

Councils involved were:	
Waratah Wynyard	Circular Head
Latrobe	Kentish



# Resource sharing success stories in **TASMANIA**

## CONTEXT

Councils are increasingly expected to do more with less. Not only do they provide their communities with roads, rates and rubbish but they also play an important role in economic development and community wellbeing. In regional and rural Australia, councils are often the main employer and through their policies and strategies attract businesses to the area to keep people living and working locally. Over the past decade, like other organisations, councils have been under pressure to drive efficiencies and economies, often with constrained income levels and with higher expectations from the community about the services and levels of service they deliver, enable or advocate for.

## INNOVATION IN TASMANIA

State government policies across Australia have focused on council amalgamations as the panacea for improved community outcomes but two sets of councils in North West Tasmania have been able to demonstrate efficiencies of scope, scale and increased strategic capacity from resource sharing, one form of shared services. These councils, not in response to the current amalgamation agenda at state government level, have quietly been providing improved levels of service to their communities whilst retaining local representation. Although not without room for improvement, these councils will vitally contribute to the evidence base for shared services as a viable, long-term alternative to amalgamation.

## THIS PROJECT

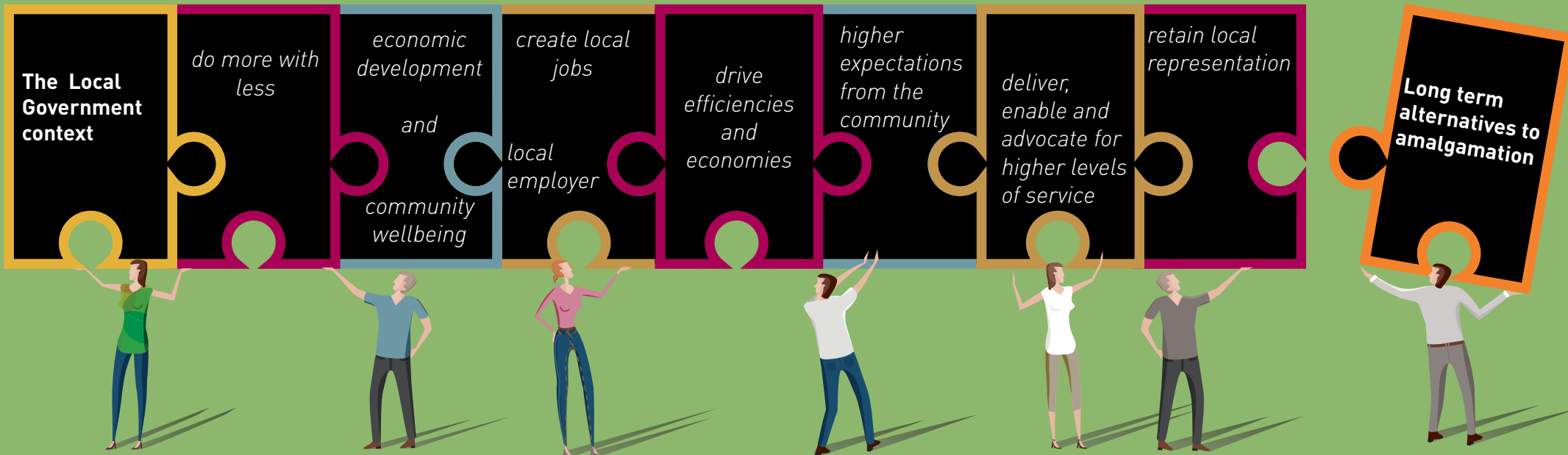
The two sets of councils in North West Tasmania that are resource sharing engaged the Australian Centre of Excellence for Local Government (now the University of Technology Sydney Centre for Local Government) to review their resource sharing arrangements. This project is particularly relevant to the current Tasmanian local government context because of the current policy focus on voluntary council amalgamations and strategic resource sharing.

- Kentish and Latrobe Councils share staff, plant and equipment
- Circular Head and Waratah-Wynyard Councils share staff, projects and procurement.

The aim was to:

- Determine the success factors of the current resource sharing arrangements
- Review the current governance arrangements
- Review the State Government's reform agenda and provide advice as to whether the resource sharing will deliver the outcomes sought
- Identify whether the current arrangements have led to increased strategic capacity
- Develop a set of commonly agreed objectives to assess the outcomes of resource sharing
- Undertake a financial analysis of the savings.

All four councils are relatively small with limited capacity and capability to attract and retain technical staff or offer career progression within council.



# What is RESOURCE SHARING?

Resource sharing is one mode of shared services and provides economies of scale, economies of scope, improved service quality, organisational development and increased strategic capacity.

Resourcing sharing involves sharing assets such as people, capital and projects. For example:

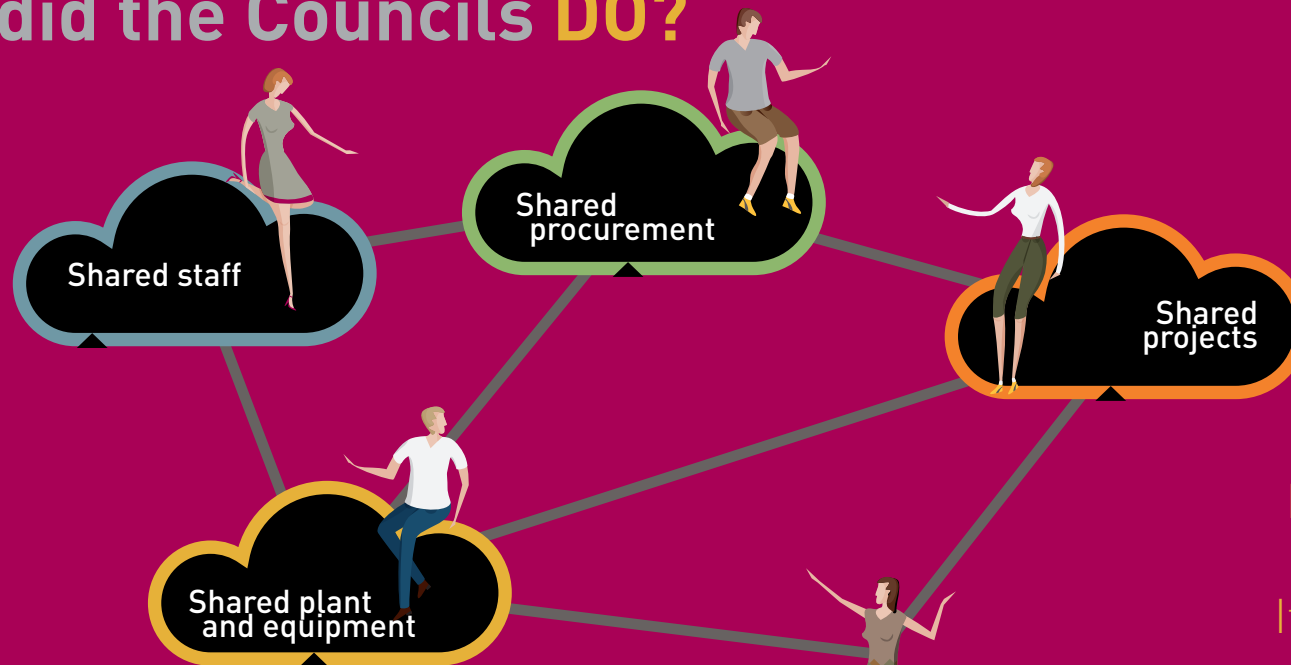
- When one council is unable to attract or retain staff skills in a particular discipline and another council has spare capacity, such as in engineering design or development assessment
- Where one council has surplus plant and equipment and can rent the assets to another council e.g. a road grader
- Where one or more councils can pool staff to deliver legislative requirements e.g. environmental health and animal control
- Where one or more councils can pool staff and collaborate on strategic planning at a local or regional level or on joint procurement.



## The KEY AIMS of SHARED SERVICES



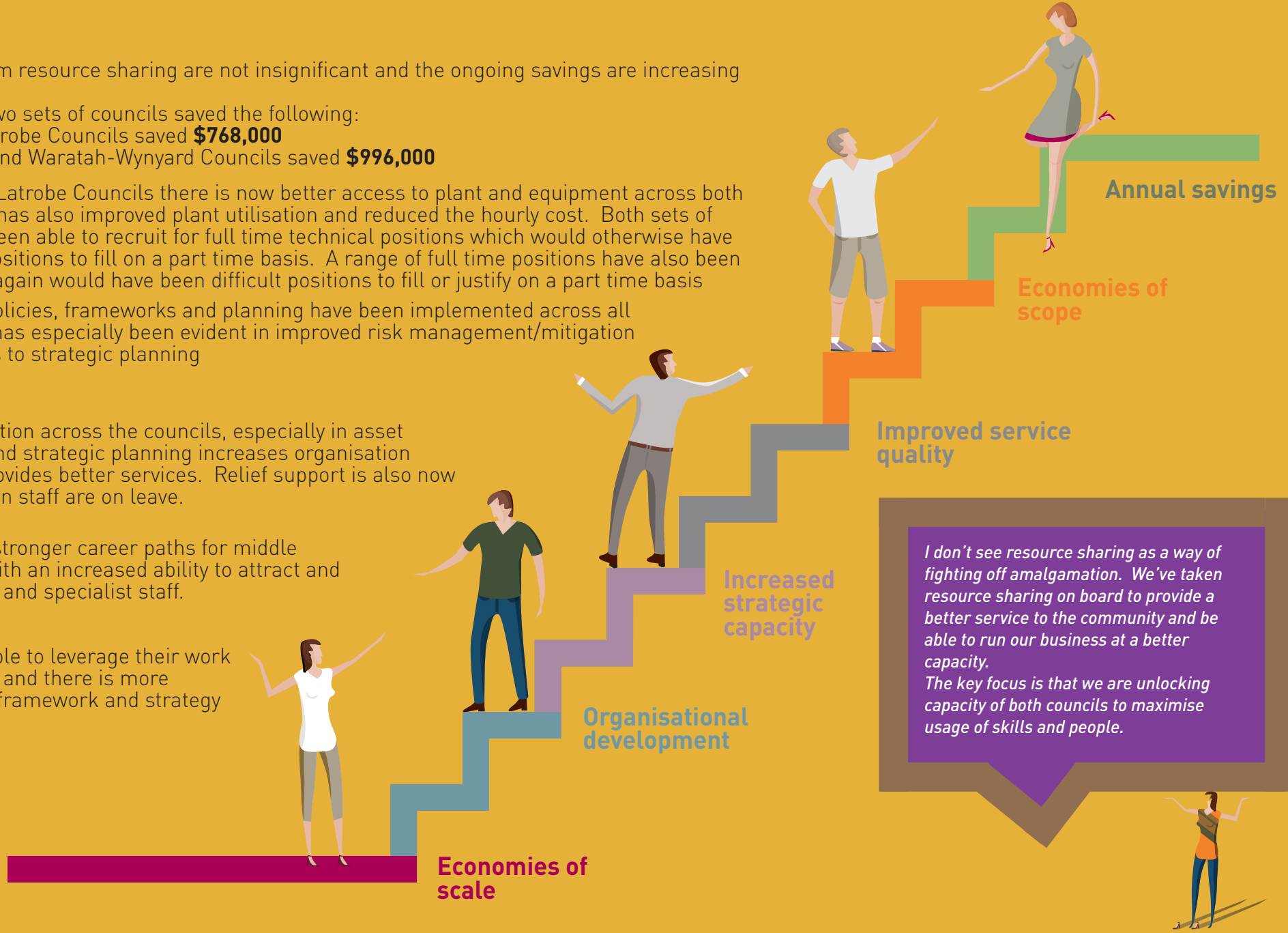
# What did the Councils DO?



Resource sharing is one mode of shared services. It involves sharing assets such as people and capital.

# What they have **ACHIEVED**

- ▶ The savings from resource sharing are not insignificant and the ongoing savings are increasing annually. Last year, the two sets of councils saved the following:  
Kentish and Latrobe Councils saved **\$768,000**  
Circular Head and Waratah-Wynyard Councils saved **\$996,000**
- ▶ At Kentish and Latrobe Councils there is now better access to plant and equipment across both councils which has also improved plant utilisation and reduced the hourly cost. Both sets of councils have been able to recruit for full time technical positions which would otherwise have been difficult positions to fill on a part time basis. A range of full time positions have also been enabled which again would have been difficult positions to fill or justify on a part time basis
- ▶ Standardised policies, frameworks and planning have been implemented across all councils. This has especially been evident in improved risk management/mitigation and approaches to strategic planning
- ▶ Cross collaboration across the councils, especially in asset management and strategic planning increases organisation capacity and provides better services. Relief support is also now in place for when staff are on leave.
- ▶ There are now stronger career paths for middle management with an increased ability to attract and retain technical and specialist staff.
- ▶ Staff are now able to leverage their work across councils and there is more efficient policy, framework and strategy development



# What does the future **HOLD?**



Possibilities for:

- Creation of a specialist technical offering such as planners and engineers which could be provided to other councils and/or state government on a fee for service basis
- Creation of Centres of Excellence around capital works, open space management, construction and unsealed roads maintenance
- Further sharing of procurement and projects
- Shared services with other councils at a sub-regional or regional level
- Capacity building across the sector based on lived experiences.

## **LESSONS** for other councils

Resource sharing works best where there is:

- A common, agreed rationale for resource sharing
- A formal agreement which underpins the arrangement
- An evaluation and monitoring framework to formally review and report back on outcomes
- High levels of trust between councils to drive transparency and accountability and an investment in building strong relationships at senior, executive and councillor levels
- Actual equity and allocation of shared resources across councils to ensure both function in the joint arrangement
- Highly committed, shared executive and senior staff
- Complementary IT and communications systems to support physical movement between locations and ensure efficiency of use
- Incremental rather than transformational change over time which has helped build an organisational culture of resource sharing
- Staff specifically recruited into shared roles based on an identified set of personal attributes as well as skills.

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