the Australian Public Service*, Report from the Management Advisory Committee (Australia. Management Advisory Committee, 2011).
- *Ahead of the Game*, a Report from the Advisory Group on Reform of Australian Government Administration (Australia. Advisory Group on Reform of Australia Government Administration, 2010).

During the last few years a number of councils across Australia have begun to use social media as part of their communication strategies, however the full potential for social media in securing innovation outcomes in local government has not been fully explored.

For example, while the development application process has been automated through web-based applications in many councils, transformation in the development approvals process is still awaited. This would be associated with enabling statutory and regulatory changes and would require further consultation, study and analysis.

The combination of social media, computer-embedded smart phones and tablets, and the rapid extension of mobile applications (apps) are at the forefront of innovation. Technology in social applications has the capacity to dramatically change the way people and organisations communicate. It offers local government new opportunities to display their ingenuity, innovation and initiative and in the process become increasingly relevant to the community they serve.

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[5] Kevin Rudd, 'Address to Heads of Agencies and Members of the Senior Executive Service', Canberra, 30 April 2008.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

These issues are explored in more detail in a recently released paper on local government use of social media, *Connecting with Communities: How Local Government is Using Social Media to Engage with Citizens* (Howard, 2012).

5.7 Networks

Knowledge exchange networks (KENs) have been identified as structured intermediary mechanisms for users to locate, exchange and acquire knowledge in a systematic way, with a view to development of new products, processes and services. They may be virtual/electronic or actual/physical communities of interest, public or private, free or subscription based (Howard Partners, 2005).

Access to new knowledge through networks is recognised as an important way of accessing and acquiring new ideas, insights and technologies for:

- New products and services
- New approaches to business processes (both within and between councils)
- New ways of responding to consumer behaviour and wants.

The overall economic benefits are difficult to gauge, but they will be reflected in:

- Improved business performance for councils which successfully innovate on the basis of knowledge that is sourced through participation in knowledge network arrangements.
- Improved local government industry performance where there is broad adoption and application of new knowledge generated through knowledge networks arrangements.
- Improved national economic performance, in terms of increased productivity that flows directly from councils sharing, exchanging and more effectively using knowledge that flows from involvement in network arrangements.

Innovation research is increasingly recognising the powerful role that networks provide in building innovation capability. Innovation requires the development of new relationships among and between businesses, government, education and research organisations, workers and society in general (Howard Partners, 2005).

The ACELG commitment to knowledge exchange is reflected in the IKEN project (www.iken.net.au).

5.8 Open innovation

In the United States an early initiative for President Obama was to appoint a Chief Technology Officer (Aneesh Chopra), with a remit to find ways technology can spur innovations that help government do a better and more efficient job. Obama has sought to tie the US innovation imperative to an innovation in government strategy. In particular, the *Strategy for American Innovation* wants to address ways that Government can tap into the expertise of the American people to help solve the nation's biggest challenges.

In his departing report three years later, Chopra identified four innovation enabling options for policymakers (Hallsworth and Rutter, 2011):

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

- Moving beyond providing public sector data by request to publishing machine-readable open data by default.
- Engaging with the public not simply as a regulator but as 'impatient convenor'.
- Using prizes and competitions to achieve outcomes, not just procurements.
- Focussing on attracting talented people to government by allowing them to serve as 'entrepreneurs-in-residence'.

The US strategy amounts to a commitment to 'open innovation' in government. Large companies are increasingly adopting open innovation and crowd sourcing techniques to resolve problems in production, design and distribution. These often involve the use of innovation contests or tournaments. The impact of open innovation in US companies has been reported as follows:

> It is a task we've seen deployed effectively across our nation's most innovative companies – Procter & Gamble's 'Connect+Develop' strategy to source 50% of its innovations from the outside; Amazon's 'Just Do It' awards to celebrate innovative ideas from within; and Facebook's 'Development Platform' that generated an estimated 180,000 jobs in 2011 focused on growing the economy while returning benefits to Facebook in the process (Hallsworth and Rutter, 2011).

Innovation contests and tournaments are also strongly supported in Local Government internationally. The website http://www.ideaconnection.com/ provides information on current crowdsourcing initiatives and innovation contests globally.

A profile of an innovation tournament in the City of New York (USA) is provided below.

NYC BigApps Contest

For the past couple of years NYC has opened up its vast data collection to software developers and designers, and via an increasingly popular crowdsourcing competition has encouraged them to build apps from it. The NYC BigApps contest is one of the largest open government initiatives of its kind, providing more than 350 sets of official data for the public to create apps.

The prize money in 2011 was double that of the previous year and $40,000 was split up among the winning apps.

More than 600 ideas were submitted and over 1,600 votes were cast. The top 25 ideas with the most votes were then evaluated by a panel of judges who then selected the ten best overall concepts.

The 'Roadify' iphone app that won first prize for Nick Nyhan and his team aggregates city traffic data as well as allowing New Yorkers to give on-the-spot updates about that information so that users can be alerted to the latest road, bus and subway conditions.

Crowdsourcing apps contests such as these promote transparency across city and federal governments. They increase public access to information and give a boost to innovation and entrepreneurship. But care has to be taken with these open innovation initiatives so that they achieve their full potential and that winning ideas are not left by the wayside.

There is concern in some quarters that once the hype around a contest has died down authorities will lose interest in the apps and either through lack of will or funding issues will not adequately resource or maintain them. If that is so developers will have a difficult time making money from their ideas.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

NYC Mayor Michael R. Bloomberg does not want that fate to befall contest- winning apps in the Big Apple. He is on a mission to boost innovation in his city and in a speech at this year's NYC BigApps awards ceremony said that the previous year's winner MyCityWay had attracted numerous investments and has grown as a venture.

Nevertheless, despite the success in New York it is a fact that apps for democracy crowdsourcing competitions have not fired up city governments across the United States. There has been a tailing off in enthusiasm since 2008 when the District of Columbia initiated Apps for Democracy.

There are a number of possible reasons for this including:

- Some complain that governments are not releasing enough data, and this is a hurdle for developers who want to design more profitable apps that will reach a large percentage of the population.
- A natural decline in enthusiasm and interest that occurs when many new technologies and ideas are launched.

However, in New York the outlook for crowdsourcing apps contests and developers appears to be a lot rosier. During this year's awards ceremony mayor Bloomberg announced that BMW is going to launch a small-business incubator space in New York City to support new technology solutions and up-and-coming companies. This is in addition to its new $100 million venture capital fund that made its first investment in MyCityWay, the 2010 apps contest winner.

See: http://www.ideaconnection.com/open-innovation-success/Crowdsourcing-Contest-Winner-to-Help-New-York-City's-00312.html

The US Government considers that the techniques that have been adopted over the previous three years have empowered innovators, consumers, and policymakers at all levels to better use technology, data, and innovation, and that 'open innovation,' the crowdsourcing of citizen expertise to enhance government innovation, delivers real results. There is a belief that the American people, when equipped with the right tools, can solve many problems that the government itself cannot address.

The government has published an 'Open Innovator's Toolkit' that summarises 20 leading practices, associated case studies and policies (www.whitehouse.gov/open/toolkit).

In Australia, councils are not involved in open innovation practices to the same extent. There is scope to learn from the experiences in cities such as New York and others where innovation contests are being implemented.

The ACT Government announced funding for a 'Digital City' innovation contest in the 2012-13 budget.

5.9 Conclusion: Towards an action plan

The paper for the National Endowment for Science, Technology and the Arts, referred to in the summary of this report, argued that innovation needs radical new approaches and radical new actors:

> We need to combine the ingenuity and initiative of a diverse group of innovators – whether from the public sector, private companies or social enterprises – who are already at the forefront of finding new solutions to pressing economic and social problems. But, most crucially, we need to put users, consumers and citizens at the heart of innovation in public

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

services as never before, as a way of driving change and organising the delivery of services. In a context where resources will be limited, these groups are invaluable assets, not only for innovation, but for a fundamentally different future: where services are increasingly responsive to needs because the public is directly involved in how they are organised and delivered (Harris and Albury, 2009).

The Commonwealth Government has outlined an Action Plan to underpin innovation in the Australian Public Service (APS). The plan is designed to assist the APS 'develop an innovative culture that will build innovation performance within the APS to provide better outcomes for the broader constituency' (Australia. Public Service Secretaies Board, 2011). The Action Plan focuses on four action areas:

APS Innovation Action Plan

1. Developing an innovation consciousness within the APS through
   a. An Innovation Network
   b. Innovation Blog and Innovation Showcase
   c. Public Sector Innovation Events
   d. Agency corporate plans
2. Building innovation capacity through
   a. Development of an Innovation Toolkit
   b. Secondments and Mobility
   c. APS Innovation Indicators Project
3. Leveraging the power of co-creation through
   a. An APS Design Centre
   b. Innovation Outreach
4. Strengthening leadership so there is the courage to innovate at all levels
   a. Ongoing leadership through the Secretaries Board
   b. Awards

The Plan recognises the public sector now needs to more effectively use the innovative capacity of a much broader base. It argues that co-creation, through design and experimentation, embodies this thinking, with the public sector requiring new processes and platforms to more effectively integrate design, delivery and user areas.

The APS Design Centre is based on a recommendation within *Empowering Change* (Australia. Management Advisory Committee, 2011) that the APS establish a MindLab style collaborative experimentation program set up by the Danish Government.

About MindLab

MindLab is a cross-ministerial innovation unit which involves citizens and businesses in creating new solutions for society. We are also a physical space – a neutral zone for inspiring creativity, innovation and collaboration.

We work with the civil servants in our three parent ministries: the Ministry of Business and Growth, the Ministry of Taxation and the Ministry of Employment. These three ministries cover broad policy areas that affect the daily lives of virtually all Danes. Entrepreneurship, climate change, digital self-service, citizen's

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INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

rights, employment services and workplace safety are some of the areas they address.

MindLab is instrumental in helping the ministry's key decision-makers and employees view their efforts from the outside-in, to see them from a citizen's perspective. We use this approach as a platform for co-creating better ideas.

See http://www.mind-lab.dk/en/about_mindlab

The APS Design Centre will be dedicated to innovative approaches that could assist Government to:

- Develop and test new approaches to complex policy challenges and to enhance government program delivery.
- Build agency and institutional capability for collaboration and innovation.
- Apply and test tools/processes and bring new skills to support innovation in the APS.
- Capture, synthesise and disseminate examples of best practice in Australia and overseas.
- Respond to citizen demand for responsive and innovative services.

It is envisaged that initiative could:

inspire creativity and collaboration and provide a platform to test innovative solutions. It could help practitioners to adopt new perspectives in thinking about a problem. Such an approach would facilitate cross-agency interaction involving public servants, academics, citizens and businesses to create solutions for societal problems. It could fast track building the capacity of the APS to develop innovative policy and service delivery, keeping the APS at the forefront of citizen delivery and responsiveness (Australia. Public Service Secretaies Board, 2011).

The Government has announced the formation of the centre that will be based at the Australian National University. Funding, which relies on contributions from Australian Government agencies, has only secured its operation for 18 months, however.

The innovation outreach initiative is a recognition that all members of the APS are potential innovators, and, as part of its broad responsibility for efficiency initiatives 'the Department of Finance and Deregulation will look to identify and communicate across government, innovative suggestions for efficiency gains and productivity improvements which may be made by public servants or the public'(Australia. Public Service Secretaies Board, 2011).

The Department is to investigate the merits of an improvements register that is capable of being shared across agencies to build expertise and momentum, together with public sector outreach initiatives similar to the United States SAVE Awards.

US SAVE Awards

In 2009 President Obama launched the SAVE Award (Securing Americans Value and Efficiency), seeking ideas from federal employees to make government more effective and efficient and ensure taxpayer dollars are spent wisely. In just three weeks, OMB received tens of thousands of ideas on how to make government

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

more efficient and effective.

Over the past two years, federal employees have submitted more than 56,000 cost-cutting ideas through the SAVE Award. Dozens of the most promising ideas have been included in the President's Budget, specifically in the Terminations, Reductions, and Savings volume. Each year OMB narrows the best ideas to a 'final four.' The American people vote online to choose the winner. The winner will come to Washington to present their idea to the President.

See http://www.whitehouse.gov/save-award

A Cross Agency Communication Forum was established by the Australian Government Management Information Office to create a community of interest where participants can discuss government communication challenges and opportunities, and share innovative solutions. This will encourage streamlining of resources and more collaborative and consistent approaches across agencies.

Local government, as an important delivery point for Commonwealth funded services, should be part of this Forum. But the issue goes beyond communication; it involves a fundamental re-think about how services are regulated, organised and delivered.

Local government should take the opportunity to participate and build on the developments at the Commonwealth level. The proposals are modest and do not extend as far as the commitments in other countries. It should be seen as a base from which to launch a specific Local Government Innovation Action Plan that commits to a strategy of 'open innovation' and participation techniques to resolve problems and opportunities in service need, design and delivery.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Attachment A: Where councils are achieving innovation outcomes

Within business contexts innovation is associated with new products and services, new processes, new ways of marketing and communication (reaching customers) and new business models (transformation). Whilst this has some relevance for local government in terms of satisfying community demands and expectations for facilities and services, the roles and functions of councils differ in important respects. These relate to:

1. The delivery, maintenance and repair of a portfolio of physical assets (roads, streets, bridges, parks, public buildings and amenities etc.)
2. Provision of water, sewerage and drainage facilities and services
3. Management of rubbish, waste, and garbage
4. Regulation and control of land use through statutory planning and development control instruments (including those related to energy efficiency and water conservation)
5. Preservation, restoration and repair of natural capital assets (bush land, rivers, creeks, coasts, beaches, wetlands etc.) and control over weeds
6. Maintenance of public and community health services
7. Delivery of a range of community services for target groups, including childcare, aged care and youth programs
8. Provision of community sports, recreation, arts and cultural facilities and services
9. Management of trading enterprises, including aerodromes, quarries, cemeteries, parking stations, abattoirs, sale-yards, markets and caravan parks
10. Supporting and facilitating economic development through tourist promotion, business attraction and higher education collaborations.

Each of these functional areas can involve elements of innovation in product, service, marketing and communication, and organisation and delivery. They reflect the development of capabilities and identification of innovation opportunities.

There are also many areas where councils do not provide services but are active in ensuring that services provided by other levels of government are available and accessible. These can relate to higher education, health care, cultural facilities, emergency response services and disaster planning, financial incentives for energy efficiency and water conservation, and digital access.

Recent innovation performance in these areas, drawn from experience of councils and documented in the *National Local Government Awards*, is discussed below.

1. Public asset management

The delivery, maintenance and repair of a portfolio of physical assets (bush land reserves, roads, bridges, parks, public buildings, and amenities) is a major responsibility in Australian local government.

With limited resources councils try to ensure that assets are maintained and managed to ensure that they function at the intended level of functionality and standard of service. This

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

extends to managing such assets based upon the principles of ecologically sustainable development (ESD). Indeed in most states/territories this is a legislative requirement.

Councils have been adept at using geographic information system (GIS), global positioning system (GPS) and other digital technologies in creative and ingenious ways to manage asset portfolios. External reporting and accountability requirements encourage the development of these approaches. Whittlesea Council (Victoria) saw the opportunity to use GPS technology in a new approach to road asset management.

System integration and mobile computing paves the way for road management
Whittlesea City Council, 2006

The Road Management Act required the Council to implement new technology and integrate existing processes to develop a system solution. While past solutions have used mobile computing technology and corporate databases, this solution required a completely integrated approach of four major elements: mobile computers coupled with GPS for spatial verification; customised field work sheets; a corporate customer request and work order system; and Council's GIS for managers to oversee.

From the new vehicle and bicycle mounted mobile computing solutions for field staff to the customised worksheet for the outdoor worker, the entire process is now collected in one integrated system which meets legislative and Council requirements. The introduction of technology into this project has produced very positive results, not only in efficiency and cost-benefits, but also in traceability and staff enthusiasm.

Field staff are keen to use the technology and they have improved their computer skills. The customised internal processes have been welcomed by management across Council and even by the outdoor staff as it has reduced their paperwork. This has strengthened the relationship between management and the workers, giving Council the added confidence that excellence in road management is being achieved.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=AM003&entryYear=2006

Moonee Valley City Council (Victoria) has developed a handheld, GIS-based road inspection system that uses GPS technology to electronically capture road and footpath hazards with a high spatial accuracy. Information collected in the field is then automatically uploaded to a corporate work order system, added to and then sent to Council's road and footpath works contractors for action.

Handheld GIS Road Inspection System
Moonee Valley City Council, 2006

The introduction of the Road Management Act by the Victorian Government set an increased focus on the responsibilities of road authorities to ensure that roads and footpaths are kept free of hazards. In order to respond to the needs of the community and legislative changes, Council introduced proactive inspections of its roads and footpaths - a service that has not previously been provided in Moonee Valley.

Until recently, Council had relied upon citizens to advise of footpath hazards. Although condition audits were undertaken of the entire footpath network in both 2000 and 2003, the scope of these audits did not cover the identification of each individual hazard; rather they looked at the overall condition of larger segments of

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INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

paths.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=AM004&entryYear=2006

The Hume City Council Tree Management System (HTMS) in Victoria is a state-of-the-art GIS mapping and risk management system that allows for improved management and planning of Council's 200,000-plus trees on streets and in parks.

Hume Tree Management System
Hume City Council, 2006

Using GPS technology, qualified arborists assess each tree for health, variety, height, potential risk and predicted life expectancy. Tree inspections and works are recorded against each tree to create a logged history of management. This level of spatial and textual data enables staff to develop work plans and assign resources from the Main Office, thus improving efficiencies and making Hume's 'urban forest' safer for the community.

It is a system that is strategic, responsive, high quality and customer focused and delivers the best value for money to the community. The HTMS was designed to integrate seamlessly with Council's existing GIS and is available to all council staff through the Intranet-without the licensing issues of some other GIS systems. The system's spatial component allows targeted management of limited resources by identifying trees that are most at risk of failure and have a likelihood of causing injury or property damage.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=EI011&entryYear=2006

2. Water, sewerage and drainage

Local councils are major investors and managers of the nation's water supply, sewerage and drainage assets. Frankston Council has found that inspections and works orders for drainage infrastructure are now considerably easier with a GIS customised application connected to GPS.

Drainage Infrastructure at Frankston City Council
Frankston City Council, 2007

Frankston had previously struggled to keep accurate and accessible records on its drainage infrastructure which comprises of 32,000 drainage pits and several hundreds of kilometres of pipes. Field workers can now enter inspection data (date, maintenance officer/work crews performing maintenance) and maintenance data (cleaning, rebuilding, tree-root cutting) directly into a portable tablet computer. This has eliminated the previous work process of using out-dated, inaccurate and inaccessible difficultly of updating maps by hand in the field. With this customised application all drainage pits plans are accessible and can be updated in the field on the tablet computer.

This initiative of using GPS to locate points has provided substantial benefits to Frankston including: greater productivity; faster and more acute location of drainage points; reduced risk for the municipality; removal of double data handling (with errors in the mapping data being corrected in the field); better long term reporting to identify problem sites; faster response in removing obstacles and all employees being able to access drainage infrastructure and maintenance data using Frankston's Intranet GIS.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

For a demonstration see http://www.frankston.vic.gov.au/mobile_computing/

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=AM014&entryYear=2007

The City of Tea Tree Gully (South Australia) has demonstrated world leadership in water security by implementing a number of innovative and best practice infrastructure works, technologies and practices within existing developed urban environment.

Water Security for Tea Tree Gully
City of Tea Tree Gully, 2011

The key objectives of the project were to reduce water use through efficiencies, technology, replacement/new and upgrading of water infrastructure while at the same time replacing potable water with alternative sources while still maintaining services and community expectations.

The Council developed and implemented an Integrated Water Resource Management Strategy over a period of about six years. The Strategy involved:

- Construction of 8 wetlands, 10 aquifer storage and recovery facilities and 33 kilometres of ring mains to collect and recycle water.
- Development of a sewer mining and treatment facility.
- Development and construction of a mechanical stormwater treatment facility.
- Water efficiency measures in all community buildings.
- Replacement of irrigation infrastructure with subsurface irrigation.

It is the integration of these and other innovative activities and the use of four different sources of water that has allowed Tea Tree Gully to achieve its water security and halve its total water usage. This strategy and the way it has been implemented by council is something that is easily applicable and transferable to other councils across Australia and a number of the features implemented have already delivered multiple benefits for the community of Tea Tree Gully.

The water proofing of Tea Tree Gully has not only benefited the residents of Tea Tree Gully by assuring its future water needs, but also has benefited the rest of the State by ensuring that high quality potable water produced by SA Water is available for other high-end users, as well as helping to reduce the reliance on the River Murray.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=II014&entryYear=2011

The augmentation of the Brunswick Area Sewerage Scheme at Byron Bay provided the opportunity to deliver an improved service with sustainability objectives.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Brunswick Area Sewerage Augmentation Scheme: Waltzing the Billabong
Byron Shire Council, 2010

Byron Shire, home to around 30,000 residents and attracting 1.7 million visitors annually is a national and icon of international fame. Water sports are the main reason people visit as they enjoy whale watching, surfing with the dolphins, fishing, swimming and boating within the Cape Byron Marine Park and Brunswick River. Tourism and agriculture drive our local economy, so our passionate and knowledgeable residents were keen to sustain the health of our waterways whilst replacing degraded sewage infrastructure for a shire inundated by tourists and retirees.

For ten years the community, through the Brunswick River Waste Water Steering Committee, have worked to deliver the Brunswick Area Sewage Augmentation scheme that responds to more than twelve Regional Environmental Plan objectives. The scheme will replace two out-dated sewage treatment plants at Brunswick Heads and Mullumbimby with a modern plant designed to minimise energy and chemical consumption and improve discharge water quality.

Design and construction of the treatment plant is driven by the sustainability management plan that ensures sustainability opportunities are pursued wherever possible. The treatment plant will supply farmers with treated effluent and residual nutrients along with bio solids as soils conditioner, thus eliminating two dry weather discharges to the Brunswick River and reducing dependence on potable water supplies and fertiliser use.

The treatment plant is being constructed on a 108ha property at Mullumbimby. The site features 4.5 km of riparian zones including two billabongs. The project has annexed 35ha for riparian rehabilitation, aiming to improve fishery habitat and terrestrial corridors. Innovate strategies have been employed to rehabilitate the billabongs and increase the saltmarsh and mangrove estate within the estuary.

To date 35,000 trees have been planted that will also sequester carbon emissions generated during construction and operation. We are proud to have employed the indigenous Arakwal people in the project as we work together caring for country.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=NR024&entryYear=2010

A similar approach to sustainability was adopted by the Clarence City Council in Tasmania in 2009. The Cambridge Sewerage Strategy demonstrates the environmental benefits that can be achieved by broadening the approach to meeting a local environmental issue to encompass a regional perspective.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Sewerage Strategy
Clarence City Council, 2009

What began as a local focus on upgrading existing sewage lagoons to cater for local development, expanded to culminate in a sustainable regional approach to serve Cambridge areas experiencing rapid commercial and industrial growth. Developed by consulting engineers, Pitt & Sherry, in conjunction with the Clarence City Council, the strategy led to the decommissioning of four old technology sewage treatment plants that discharged into Pitt Water close to Ramsar Wetlands and Tasmania's principal oyster growing areas.

Treatment is now consolidated into one modern technology plant delivering Class A+ irrigation water, abolishes discharges into the area's sensitive marine environment and allows 100 per cent reuse in a region suffering ongoing water shortages. Three golf courses and a plant nursery in the area have large irrigation demands and previously relied in part on potable water, which is safe to drink. Using potable water for irrigation is a low value use of a high value community asset.

With the development of an integrated effluent treatment and recycled water scheme, the new plant allows potable water to be replaced with recycled water. Fine control over nutrient levels in the reuse water allows levels to be adjusted to offset fertiliser demands. The new Waste Water Treatment Plant accepts reticulated sewage from the Cambridge township, the Hobart International Airport and existing and proposed industrial developments in the region.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=NR007&entryYear=2009

The District Council of Mount Remarkable in the Flinders Ranges of South Australia has also taken an innovative approach to wastewater management. Council is trialling an innovative, environmentally friendly, and cost saving design to conserve and re-use wastewater from two water treatment plants in Melrose and Booleroo Centre.

Innovation and Simplicity in Water Saving: Modular Covers for Community Wastewater Management Scheme
District Council of Mount Remarkable, 2012

Hexagonal modular covers are being used to reduce evaporation by up to 88 per cent on the lagoons therefore allowing yearlong re-use on sporting and recreational facilities.

These covers are environmentally friendly and can be recycled at the end of their 20 years expected life, are easy to install with minimum disturbance to the site, reduce algal growth and are cheaper than traditional methods. The community benefits by having sporting and recreational facilities operational all year long.

Council is saving water and money by less reliance on mains water for irrigation purposes and demonstrating a new technique that can be adapted to water reservoirs of all shapes and sizes. Council is the first entity in South Australia to use this method and has attracted a lot of interest from Government and private enterprise as a demonstration site.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=IO004&entryYear=2012

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

3. Waste management

The City of Ryde (NSW) has been a leader in the use of radio frequency identification (RFID) technologies for waste management collections. In May 2006, Council introduced a municipal and commercial waste and recycling bin system, incorporating electronic identification tags.

City Of Ryde's New Electronic Waste and Recycling Bin Tagging and Weighing System
Ryde City Council, 2007

Each of the 90,000 residual waste, recycling and green waste bins in service is tagged. The tags are automatically read as bins are emptied, and information is transferred to base via an 'iburst' wireless link. Potential advantages of electronic bin identification reading include:

- Fast, accurate and cost-effective bin reading.
- The ability to track total number and weight of lifts.
- Almost instant transfer of data to internet via wireless web link.
- Use of the data obtained, including the lift weight, to check contractor's weighbridge figures and costs against claims for payment.
- A mechanism to control charges to Council for servicing of rogue bins in circulation.
- Use of the data to assess recycling trends in areas or suburbs of interest.
- Allow identification of suburbs to target in education campaigns.
- Enable tracking of lost / stolen bins via cabin GPS information.
- Ability to quickly generate specific reports on data of interest.
- The ability to investigate public complaints using information such as bin lift time and truck and operator ID.

Automated reports of the above information can be generated with user-defined triggers such as overweighted bins, or by the operator such as when contamination is observed. Rates to residents for the new service have increased only slightly above the previous waste services rates.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=EI012&entryYear=2007

4. Regulation and control over land use

In 2009 Mosman Council's (NSW) planners published Local Environment Plan (LEP) exhibition material that incorporated traditional and new media to engage the community. The exhibition of the draft Mosman LEP together with the three draft development control plans—Residential, Business Centres, and Open Space and Infrastructure, took place between 15 October and 4 December 2009.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Mosman Local Environment Plan (LEP) Exhibition

Central to the exhibition was a purpose built website, utilising branding developed in-house. The website featured a blog to enable the community to comment at any time on issues important to them.

A Google Maps search facility was developed to allow easy viewing of the draft LEP maps utilising a program that most computer users would be familiar with. Information sessions where planners were be available to answer questions were organised for various times and locations.

The features that stand out about our community consultation are:

The exhibition was customised to focus on local issues;

The in-house development of a purpose-built website; graphics and logo; comprehensive

website content; targeted posts on the blog, written and moderated by the planners involved in the project;

Development of a map searching facility that utilised Google Maps and the Council's GIS to create user friendly, clear property information;

The exhibition generated large numbers of submissions on an issue, resulting in real change to the zoning of significant public land;

A combination of website statistics and results of a survey meant that meaningful evaluation could be undertaken. The results of which were communicated back to the community;

The whole experience was packaged into 'A Short Film', which was produced, directed, created and featured the planners involved in the project; and

Communication continues despite the end of the exhibition. The website and e-newletters are regularly updated and traffic on the site is still 250 visits a month of people keeping tabs on the progress of the draft LEP.

See: http://planningnetwork.lgsa.org.au/sites/planningnetwork.lgsa.org.au/files/Case%20Study%20Overview_10.pdf

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The Mosman Local Environmental Plan (LEP) has been approved by the Minister for Planning and Infrastructure and published on 9 December 2011 on the legislation website (including maps). It came into effect on 1 February 2012[6].

Warringah Council (NSW) has developed an ePlanning web space that has been designed to provide residents, applicants, developers and industry professionals with up-to-date information on planning and development activity within the Council area as well as searchable planning and development rules[7].

Costs of implementing planning capability can be expensive, and councils look at the required investment in the light of other priorities and resources.

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[6] The LEP map is at http://mosmanlep.net/maps/
[7] The site is at http://www.warringah.nsw.gov.au/ePlanning/pages/XC.Home/Default.aspx

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

5. Natural resource management

Natural resource management (NRM) concerns the conservation, restoration and maintenance of natural capital assets (including bush land, rivers, creeks, coasts, beaches, wetlands, and biodiversity). Local government has a major responsibility to achieve national, as well as local, catchment-regional and state/territory objectives and legislative responsibilities. Many approaches have been innovative in their approach and orientation.

The Blue Mountains City Council in NSW has taken a lead role in relation to Temperate Highland Peat Swamps on Sandstone (THPSS) Endangered Ecological Communities (EECs).

Save our Swamps Program
Blue Mountains City Council, 2010

The Federally listed Temperate Highland Peat Swamps on Sandstone (THPSS) Endangered Ecological Communities (EECs) occurs in the Blue Mountains City Council (BMCC), Lithgow City Council (LCC), Wingecarribee Sire Council (WSC) and Gosford City Council (GCC) LGAs.

THPSS are biodiversity hotspots supporting 10 nationally endangered threatened species and 3 state listed swamp EECs, and play a key role in maintaining the hydrological cycle through their capacity to store, regulate and filter water flows into downstream creek and river systems. They are increasingly at risk of being degraded by a number of key threatening processes including stormwater induced channelisation and dewatering, sedimentation, invasive weeds, unauthorised access tracks, aquifer dewatering from subsurface mining and tunnelling activities and the long term effects of climate change.

The 'Save our Swamps' (SOS) program is a whole of government partnership between BMCC, LCC, GCC and WSC, their local communities, State Government Agencies, Universities and the Federal and NSW State Governments, working collaboratively together to restore the Federally listed THPSS EECs on a regional landscape scale across all four LGAs.

BMCC is acting as the lead agency in building the capacity of the partner councils to deliver high quality conservation and restoration outcomes protecting these swamp systems and their associated threatened species using innovative soft engineering swamp rehabilitation techniques and a whole of catchment approach to dealing with source point threats.

SOS encourages community awareness through a multi-media awareness raising campaign, a dedicated website, a school education program and a private landholder extension/incentive service. A community capacity building program was created to engage the community in protecting these significant ecosystems through Swampcare, an integrated training, workshop and on-ground delivery program and University research projects.

Ongoing monitoring will continue through the Swampwatch program and the Blue Mountains Water Skink and Giant Dragonfly monitoring programs and University research projects.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=NR025&entryYear=2010

There are many other areas where councils have taken innovative approaches to NRM, driven by the commitment of staff and community champions, with strong collaborations and partnerships with community organisations and research and education institutions.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

6. Public, environmental, and primary health

Local government has a major responsibility for maintenance of public, environmental and community health (including immunisation clinics). Councils, particularly in rural and remote areas, take a major responsibility for ensuring that primary health care facilities and services are available and accessible. To achieve these outcomes, innovative approaches are often essential.

In most states, councils have a responsibility for health inspection services. The greatest health risks in food contamination occur at the food service end of the value chain. To ensure that food handlers are adequately trained, the City of Mandurah (Western Australia) entered into a collaboration with Challenger TAFE to deliver accredited training programs.

The Safe Food handling course - an innovative solution to a common problem
Mandurah City Council, 2007

The City of Mandurah partnered with Challenger TAFE to investigate ways to provide accredited food handler training to food handlers within the City. Many of the food handlers are working in a small business environment with limited capacity to support workers taking time away from the workplace to train. It was therefore identified that a readily accessible and flexible training and assessment model was required.

E-learning was decided as the answer to the training challenge presented. E-learning is about utilising modern technology, such as computers and the internet, as an alternative to traditional classroom based training. In 2006 the Safe Food Handling Project began. This project involved the development and subsequent pilot of an online Safe Food Handling course with funding from the Australian Flexible Learning Framework's Industry Engagement Project.

The project produced an online food handling course with a blended mode of delivery that was well received by the local business community and will assist in ensuring food sold within the City of Mandurah is safe and suitable.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=IT012&entryYear=2007

7. Community sports, recreation and arts

Councils have been able to achieve a range of innovation outcomes in the provision of community facilities and services.

Sports

Councils have a major responsibility for the provision of sporting and recreation facilities and services. Limited resources create opportunities for collaboration and partnership between local government, the State government and sporting organisations to lift sports participation. The Gold Coast City Council (Queensland) Sports Fusion project represents an innovative approach to delivery where many stakeholders are involved.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Gold Coast City Council Sports Fusion Project
Gold Coast City Council, 2012

The Sports Fusion project is a partnership between Gold Coast City Council, the Queensland Government Department of Sport and Recreation Services (Gold Coast Advisors), 18 Gold Coast Regional Sporting Bodies, and over 150 local sporting clubs. The objectives of the project are:

- To engage all stakeholders in sport in our City.
- To develop excellent working relationships between the stakeholders.
- To integrate sport services in our City and ensure a coordinated approach in the delivery of services and development of infrastructure.
- To engage in meaningful strategic planning that delivers based on need (not want) and develops all aspects of sport and recreation (activities, facilities, people) in a holistic manner.
- To support sport and recreation volunteers by working to enhance their capacity and increase their capability to deliver services to the community and their clubs to achieve ongoing sustainability.

The Sports Fusion project has allowed Council to provide the opportunity for sports professionals and volunteers alike to become actively involved in decision making, give direct input in the formulation of policies and procedures and offer suggestions as to the best ways to move forward to meet sport and recreation challenges our City faces both now and in the future.

Sports Fusion has in a fast paced, complex, technology driven world given us an opportunity to return to the basics and reactivate simple, common sense principles including working as one team with one vision, building strong relationships based on trust and respect, commit to communicate honestly and openly (including explaining why decisions are made) and really listen to each other's perspectives, ideas and issues.

Through Sports Fusion all stakeholders in sport are striving to support each other and together build a 'thriving' sport/recreation community with quality facilities, providing quality activities run by skilled and capable people.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RE037&entryYear=2012

Libraries

In the knowledge economy libraries are a critical community resource. They have a role in providing access to information and knowledge. That role is changing as technologies develop and opportunities emerge, and the library becomes a local 'knowledge hub'. Libraries also support the development of knowledge transfer by providing a social environment for knowledge exchange and giving a focus for sustainable design and service delivery.

In Western Australia an eco-library and community learning centre, co-located with the Shire of Peppermint Grove's Administration Offices, and jointly known as 'The Grove', has earned praise for its leadership as a national sustainability pioneer, and is recognised as one of the most exciting sustainability projects in Australia.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Grove Library and Community Centre
Shire of Peppermint Grove, 2012

The three Councils who own and manage The Grove (Town of Cottesloe, Shire of Peppermint Grove and Town of Mosman Park) recognised an opportunity to create an iconic building that would act as a catalyst to educate the community and prepare them for future environmental challenges.

The Grove generates its own power, collects its own rain water and recycles all of its wastewater because that's what the communities wanted. The result is a stunning public building that incorporates an impressive list of environmentally sustainable design (ESD) innovations, winning the 2011 Australian Institute of Architects (WA Chapter) Walter Greenham Sustainable Architecture Award.

Ricky Burges, Chief Executive Officer, Western Australian Local Government Association stated: 'This development demonstrates tremendous leadership from the three councils involved and will be a showpiece for the Local Government Sector's commitment to environmentally sustainable development. It highlights the achievements of local Governments working cooperatively and collaboratively to benefit their collective communities.'

The high-profile building incorporates a vast range of leading-edge sustainable design features (supported by a major grant from the Australian Government through the Green Precincts Fund), and a sophisticated Library and Community Learning Centre bristling with the latest technology, yet retaining a relaxed, friendly feel.

The Grove Project of the Cottesloe, Peppermint Grove and Mosman Park Councils is a model of cooperation for local governments looking to provide the very best outcomes for their communities. For more information and a virtual tour of the building with Josh Byrne, see: www.thegroveprecinct.com

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RE022&entryYear=2012

Arts and heritage

Many councils have taken innovative approaches to the delivery of community arts programs. For example, *Face to Face*, a three-year community arts project funded by the City of Greater Dandenong, VicHealth and the Victorian Multicultural Commission, aims to capture everyday life in Springvale by providing a window into the lives, opinions and passions of the community through a range of creative outlets.

Face to Face: Unity in Diversity
Greater Dandenong City Council, 2012

A kaleidoscope of personal stories told through a broad range of art mediums has forged greater tolerance, understanding and acceptance of difference among the people of Springvale, one of Australia's most diverse urban communities. Story-telling workshops, exhibitions, oral histories, documentary film, social media, photography, a DVD, dedicated website, open public forums, live performances and artists in residence programs are delivering the compelling and inspiring stories of the people of Springvale.

Together, these art mediums have helped people to celebrate cultural difference, and unite a unique community by connecting its rich cultural tapestry.

Underpinned by a robust community engagement model, Face to Face is managed by the City of Greater Dandenong in partnership with 10 leading community agencies. It has provided community members with

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

the skills to tell their own stories and to collect and document the stories of others. It has brought different cultural groups together to expose and move towards resolving issues of discrimination and intolerance by providing opportunities to develop community cohesion, and build trust, pride, respect and understanding.

Face to Face is also having a positive impact beyond Springvale, challenging enduring perceptions of ethnic instability in the area driven by racial stereotyping, fear and inaccurate media reporting. Face to Face reinforces Springvale as a colourful, vibrant and exciting place to live, work and visit. All stories, images and recordings gathered are part of an online community resource at www.springvalestories.org.au providing a rich repository of the Stories of Springvale to be enjoyed by all.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=ST014&entryYear=2012

8. Community services for target groups
Gender equity

Local government is taking a more active role in women's issues. In NSW, Liverpool City Council's *Made on the Kitchen Table* project demonstrates innovation and best practice in the delivery of education with recognition and involvement of the diverse communities in its local government area and the greater southwest Sydney region.

Made on the Kitchen Table Project - Casula Powerhouse Arts Centre
Liverpool City Council, 2012

The project aimed to engage Aboriginal women, teaching them artistic skills that they would hopefully continue practicing at home, or actively pursue further artistic endeavours.

Simultaneously, the initiative was also seen as a means to highlight and present stories through the eyes of Aboriginal women to the broader society, resulting in an art exhibition at Casula Powerhouse Arts Centre consisting of contemporary and traditional Aboriginal artworks. The exhibition was on display from June to August 2011. Leading up to the exhibition, free workshops were held over two years, with a dedicated collective of seventeen participants. All workshops were facilitated as much as possible by Aboriginal people that are skilled in various art making processes. Participants were taught the basic skills involved in the production of pottery, lead lighting, traditional basket weaving and digital photography.

In cooperation with Casula Powerhouse Arts Centre, Made on the Kitchen Table was an initiative managed by local Liverpool Aboriginal resident and cultural worker, Cecilia Campbell. The initiative was also guided by an advisory committee consisting of dedicated Aboriginal women working and living across southwest Sydney. Committee members included: Kate Nicholas, Wendy Pomeroy, Mary Eatts, Ann Thatcher, Delphine Leslie and Sue Clegg.

As a result of the initiative and exhibition, the committee and collective established Coorah Bamal Inc. – a not-for-profit organisation that aims to continue providing artistic workshops and educational resources to Aboriginal women from southwest Sydney. Coorah Bamal Inc. also act exclusively as the official Aboriginal Arts Advisory Committee to Casula Powerhouse Arts Centre.

Partners of the project included: NSW Department of Community Services, Liverpool Women's Health Service, South West Sydney Area Health Service, Liverpool Women's Resource Centre and the Joan Harrison Support Services for Women. Four year funding for the project was contributed by the Western Sydney Area Assistance Scheme, funded through the department of Community Services.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=PR004&entryYear=2012

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

A similar initiative supporting gender equity and opportunities was sponsored by the City of Canada Bay (NSW).

'What would your mother say!': A retrospective of young women's fashion culture and identity
City of Canada Bay Council, 2009

What would your mother say! is a community driven exhibition and oral histories project that explores and documents the lives of women across different generations and cultural backgrounds through the medium of fashion. The project concept was developed to create an integrated celebration of three key community events – International Women's Day, Seniors' Week and Youth Week.

Using an asset-based community and cultural development model, the project engaged women in the community, local cultural organisations and stakeholders, and Council staff from a cross section of divisions and sections. Information was gathered through interviews, surveys and discussions with local women of all ages. These discussions provided a catalyst for exploring life stories and experiences. Many sentimental and personal items were generously shared by local women for inclusion in the exhibition together with many personal stories and accounts. These have been woven together with photographs and fashion to create an exhibition that explores women's culture across the decades.

Initial community engagement was with a core group of young women who took part in a series of Council facilitated workshops giving them the opportunity to spend time researching, discussing and deciding on a theme for the exhibition. The young women chose the theme What would your mother say! to reflect revolutionary changes in fashion and social contexts. In particular, the theme allowed for the exploration of fashion as a signifier of identity and the differing and similar elements of this expression from one generation to the next.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RD017&entryYear=2009

Youth

The City of Canada Bay also supported a youth mobile phone film making project which was delivered from November 2009 to February 2010.

Future Capture: Youth Mobile Phone Film Making Project
City of Canada Bay Council, 2010

The 'Future Capture' project built on a concept developed by the City's Youth Committee during Youth Week 2009 planning and was developed as a responsive and relevant youth engagement project initiated by young people, for young people.

The concept of Future Capture engages with changing nature of communities and communications. Through utilising mobile phone film making, the project supported young people to explore the opportunities and challenges of the increasing prominence of digitalisation, media and surveillance in contemporary lives. Delivered as a fun, interactive workshop series, participants were encouraged to explore and learn how to create films using mobile phone technology.

Working with an experienced film maker, participants developed film making and new-media skills; explored the creative processes of film making; and were supported to use the process to explore and area or issue they were passionate about. Over 20 young people were involved throughout the course of these workshops with six innovative, expressive and diverse films produced.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

The positive skills and achievement of the young people have also been showcased through multiple online and off-line screening opportunities, celebrating with the wider community the positive ways in which young people are engaging and responding to the world around them.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=YE023&entryYear=2010

9. Trading enterprises

Local government is involved in the management and operation of a number of trading enterprises, including airports, sale yards, and caravan parks. In Queensland and rural NSW, councils operate water and sewerage authorities as businesses. In Brisbane the City Council operates the Brisbane bus service.

Throughout Australia local governments operate 200 airports. Responsibility for the management of regional airports was transferred to local governments from the Commonwealth under the Airport Local Ownership Plan in 1992. Airports are an essential component for tourism, business development and the growing 'fly in-fly out' characteristics of regional communities.

For a range of reasons, however, airport enterprises are coming under financial pressure.

Turbulence ahead for regional airports with high costs
From: AAP June 21, 2012

AUSTRALIA'S regional and bush airports could be about to hit severe turbulence because of the high costs of maintaining infrastructure, a new economic report warns.

A Deloitte research report released on Thursday found that despite contributing $329 million to the national economy each year, regional airports are at risk.

The Australian Airports Association's Caroline Wilkie says several airports need to upgrade facilities to meet passenger growth, which is forecast to increase by 3.3 per cent each year to 2025.

But with only 45 per cent of regional operations turning a profit that's a major challenge.

'For many Australians living in remote locations, regional airports are the lifeblood of the community and the only practical means to access emergency and essential services,' Ms Wilkie said.

The boom in fly-in fly-out mining has increased pressure on airports in country WA, Queensland and NSW.

For others, costs are rising due to the need to upgrade security.

The report found as a percentage of their total operational costs, regional aerodromes pay three times more on regulation-related costs than major airports, and have limited opportunities to generate alternative revenue streams.

http://www.heraldsun.com.au/travel/news/turbulence-ahead-for-regional-airports/story-fn32891l-1226404581354

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

A number of councils around Australia have been working with developers to leverage the value of the land into residential or commercial real estate. At Tamworth, for example, the airport is home to major aviation training schools and businesses including Australasian Pacific Aeronautical College (APAC), BAE Systems Flight Training Australia and Sigma Aviation, an aircraft maintenance and engine overhaul business for turbo prop and piston aircraft.

Inevitably, response to financial pressures will call for innovative solutions. A transformative approach to innovation would see airports used in new ways to create value for the community.

In a number of regions councils have come together to form joint venture businesses to provide a range of municipal services across a region. Councils in some States have powers to establish 'beneficial enterprises'. In Queensland, for example, the Local Government Act 2009 gives councils the power to conduct beneficial enterprises, which can reasonably be expected to benefit, the whole or part of its local government area.[8]

Councils have also established consultancy businesses to provide specialised services to other councils. This has been particularly advantageous in rural areas where commercial operators may not have capacity or capability. Richmond Valley Council, in Northern NSW, has commercialised its bridge building capability.

Building Bridges for the Future
Richmond Valley Council (NSW)

RVC has been building bridges for over 30 years and have the capacity to undertake works at remote locations. We

have successfully completed projects in South East Queensland and Northern New South Wales from Maroochydore to Taree and west to Warialda.

Richmond Valley Council (RVC) recognises that Local Government organisations may or may not have the staff resources and skills required for the planning, design, construction and decommissioning of bridges. With this in mind we have developed the staff and skills to enable us to provide a complete service to other Local Government organisations in the areas of planning, design, construction and decommissioning of bridges.

Having constructed in excess of 200 bridges our specialist team of project managers, design engineers and tradesmen as well as Council's logistics and support processes, ensvire the availability of skills to provide practical and affordable solutions to your bridge asset problems.

RVC has its own pre-casting and pre-stressing facilities to ensure the availability of quality components and further ensure the quality of the completed bridge. We have the facilities to manufacture Qld Main Roads pre-stressed planks, NSW RTA pre-stressed planks, Super T beams and NAASRAType 2 trough girders.

RVC also has the manufacture rights for the patented Doolan Deck Modular Bridging System.

RVC has also completed numerous projects utilising staff from client organisations. These co-operative arrangements can help train the client's workforce in new areas and help promote a greater sense of

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[8] See http://www.dlgp.qld.gov.au/resources/factsheet/lg-legislation/beneficial-enterprises.pdf

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

> ownership of the assets among these personnel.
>
> http://www.richmondvalley.nsw.gov.au/content/Document/A-Z/Bridges/Building%20Bridges%20Brochure%20for%20Web.pdf

Very few sale yards make substantial profits. They are seen as a service to the community, particularly in farming areas. Sale yards are funded by agent's fees, with losses funded by ratepayers are through general purpose funding.

For a time during the 1980s and 1990s commercial enterprise ventures were seen as a way of underwriting council finances. This took many councils outside their core business, and there were some spectacular losses where councils had taken on commercial risks. There were also issues with competitive neutrality under the National Competition Principles. Councils now see their role as much more in supporting economic development, rather than directing it.

10. Economic development

Economic development is a major role and responsibility of local governments. Approaches vary across councils, from information provision and facilitation, to active solicitation of investment and in some cases, the support for business incubators.

Tourism

Outside the major metropolitan areas councils have a role in tourist attraction. In Western NSW, four Councils (Coonamble, Gilgandra, Narrabri and Warrumbungle) collaborated as the *Warrumbungle Cluster* to invest in new technology for marketing tourism in the region. It capitalises on an increase in social media and mobile channels that are becoming common place in advertising and promotion. It also demonstrates, particularly for smaller councils, that significant funding is not required to utilise new technology.

Digital Solutions for Travellers
Coonamble Shire Council, 2011

Information on each Shire, including short tours was uploaded to the campaign web site as podcasts/MP3 format for playback on IPods and MP3 players. Bluetooth marketing units were installed at each of the accredited Visitor Information Centres in the region which will have the ability to send e-brochures, event information and tours to those in proximity with Bluetooth enabled phones.

A quantity of credit card size thumb drives were produced and loaded with the digital promotional material and these will be distributed at consumer shows and visitor centres. A Facebook site complements the campaign web site www.warrumbunglewired.com.au and provides regular updates.

To let people know that the information is available via these new media applications banners will be displayed at each shire Visitor Centre and 25,000 fliers will be sent to all residents along with visitors centres across Central NSW. The campaign will also be promoted on FM 88 Visitor Radio in neighbouring/State Border regions and advertisements will be run in key regional publications from April 2011 through to March 2012.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RE018&entryYear=2011

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

Golden Plains Shire Council developed a smartphone application to highlight and profile the tourism features of the area.

Visit Golden Plains Tourism Smartphone / Tablet App and Website Digital Infrastructure Project
Golden Plains Shire Council, 2012

Golden Plains Shire is a vibrant and progressive small rural municipality situated between Geelong, Ballarat and Melbourne in regional Victoria. As a region for tourism, Golden Plains boasts award winning wineries in the Moorabool Valley, iconic film and music festivals, stunning natural attractions, and some of Victoria's oldest and original remnant gold mining townships. Taking a day trip in Golden Plains has been made even easier with the launch of a new tourist Smartphone application.

The Smartphone application features an interactive map of Golden Plains, including helpful visitor information and landmark images all designed to assist tourists in finding and enjoying the attractions. It also identifies important locations such as public toilets, food stops, petrol and EFTPOS facilities. This use of technology means that people can experience Golden Plains anywhere, anytime from the convenience of a Smartphone, iPad or Android tablet. In many respects Golden Plains Shire Council has been proactive in its investment in tourism infrastructure and this latest initiative is a shining example of its progressive approach to economic development.

Historically, Council has built and restored fixed tourism infrastructure and co-located amenities, ranging from nature trails and parklands through to major tourist attractions such as the Golden Plains Farmers' Market and Flagstaff Hill Lookout in an effort to attract visitors to the region. Council's role is now more one of facilitation; and collaboration with regional tourism bodies and neighbouring municipalities has been integral to the successful market testing and deployment of the technology.

The Golden Plains App is vital economic development infrastructure, which connects visitors to the experiences, businesses and attractions in the region with one simple touch. By having a sound project planning framework and involving the community at the earliest possible stages the Golden Plains App is a true reflection of Council's innovative approach to infrastructure development. Importantly, the App technology continues to create real value for local businesses and enhances the wider regional tourism industry.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=IO011&entryYear=2012

Innovation precincts

In the Melbourne metropolitan area, there is an important collaboration between councils and research institutions to promote economic development.

Energising the South East Melbourne Innovation Precinct
City of Kingston, 2012

Melbourne's south east is one of the most important economic regions in Australia with a total Gross Regional Product of approximately $36.5 billion and providing employment for almost 300,000 people, with 26 per cent of those jobs being in manufacturing.

While the region is home to some of the best research institutions in Australia, it was clear that the relationship between these institutions and the business community was virtually non-existent. Furthermore, many companies operated in isolation, relying on relatively few suppliers or customers to

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

generate ideas for product or service improvements. They were unaware of knowledge sources or discoveries elsewhere that could help improve competitiveness.

The municipalities of Kingston, Greater Dandenong, Knox and Monash, came together with Monash University, the Australian Synchrotron, CSIRO, the Small Technologies Cluster and the Victorian Government to form the South East Melbourne Innovation Precinct (SEMIP) partnership to capitalise on the natural attributes of the region for the benefit of the community and the broader Australian economy. These partners have been joined by some of the region's leading innovative companies including Invetech, Siemens Australia, Minifab, Nulab Professional Imaging, and many others.

With the implementation of the SEMIP strategic plan, the partners envisage the region being internationally recognised as the innovation, business and knowledge capital of the Asia Pacific. The Precinct will be a dynamic hub of manufacturing, science services, advanced materials, engineering, and medical/health knowledge-intensive industries.

Businesses are being provided with access to cutting edge research and the opportunities to build collaborative business to business and business to researcher relationships. In the medium to longer term, the strategy will attract new businesses to the region and enable existing businesses to create more jobs and expand export markets.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RE035&entryYear=2012

Business incubation

The Sutherland Shire Council (NSW) incubator initiative represents an important initiative and innovative approach to new business incubation.

Business Incubation in the Sutherland Shire and Beyond
Sutherland Shire Council, 2008

Sutherland Shire on the southern coastal strip of the Sydney metropolitan area is one of the largest LGAs in Australia. It has a population of 215,000, an area of 370 km2 and is separated by natural geographical features from adjacent Councils, waterways and the Royal National Park. Sutherland operates as a single Council region.

During the early 1990s increases in land prices, lack of local skilled employees and changing demographics resulted in businesses relocating from the Shire. Council needed to act. Responding to this challenge, Council developed a strategic and economic development plan in 2000 resulting in a blueprint for action focused on growing existing businesses and generating new local jobs. A key initiative driving the strategies for economic growth was Council's investment in a business incubator (SSHED with investment of $3M, opened November 2003). The SSHED occupies a site on the Loftus TAFE campus along with the University of Wollongong.

The SSHED model provides a best practice strategic approach to incubation. It is purpose built with 20 offices for tenants ranging from 20m2 to 40m2. The SSHED's sophisticated IT platform delivers tenants superior networked technology services. In its fifth year, the SSHED has generated 250 new jobs, delivered business acceleration programs to 40 tenants and achieved a tenant satisfaction rating of 75 per cent. A new product was launched based on the SSHED model extending business acceleration program to those who cannot physically relocate.

SSHEDx, delivers via specifically developed software online, the SSHED model to the workplace. SSHEDx was launched late 2007 with eight businesses utilising this program. The SSHED is a proven business acceleration model that can be applied to other LGAs or other organisations associated with regional development. Centrally co-ordinated and supported from the SSHED.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=RD019&entryYear=2008

Collaborations with tertiary education institutions

Greater Geelong Council has instituted a partnership with a private firm, a TAFE Institute and the Victorian Government to promote employment and economic development in the northern suburbs of Geelong.

Northern Futures Logistics & Supply Chain Job Ready Project
Greater Geelong City Council, 2012

The Northern Futures Logistics and Supply Chain Job Ready project is a collaborative project between the City of Greater Geelong's Economic Development Unit and a community organisation called Northern Futures, which is aimed at skilling-up young unemployed people from the Northern Suburbs of Geelong, in the logistics and supply chain industry, to enable them to gain employment.

The Northern Suburbs of Geelong are recognised as an area of disadvantage, and inter-generational unemployment is a major issue. The City, in conjunction with Northern Futures recognized that unemployment in the 15-24 year old age group is particularly high and some action was needed to turn this around.

The project aimed to enrol at-risk young people from this area, and provide them with accredited training in Certificate IV Logistics and Supply Chain Management principles, which will then enable them to gain meaningful employment in the local area. A number of local businesses assisted the project by providing trainees with on-site visits to their operations, and allowing company personnel to talk to trainees about their careers, and portray a positive image about employment and self-esteem.

The City's Economic Development Unit sought and auspiced funding from Workforce Victoria to design and implement the project, engaged with local business to support the project, worked with Job Search agencies to enrol suitable students, worked with the local TAFE College to provide accredited training and worked with Northern Futures to administer the project . This has been an extremely successful collaborative project involving a number of organisations, which saw an initial enrolment of 26 students, with 20 receiving a formal qualification at the end of training, and 16 now in full time employment. These figures demonstrate excellent retention rates, considering the cohort. It is a model that could easily be used anywhere in Australia.

http://www.regional.gov.au/local/awards/leading/entrydetails.aspx?entry=YO003&entryYear=2012

Conclusion

The profiles presented in this Attachment demonstrate the diverse way that councils have adopted and applied ideas-based and process-based innovations. Many of the innovations could be adopted more widely across councils.

They demonstrate very clearly that innovation is very much associated with the ingenuity and imitative of staff and the community. They also demonstrate that much can be achieved without a significant commitment of resources.

Unlike the corporate sector, local government (or government generally) does not have a large research and development budget to allocate to the development of new products, services,

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

or ways of doing business. But with new technologies, communications, and forms of social interaction, the opportunities to achieve substantial change are immense.

Innovation demands a strategic approach. And while responsiveness based on ingenuity and initiative has served the sector well, more fundamental and far-reaching change requires approaches that are based on evidence, testing and validation. Technology provides opportunities, but the lessons of the past suggest that its capabilities should be used to create new value, rather than automating the practices of the past.

INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

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INNOVATION, INGENUITY AND INITIATIVE
The adoption and application of new ideas
in Australian local government

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