A Guidance Paper

Collaboration and Partnerships between Councils

NSW Department of Local Government, 2007

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INTRODUCTION

Local government faces increasingly demanding and complex community expectations. With limited resources and competing demands it is critical that councils find new ways to plan and deliver services so that local government is sustainable and able to flourish. Strategic collaboration and partnerships are ways that councils can respond to these challenges.

Strategic collaboration is an umbrella term for how councils work together. Collaboration can take many forms including alliances, partnerships, business clusters etc. Their purpose is to reduce duplication of services, provide cost savings, access innovation, enhance skills development and open the way for local communities to share ideas and connect with others.

A key priority of the NSW State Plan is growing prosperity across NSW by providing the right foundation for business investment, particularly in rural and regional NSW. This is about supporting a fair and collaborative working environment, fostering innovation and cutting red tape. Strategic collaboration offers participating councils a way to achieve their goals and objectives in cost effective and innovative ways.

This guide aims to assist councils to develop stronger strategic collaborative arrangements that use resources wisely to meet their communities' long-term needs. Strategic collaboration is not just about savings and sharing resources. It is also about maximising capacity in addressing community expectations. Collaboration between councils should enhance staff skills and experience. Collaboration is not about reducing staff numbers or council autonomy.

This paper has been informed by the experience of the local government sector in developing such arrangements derived from the sector's responses to the New Directions for Local Government Paper released in November 2006.

The guide is in two parts. Part A provides the context and overview. A range of case studies are included demonstrating the different approaches that have been developed to address common issues.

Part B provides an organisational overview, including a practical guide to developing collaborative relationships and other resources to assist councils develop and manage collaborations effectively.

This guidance paper does not prescribe a set of arrangements. Rather, it provides information to assist councils make important decisions about the aspects of their business that would be enhanced by a collaborative approach. This includes their choice of partners and how such arrangements should be managed and evaluated. It should be noted that no evaluation has been undertaken of the range of models in existence. This guidance paper should not be used as a substitute for legal advice. Any council considering entering into a formal arrangement should be guided by independent legal advice.

PART A - A STRATEGIC OVERVIEW

1. What is strategic collaboration?

Strategic collaboration is where councils enter into arrangements with each other for mutual benefit. In the context of this paper, they include any arrangement where councils work together to share resources to achieve common objectives in a way that is cost effective and results in improved services to communities.

Strategic collaborative arrangements aim to:

- capture and share knowledge and innovation,
- connect councils in maximising service delivery opportunities to meet common community needs,
- reduce costs through the elimination of duplication,
- access economies of scale, and
- develop an effective local platform to work with other levels of government to achieve better whole of government outcomes for the community.

As this paper shows, collaborative arrangements can take many forms and perform many different functions. They range in structure from informal groups that meet to share their experiences and ideas, through to separate corporate entities that have been established to provide services to member councils and the local government sector. It should be noted that certain types of arrangements require the approval of the Minister for Local Government. These are discussed later in this paper.

1.1 Why should councils enter into strategic collaborative arrangements?

The main aim of strategic collaboration is to ensure that communities benefit from the productive use of the cumulative resources available to councils. If there is no benefit to the community either directly or indirectly a collaborative approach should not proceed. Some of the benefits that have been achieved through strategic collaboration include:

- the provision of more comprehensive services at the local and regional level,
- promotion of joint cultural and economic development,
- strengthened relationships between councils and other government entities,
- improved local governance through modelling, information exchange and joint problem solving,
- opportunities for integrated planning across local government,

- increased access to a wider range of skills, knowledge and specialist services,

- better use of and access to available technology,

- better utilisation of capital and other assets, including improved investment strategy options, and

- improved economies of scale resulting in better products at a cheaper price, freeing resources for other uses.

2. Legislative considerations

The *Local Government Act 1993* empowers councils to "*provide goods, services and facilities, and carry out activities, appropriate to the current and future needs within its local community and of the wider public, subject to this Act, the regulations and any other law.*" (section 24).

Councils may exercise their functions jointly with another council or councils eg, by means of a Voluntary Regional Organisation of Councils (section 355). The Local Government Act also places a number of requirements and constrictions on the manner in which councils may conduct their business.

Whenever any council is considering forming or entering into a strategic collaborative arrangement it must ensure that it complies with its statutory obligations under the Local Government Act and other relevant legislation.

It is not the intention of this guidance paper to provide councils with legal advice. However, some of the statutory obligations which need to be considered by councils when entering into strategic alliances are set out in Part B, Section 4.5 of this guide.

3. Emerging approaches to strategic collaboration

Resource sharing is not a new concept to local government. Councils throughout NSW have been working together and sharing resources for many years. The NSW Government has actively encouraged this practice.

County Councils are a long-standing form of partnership achieving economies of scale and driving initiatives in the areas of weed control, flood plain management, water and sewerage.

Other resource sharing has generally been more opportunistic in nature, where councils have identified a common need and collaborated to develop a shared solution. Generally these arrangements have focused on more practical measures, such as sharing library services, or equipment.

There is now an increasing recognition that councils can benefit from a strategic/holistic approach to sharing. Councils across NSW are considering, or entering into, more focused arrangements. Three key approaches are emerging. These are:

- integrated multi service/business sharing approaches,
- single service/business approaches, and
- knowledge sharing and organisational development approaches.

All of these approaches maintain the role of local councils as the key governance structure. The member councils set key policy and strategic directions. There may be elements of each of the three approaches in the collaborative arrangements entered into. A council may be operating in one or more of these approaches at any one time.

3.1 Integrated multi service/business sharing approaches

In this approach, a number of councils enter into a collaborative arrangement on the understanding that they will have a substantial, long-term strategic relationship and will share a common future that is mutually beneficial.

These arrangements are usually geographically based (but not necessarily so). Councils with a small population and consequently a small revenue base are adopting this approach. This small base reduces the capacity of these councils to attract and maintain highly skilled and experienced staff. The resource base to meet infrastructure and service demands is restricted, but the demand from the community for services and infrastructure is much the same as it is on larger councils.

The forming of a collaborative arrangement allows councils to pool resources, reduce duplication and form a common platform to develop initiatives. They typically involve some common policy and governance arrangements, as well as agreements for common business and operational activities. Projects are designed to complement each other and support the long-term sustainability of the constituent councils. There is the ability for constituent councils to opt in or out of individual projects.

In all cases, a common planning entity is established to develop a shared approach. Elected representatives and senior staff from the constituent councils are involved in the new entity's decision-making processes. The constituent councils make the final decisions but may decide to delegate certain functions. These models are now commonly identified as Strategic Alliances. A number of Regional Organisations of Councils (ROCs) are also moving in this direction.

The benefit of this model is that it achieves the business advantages of amalgamation, while still maintaining the constituent councils' autonomy, and preserving representative local democracy. Benefits include economies of scale, streamlined business processes and improved service delivery.

These partnerships need a strong strategic planning focus and robust governance arrangements. Their success depends on high levels of commitment and relationship management.

They generally utilise a combination of business mechanisms to achieve their objectives, including shared administration and reciprocal resource sharing.

3.1.1 Case Studies

The following two case studies demonstrate different approaches to structuring collaborative agreements between councils.

The first approach, as demonstrated by the Central Tablelands Strategic Alliance, is a voluntary cooperative model based on a Memorandum of Understanding. This approach builds and links a variety of services in ways that support each other.

This is the model essentially at the core of strategic alliances such as: New England, Wellington Blayney Cabonne, Mid North Coast Group, Richmond Tweed Clarence, Barwon Darling, Bombala Cooma-Monaro Snowy River, Mid Lachlan, and Wingecarribee Wollondilly. Similar models are being developed by Bathurst Dubbo Orange, Blue Mountains Penrith, and Goulburn-Mulwaree Palerang Strategic Alliances.

The second approach establishes a corporate entity to develop integrated service approaches on behalf of member councils. These have commonly been developed on the foundation of ROCs such as REROC, Murray ROC, RIVROC, and WSROC. Such arrangements are usually based on member contributions and allow the ROC to employ staff to drive regional partnership initiatives.

A number of other ROCs operate under a common constitution but the employment of staff rests with individual councils. Such ROCs include CENTROC, Northern Sydney ROC and Namoi ROC. This requires clear agreement between councils as to how associated costs are met.

The key feature of this approach is that councils have identified interrelated areas in which they can benefit from a common approach. The projects undertaken by the partnership support each other.

Case Study 1 - Central Tablelands Alliance

Lithgow City Council, Oberon Council and Mid Western Regional Council formed this Alliance in September 2006. The model developed for this Alliance was informed by the experience of the Wellington Blayney Cabonne Alliance, and the New England Strategic Alliance.

The Central Tablelands Alliance is designed to assist the three councils streamline business processes, manage costs, identify resource-sharing options and carry out planning on a larger regional basis. As well as the joint purchasing of plant and IT systems, the Alliance is seeking to promote and grow internal skills and create technical experts. The overall aim is to maximise the effective use of the resources available.

The constituent councils are all signatories to a Memorandum of Understanding that has the following features:

- the ability of individual councils to opt in or out of programs developed by the Alliance,
- the ability for individual councils, or the Alliance as a whole, to work with

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other external entities,

- identifies common areas for Alliance projects,
- requires the three councils to consent to the participation of other parties in programs developed by the Alliance,
- identifies reporting arrangements,
- outlines strategic planning approach,
- provide a process to review effectiveness, and
- contains mechanisms to resolve disputes.

The Alliance is administered by a monthly meeting of the three General Managers. The three Mayors meet with the General Managers on a quarterly basis to overview the Alliance's activities and subsequently report to their respective councils.

Strategic planning approach

The first stage was to identify the common areas for joint work. This involved staff from all councils working together to complete a comprehensive operational review of the following areas:

Human Resources functions

- OH&S systems and policies
- HR policies
- Salary systems
- Employment conditions
- Options for cadetships and traineeships
- Workers compensation insurance
- Payroll systems

Information Technology

- Assessment of the effectiveness of current IT systems, capacity to meet future strategic needs and desirability of a common IT platform.
- IT policy review - standardisation across councils
- Skills building options

Plant and Equipment

- Cross-council plant replacement programs
- Leasing models
- Group purchasing
- Sharing existing plant and equipment

Economic Development

- Tourism initiatives
- Road safety officers
- Land use planning
- Data collection
- Grants Officer employment

The second stage involved the development of a Management Plan to progress the opportunities identified. The plan identified the following:

- Description of key projects
- Detailed activities for each project
- Definitions of outcomes
- Key dates and responsibilities

Case Study 2 - Hunter Councils Inc

Hunter Councils Inc represents the twelve local government areas of the Hunter Valley. Building on the strength of relationships developed over 50 years, the councils have developed the ability to share a range of resources including professional staff and plant between councils, and undertake a range of projects including running a regional airport and a waste recycling facility, amongst many others.

The Regional Organisation of Councils has capitalised on that relationship by building a significant shared service entity, Hunter Councils Inc and its trading arm, Hunter Councils Ltd. The organisation is now purchasing its own $3.5 million building, employs 35+ staff, generates a turnover of $4 million per annum and delivers cost savings and efficiencies to its member councils, all at no direct cost, whilst delivering an annual reduction in membership fees.

Expansion is planned including the construction of a $1.8 million dedicated Local Government Training Institute and a proposed Regional Data Centre. The organisation comprises:

Environment Division - that encapsulates the Hunter and Central Coast Regional Environmental Management Strategy (HCCREMS), which includes Gosford and Wyong Councils. Programs include a range of environmental management programs which over 2005-06 had a value of $3,435,000 which provided a value to each council of $893,000.

Learning and Development - a registered training organisation delivered 322 local government based programs to 3,300 participants during 2005-06 with

costs savings to the value of over $1 million. Traineeships for council staff were provided at cost neutrality to a value of $230,000.

Regional Procurement - facilitated over $10.8 million purchases with an average saving of 10% - $1 million regionally.

Hunter Records Storage - a State Records Act compliant records storage facility which offers its services to members and other agencies and companies. Operating on a commercial basis it provides not only a regional service but also a revenue stream to provide self-sustainability.

A Board made up of elected representatives of member councils sets the strategic direction for the organisation. A Committee comprised of General Managers provides the direction and governance required for the projects. A large range of professional teams comprised of specialists from each council meets regularly to share expertise and identify opportunities for resource sharing projects.

Professional Groups - a range of professional groups operates to share and develop local initiatives and develop joint approaches to common issues. These groups include:

- Customer service
- Information management
- Occupational health and safety
- Risk management
- Community development and social planning
- Sport and recreation
- Building professionals
- Contracts administration
- GIS team
- Records management
- Internal audit

See more at: *www.huntercouncils.com.au*.

3.2 Single sharing approaches

In these approaches, a number of councils join together to achieve common outcomes in an identified business function or service provision. This may be two or three neighbouring councils, or a much larger network across the State. Each council's policy and governance functions remain essentially separate, with the sole focus of the arrangement being on operational outcomes.

An advantage of this approach is that a superior platform can be created by councils working together to engage with other levels of government. Further, this approach has the potential to attract funding that will address common strategic objectives. Similarly such a platform has advantages in negotiating with private sector suppliers.

Generally, the aim is to maximise the use of assets, resources and expertise to improve access and efficiency and achieve a better product at a cheaper per-capita cost. Such partnerships may be simple or complex.

The partnership might involve the sharing of one particular service, such as waste management or road safety programs, or it may involve multiple administrative services. It may also include joint management of a regional facility, such as an airport, or aquatic centre.

Typically, such collaborations aim to achieve outcomes that no one council (irrespective of its resource base) can achieve on its own. They allow technical and strategic resources to be realistically accessed.

To be effective these arrangements need a strong business case, and effective monitoring and review mechanisms to measure the benefits achieved.

The more simple cost sharing arrangements are usually established through contractual agreements.

The more complex business models may require the establishment of a separate entity. Such approaches rely on a single business mechanism to achieve their objective, such as a cooperative or a corporation.

A council may be a participant in a number of these arrangements.

3.2.1 Case Studies

The following three case studies demonstrate how councils can work with each other to achieve specific project-related benefits for member councils and their communities.

One of the benefits of this type of collaboration is the ability to establish a large base to attract specific funding to progress other complementary projects. Similar to the Smartforms case study, REROC also attracted funding from the Regulatory Reduction Incentive Fund to develop the *"Start Your Business Here"* self-guided computer program to assist businesses understand councils' planning and regulation controls.

Such a base also has the potential to enable councils to better engage with the private sector in order to capture specific benefits for councils and their communities.

The second case study demonstrates how partnering councils can better engage with the insurance sector, providing better risk management practices and obtaining economies of scale. This is also the case for a number of partnerships that have developed procurement initiatives, giving better purchasing power.

The SSROC Waste Program is an example of how an existing regional partnership can develop specific cross-council technical expertise and provide economies of scale.

It is important to note that these types of collaborative arrangements can operate effectively in conjunction with other forms of integrated services provision as outlined in the previous section.

Case Study 1 - The Redtape Blueprints Project: Smartforms

A consortium of 40 NSW local councils has been awarded a grant for its Redtape Blueprints project that involves the development of a central online entry point and enhancement of electronic planning capabilities.

The grant was awarded from the Australian Government's Regulation Reduction Incentive Fund that aims to provide local government authorities with incentives to reduce the impact of regulation and associated compliance costs for small businesses.

At the core of the project is the development of intelligent forms that are dynamic, interactive, customer focused and tailored to individual councils' requirements. Smartforms also help to streamline, automate and manage business processes resulting in increased efficiency and improved customer service.

The systems also have the capacity to integrate with other government information and planning requirements. Key features of the system include:

- Inbuilt validation to help customers complete the form accurately
- Dynamic forms presenting only the questions the customer needs to complete
- Efficiency in processing cycles
- Ability for customers to save forms to their computer, complete at any time and submit with digital signature
- Ability for paper forms to be retained if desired.

Case Study 2 - Westpool and Metro Pool

Westpool membership is the councils of Blacktown, Blue Mountains, Fairfield, Hawkesbury, Liverpool, Parramatta and Penrith.

Metro Pool membership is the councils of Auburn, Botany Bay, Holroyd, Hunters Hill, Lane Cove, Marrickville and Rockdale.

Westpool and Metro Pool ("the Pools") are both examples of local government strategic alliances established to address risk management and insurance issues for their member councils.

They are not insurance companies or agencies, rather they are self-insurance co-operatives operated entirely by participating members. The Pools function solely for the benefit of members and provide a range of insurance programs and services.

Each of the Pools has its own Deed of Agreement and By Laws, which cover the administrative structure and operation of the Pools. Both of the Pools utilise the services provided by the United Independent Pools organisation.

Each of the Pools has a Board of Directors and associated structures designed to provide for ongoing and effective decision-making. The Pools have a joint Executive Officer and administrative support services.

The Pools exercise the option each year of self-insuring for their 'primary' layer, or buying insurance, depending on the condition of the market.

Some of the achievements of the Pools in recent years include but are not limited to:

- provision of public liability/professional indemnity insurance up to a $100 million limit,
- bulk purchased motor vehicle insurance,
- pool funded general insurance policies,
- training and professional development program, and
- comprehensive property insurance and asset valuation service.

Some of the benefits the members report through their commitment to the Pools include:

- a greater understanding of the insurance market,
- protection from the cyclical nature of the market,
- growing equity in the Pools' funds,
- development of joint risk management strategies and policies,
- reduced insurance costs, and
- greater emphasis on proactive claims management and corrective action.

Case Study 3 - SSROC Waste Program

SSROC has a regional program of waste activities to respond to priority areas identified by member councils to deliver benefits to councils and their communities. The program has returned many benefits to member councils, including savings from joint tendering, the provision of specialist assistance and addressing cross-boundary issues. The following is a summary of their activities.

Contract for receipt of recyclable materials

- Three councils participating
- Gate fee and operational savings in excess of $2.5 million p.a.

Contract for receipt of putrescible waste

- Nine councils participating
- Security and certainty in service costs
- Savings exceeding $7 million over 5 years

Dry (or hard) waste contract

- Eight councils participating in two separate agreements

Medical sharps collection and education

- Department of Health grant for the safe disposal of medical sharps
- Regional service provider appointed

Regional organics collection and processing trials

- Trials in Kogarah and Woollahra councils

Regional Reuse Referral Service

- First year of operation resulted in the diversion of 245 tonnes of refuse
- Projected diversion savings to councils in first year of operation is $61,250

Review of council waste collection and disposal services

- Sub-regional collection tender underway for Hurstville, Kogarah and Rockdale Councils

Regional approach to sharing of ideas and community education

- Provides consistency in messages and reduces duplication

This is just part of the range of services provided by SSROC.

3.3 Knowledge sharing and organisational development approaches

These arrangements are common and can be formal or informal in nature.

Professional mentoring schemes are increasingly used to assist in developing management skills and technical expertise. These schemes may be offered by professional associations, or they may be more of an informal arrangement between councils, for example where an experienced General Manager acts as a mentor for a new General Manager, or councils get together to discuss methodologies in asset management or strategic planning.

Special interest groups and on-line forums are also widely used. These are usually based on technical aspects of council operations, such as trade waste management, or water supply. They may be established through joint arrangement with councils, or hosted by professional associations.

ROCs are an example of a regional approach. They provide a forum to exchange views and develop solutions in areas of common interest. Professional subgroups provide the opportunity for expertise to be shared and common approaches developed.

Sister City partnerships linking metropolitan and rural councils within NSW, or councils interstate are also common. These arrangements allow exchange of information, develop skills, support cultural development and connect diverse communities.

These types of arrangements have the potential to develop into more extensive types of strategic resource sharing. They can be very beneficial but the costs involved can be underestimated and the benefits can be hard to measure, given that they are often intangible.

3.3.1 Case Studies

The following two case studies demonstrate the potential for less formal arrangements to be developed into more structured shared business arrangements.

Case Study 1 - Liverpool Plains Shire Council/Blacktown City Council Sister City Agreement

This sister city relationship was first formed in 2004. Initially it was aimed at reciprocal exchanges in education, sport, cultural and economic development and staff exchanges.

The relationship has developed into a Memorandum of Understanding covering the provision of services in areas such as internal audit, tourism, noxious weeds control, information technology, town planning, records management and ranger services. The councils benefit from the two-way exchange of skills, each bringing their own unique perspective.

Both councils have recently been successful in obtaining a $2 million grant under the NSW Government Urban Sustainability Program for a carbon trading initiative. The project will allow both councils to trade carbon certificates adding to the income stream for both councils.

The sister city relationship between Blacktown, with its rapidly growing urban developments, and Liverpool Plains Shire Council in the rural New England area, encourages social cohesion across the urban/rural divide and allows for large tracts of public and privately owned land to be utilised for biodiversity plantings and carbon sequestration.

Case Study 2 - REROC: Sharing knowledge through professional development

REROC compromises 13 General Purpose Councils and 2 County Councils, including the largest inland city in NSW, Wagga Wagga, and the smallest shire in the State, Urana. REROC members work co-operatively to build economies of scale and scope that improve councils' efficiency and effectiveness. By joining together, the specific skills held within the region can be shared and developed. The partnership also provides a platform to better engage with local communities, other spheres of government and other external stakeholders.

In this way individual councils are able to build organisational capacity through knowledge development in a way that no individual council could otherwise do.

REROC (as do other ROCs) has a number of sub-committees that that meet to share information, skills and undertake joint problem solving. These include:

Waste Forum: Shares and plans initiatives in regional waste management aimed at reducing better management of waste and reducing landfill. The forum also provides regional advice to State agencies in the development of new initiatives such as container deposit legislation, and the disposal of hazardous waste.

Riverina Spatial Information Group: Includes councils, State government departments and private enterprise and aims to share and better understand information about the latest innovations in spatial technologies.

Engineers Group: Shares information in areas such as occupational health and safety, single invitation road maintenance contracts and skills shortages.

Social Planning Group: Meets as required to discuss and share innovation in the implementation of council social planning activity. In 2006 the group completed an audit of aged care services in the region to identify gaps and needs.

Forums such as this initiate or work with a range of regional projects such as:

- Regional Youth Council - YouthROC

- Professional Placements Program with Charles Sturt University

- Recruitment of UTS Engineering Interns

- Build A Bridge…Get Over It - a 3-day camp encouraging high school students to consider civil engineering as a career.

- Start Your Business Here - an on-line self-guided computer program which allows new businesses to determine what regulations and planning controls they must comply with within each LGA in REROC.

PART B - AN ORGANISATIONAL OVERVIEW

This part of the guidance paper and related appendices provide a series of steps and tools to assist councils develop effective collaborative arrangements. As such, they are not prescriptive. They are intended as an aid to assist councils in the identification of collaborative options, planning, implementation and evaluation.

The degree to which the steps and tools are used should be governed by the intended complexity of the collaboration proposed and the services to be provided under the arrangement.

Advice from members of the Strategic Alliance Network Executive and the research as outlined in **Appendix 8** suggests that to be effective, collaborative arrangements between councils need to:

- Have strong positive leadership. The benefits of a partnership must be clearly articulated and easily understood.

- Establish an effective governance regime, including effective internal and external communications.

- Ensure that partnership development is inclusive and readily accepted by the partners, staff and the community served.

- Identify and manage all costs, including those without a clear dollar value such as time and inconvenience.

- Manage political differences to keep the focus on improving outcomes for communities.

- Focus on the outcomes to be achieved through a partnership. The forming of a partnership is not an end in itself. The benefits must exceed the real cost of establishing a partnership

- Balance competing priorities and targets. There must be a good match between the objectives of the partnership and the other objectives a council will have.

- Manage change. Strategies will need to be developed to get over the *"we've always done it this way"* barrier. Change brings uncertainty. Be aware of the importance of information flow and the need to clarify and reclarify what is happening.

- Select an appropriate operating model that supports the outcomes sought.

The following section of the guidance paper builds on these themes.

4. A practical guide to developing strategic partnerships

4.1 Strategic planning/analysis

The first step for a council considering a collaborative relationship is to undertake preliminary analysis that:

- identifies needs,
- considers strategic fit,
- establishes priorities,
- analyses available resources,
- establishes key directions,
- sets key objectives with measurable performance targets, and
- identify risks and benefits.

Part of this process is identifying:

- areas of common need on a regional or sub-regional basis,
- areas where councils do not have sufficient capacity to meet a need but can do so in partnership with others,
- areas where partnership with others can result in overall cost savings,
- opportunity for innovative approaches to common issues,
- opportunity to extend services on a regional basis, and
- skills, expertise and resources that can be of benefit to others.

Councils can also consider joining with others in undertaking common strategic planning processes. This level of planning informs the identification of partnership options.

(For further information see **Appendix 1**.)

Leadership is a key factor in the success of any proposed collaborative relationship. Leaders can be councillors and senior staff who can see the potential gains of collaboration, are able to lead change, engage stakeholders, anticipate issues and facilitate solution to complex problems.

At all stages of the project it is essential that all relevant stakeholders are consulted and that the approval and signoff by key stakeholders is obtained before progressing to the next stage.
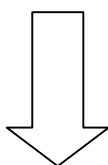
4.2 Identifying opportunities and developing proposals

Based on the strategic analysis, councillors and staff identify benefits and constraints and begin to explore potential areas of sharing with other councils.

Partners will be councils with a need and will to share resources. From the outset it is important that participating councils:

- progressively clarify and define what they want from the arrangement,

- be clear about the level of financial, intellectual and real resources they can commit, and

- develop clear decision making and problem solving mechanisms.

Generally, councils agreeing to participate organise a management group and nominate a project manager from among their number. Key stakeholders should be represented on the management group. This is a valuable mechanism for facilitating the consultation process. (See **Appendix 2**)

If the partners are already part of a regional organisation, an appropriate committee or specialist group may already exist to manage the development of a project.

The role of the management group is to develop options with the capability to realise the outcomes sought from the relationship. To do this it may be useful to complete:

- *A risks/constraints analysis* to assist in assessing the factors that impact on the success of the partnership. (See **Appendix 3**)

- *A benefits realisation analysis* to assist in quantifying the benefits to be gained from the partnership. (See **Appendix 4**)

On this basis the details of the arrangement can begin to be fleshed out. This will include the identification of business models that are likely to support the outcomes the arrangement is seeking. (See **Appendix 5**)
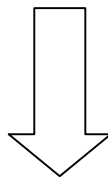
4.3 Developing stakeholder consultation and engagement mechanisms

The success of any collaborative arrangement is determined to a large degree by how stakeholders perceive its intent and benefits.

Important internal stakeholders include elected representatives, senior staff, employees and their industrial and professional associations.

Important external stakeholders include voters, ratepayers, special interest/lobby groups, local business, other spheres of government, media and major business enterprises. External stakeholders may be based in or outside the local government area. Of most relevance is that they have a direct interest in the proposal.

It is important that the interest, views, knowledge and skills of both internal and external stakeholders are understood and captured at all stages of collaborative development, project design, implementation and review. A comprehensive stakeholder analysis will assist councils better understand how stakeholders can contribute to effective collaboration and manage the risks posed by diverse stakeholder interests and perceptions.

Consultation is an ongoing process leading to commitment and engagement in achieving the strategic objectives of the collaboration and the specific outcomes of individual projects. (See **Appendix 6**)

The ways to achieve stakeholder participation are only limited by the creativity of the partners. Participation can be encouraged through representation in planning groups and reference groups, calling for public submissions, surveys and/or inviting participation in seminars.

Just as important as participation in decision-making is the dissemination of information. This can include media releases, mail-outs, inclusion of information sheets as part of other councils mail-outs, council newsletters, websites and public meetings.
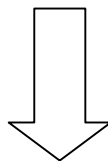
4.4 Developing a business plan

Based on the key strategic needs identified, opportunities and options available, risks and benefits assessments and stakeholder feedback, the next step is to prepare a detailed proposal and implementation plan or business plan.

This plan needs to detail:

- the scope, level and method of delivery of the services,

- the proposed budget, including start up costs,

- funding options, including a breakdown of contributions from participating councils, and financial analysis including best and worst case scenarios,

- establishment of required management and business model and operating procedures (see **Appendix 5**),

- staffing arrangements. All collaborative arrangements need to take into account issues for staff who will be required to work across council boundaries. These issues need to be carefully considered and negotiated with relevant industrial organisations,

- required industrial agreements,

- required contracts for supply of services,

- statutory requirements and how they will be addressed,

- risk assessment – identify, analyse, prioritise and manage risks,

- assumptions underpinning the plan,

- conflict resolution procedures,

- advertising and community information,

- evaluation criteria and process including providing answers to the following questions:

  - What is to be measured?

  - What information is to be collected to achieve this measurement?

  - Where from, how and when?

  - Who will be responsible for collecting it?

  - How will the information be recorded, analysed and reported?

  (See **Appendix 7**)

- implementation schedule detailing timeframes, tasks and responsibilities and

- exit strategies.

The development of this plan needs to be part of an ongoing consultation and negotiation process with member councils and other key stakeholders.
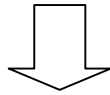
4.5 Formalising the arrangements between the parties

4.5.1 Business structure

Once the councils have reached agreement in principle regarding the nature of the business proposed to be undertaken by any strategic collaboration, it is important that the proposed arrangements are formalised.

As demonstrated in **Appendix 5**, there are a number of different structures that councils have successfully used to formalise the agreement between them to undertake joint projects or resource sharing activities. These range from entering into a Memorandum of Understanding to document the intentions of the parties, through to the formation of a separate corporate entity.

The most appropriate form of structure to adopt when formalising the arrangements between the councils will always depend on the individual circumstances of the activities that the parties propose to undertake. All parties to the proposed arrangements should seek their own independent expert advice regarding the appropriateness of any proposed arrangement. This will ensure that the interests of the council and the community it serves are adequately represented and protected.

Regardless of the structure the councils choose to adopt, when evaluating its suitability at least the following matters should be considered:

- membership of the arrangement,
- roles and responsibilities of the parties,
- the life of the arrangement,
- the business scope,
- the resource contribution by each council,
- reporting and other accountability requirements,
- how decisions are to be made and recorded,
- how conflicts are to be resolved,
- how other parties (including other councils) interact with and access the benefits arising from the partnership,
- expected outcomes or deliverables,
- how the success of the arrangement is to be reviewed and evaluated,
- how the arrangement can be terminated,
- insurance and indemnities,
- responsibility for and allocation of costs and liabilities,
- ownership of any property, including intellectual property utilised or acquired by the alliance, and
- statutory and regulatory compliance.

This list is not exhaustive but has been developed to highlight some of the

issues that need to be considered.

4.5.2 Local Government Act statutory obligations

In all Strategic Alliances councils must ensure that they fulfil their statutory obligations under the *Local Government Act 1993*.

a) Restriction on formation of entities

Councils should have regard to the provisions of section 355 of the Act, which sets out how a council may exercise its functions, and section 358, which sets out restrictions on the formation of corporations and other entities. Further guidance on the requirements of section 358 can be found in *Circular 06-56: Formation of Corporations and other entities, Assessment Criteria*.

b) Public Private Partnerships

Where councils are considering an arrangement that includes a private person for the purpose of providing public infrastructure or facilities and/or delivery of services, they will need to comply with the provisions of Part 6 of the Local Government Act – *Public Private Partnerships*. For further information on Public Private Partnerships guidance can be found in *Circular 05/51 "Public Private Partnerships Legislation and Guidelines"*.

c) Employment of staff

The formation of collaborative arrangements may change the nature and location of work performed by employees. It is not expected that such arrangements will lead to a reduction in council staff. It is expected that councils will minimise any adverse effect on employees and consult with staff and their respective professional and industrial associations about any change to the nature and location of work being performed.

Collaborative arrangements are not intended to be used to limit the employment protection provisions of the Act (*Part 6 - Arrangements for council staff affected by the constitution, amalgamation or alteration of council areas*.) When entering collaborative arrangements, councils are expected to maintain existing terms and conditions for staff, avoid forced redundancies, preserve all leave and superannuation entitlements, avoid unreasonable relocations and preserve employment numbers in small rural communities.

d) Tendering

One of the reasons for entering into partnerships is to obtain the benefits of economy of scale from suppliers. In doing so councils must comply with the tendering requirements of section 55 of the Act and clauses 163-179 of the *Local Government (General) Regulation 2005.*

Section 55(3) of the Act specifies the types of contracts where a council is not

required to undertake a tender. In 2003 this section was amended to allow 'bulk' contracts to be used by organisations other than councils, as long as they meet certain conditions. These include compliance with tendering requirements, auditing regimes and probity standards. Local Government Procurement is the first organisation to become a 'prescribed person'.

4.5.3 Other statutory obligations

As with all other council activities, councils engaging in strategic alliances should make sure that they have adequate controls in place to ensure compliance with all other relevant statutory obligations such as privacy, record keeping, OH&S, planning, anti-discrimination, competitive neutrality, trade practices, public finance and audit legislation, employment legislation etc.
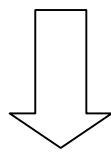
4.6 Commence collaborative arrangement/partnership
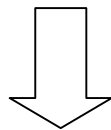
4.7 Monitor effectiveness - evaluate/modify/improve

The process of monitoring involves the collection of information about the operation of the resource sharing arrangements and the effectiveness of the arrangements, as measured against their objectives.

Once the information has been gathered the process of evaluation commences. Evaluation includes asking such questions as:

- Have the new arrangements achieved their objectives?
- Should resource sharing be continued in its present form?
- Can the operation be improved?
- If so, what modifications are necessary?
- Should the operation be expanded?
- Should other options be explored - eg, contracting out?

For a further discussion of these issues see **Appendix 7.**

APPENDICES

Appendix 1: Planning

The success of any collaborative arrangement lies in the strategic planning work initially undertaken. This includes consideration of a range of matters including issues identification, decisions about partners, determining what is to be achieved and decisions about how success will be measured. It is important that councils have a clear strategic planning model to guide their thinking and avoid the trap of ad hoc, poorly informed decision-making. The following section outlines one model that can be used. Implicit in this model, and other models are the following principles.

Step 1: Assess current position

This involves individual councils reviewing their activities in their own environmental context and identifying:

- those things that council needs to do but does not have the intellectual, material or financial resources to undertake,
- those things that council would like to do if they were better resourced,
- potential partners that can assist council achieve these things, and
- those things that council does well from which others would benefit.

Step 2: Define and quantify the issues

It is important to identify those areas that a collaborative partnership will assist and those where improvement is within the capacity of council with improved processes. Big is not always better.

Be clear on what council wants the outcomes to be and how this will be measured.

Step 3: Research and analysis

Council needs to comprehensively understand the driving factors and all the possible solutions, their costs and benefits.

A common mistake is to jump to solutions from this point. This can result in poorly thought out, ad hoc decision-making.

Step 4: Choices and trade-offs

Care needs to be taken to work through the following issues with potential partners:

- Resource contribution potential.

- The size of the project. Is it better to start small and build on wins, or go for a more holistic approach involving major restructuring and complex implementation processes?

- If a decision is made to start small, plan to expand when initial goals are achieved.

- Stakeholder identification. What are their interests and how can they be met? They can make or break a project. (See **Appendix 2**)

- Identify the business models that best address the resolution of identified issues. (See **Appendix 5**)

- Be prepared to be flexible and contribute. Partnerships require give and take. The focus needs to be on the result not the contribution.

Step 5: Thorough appraisal of the most likely option

Take the time needed and complete a risk assessment (see **Appendix 3**) and other due diligence requirements. This may need to be completed a number of times before the partners have it right.

Step 6: Articulate the strategic vision for the arrangement

It is important that councils explicitly state the objectives they want to achieve through the proposed partnership.

It is then important to articulate the strategies that will be used to achieve these objectives. These strategies need to:

- articulate the core business of the arrangement,

- provide a framework for decision making,

- explain the business to others in order to inform, motivate and involve,

- guide benchmarking and performance monitoring, and

- stimulate change and become the building block for future work.

This work forms the basis of the strategic plan. It is visionary, conceptual and sets the directions for the alliance.

Step 7: Prepare the business plan

The business plan is a detailed document that sets out how the partnership will work within the parameters of the strategic direction set. It should articulate the strategic issues, any assumptions, risks and exit strategies and it should include a detailed financial analysis of the proposal including start-up costs, cash flow projections, payback period, contributions of the parties and best and worst case scenarios.

Appendix 2: Stakeholder analysis

Understanding who the stakeholders are is critical to the success of any proposed collaboration. They have the potential to add value to the project or they can effectively block its formation or the achievement of any real benefit.

The benefits of a good stakeholder analysis include:

- The views and expertise of powerful stakeholders can shape the collaboration at an early stage. Not only will this ensure support for the proposed collaboration, but their input will improve the quality of the projects undertaken.

- Effective stakeholder engagement has the potential to bring additional resources from the individual stakeholder's networks. These resources can be material or intellectual.

- By communicating with stakeholders early and frequently you can ensure that the intent of the partnership is fully understood.

- You can anticipate how individuals and other organisations are likely to react and build into the business plan ways that will win support.

The first step in any stakeholder analysis is to identify who the stakeholders are. The key questions are:

- Who are the people and organisations that are likely to be affected by the proposed partnership arrangement?

- What influence and power do they have that can make or break the arrangement?

- How can they contribute to the success of the collaboration?

Stakeholders can be internal and external and will vary according to the intent of the partnership and the nature of the work it intends to undertake. Common stakeholders include:

- Elected representatives
- Senior staff
- Middle managers
- Staff occupational groups
- Industrial associations
- Professional associations
- Future employees
- Other councils
- Local businesses
- Constituents
- Suppliers

- Lenders
- Trade associations
- Other spheres of government
- Community organisations
- Lobby groups
- Media

Dependent on the purpose of the collaboration, there will be others. The important questions to consider for each are:

- What interests do they have in the proposed outcome of the collaboration?
- What motivates them most of all? What are their key interests?
- What information do they want from you? What is the best way of communicating with them?
- What does the collaboration need from the stakeholder to be effective?
- What is their current opinion of your work? Is this based on good information?
- If they are not likely to be supportive, what do they need to better understand the value of the collaboration?
- What are the likely problems and how are they best managed from the perspective of each stakeholder?

The following is a useful format to capture this key information

Stake-holder	Key interests	What the collaboration needs from them	What the collaboration can offer them	Perceived attitudes and risks	Action to secure commitment

Once the complexity of stakeholder perspectives is sufficiently understood it is realistic to work out what each stakeholder can contribute to the collaboration, what the collaboration can offer, important messages to convey and actions and communication to secure commitment and manage resistance.

Appendix 6 provides more information about managing stakeholder relationships.

Appendix 3: Identifying and addressing the potential risks/constraints

All new ventures pose challenges and a level of uncertainty. Uncertainty presents both risk and opportunity and the potential to increase or decrease value. Risk management is an essential tool for the management of uncertainty and its associated risk. It is an important mechanism for ensuring that the desired goals and objectives of any project are achieved and it should be integrated into the planning and management of any strategic collaboration.

A risk is a potential or existing barrier that might prevent or affect the achievement of the goal(s) of the collaboration. A risk is something that might stop the collaboration from succeeding.

Risks may be actual or contingent and involve any of the following:

(a)   adverse financial cost, loss or consequences;

(b)   legal liability, including losses arising from personal injury or property damage, professional indemnity matters, occupational health and safety matters, discrimination, privacy etc;

(c)   risks to loss or damage to reputation; political issues;

(d)   probity or compliance risks; or

(e)   inadequate time, incomplete or insufficient resources.

In considering the formation of collaborative arrangements councils need to undertake a systemic assessment of the potential risks and constraints and put in place risk mitigation strategies. The following questions can assist with the identification and assessment of the risks associated with the proposal:

➤ **Suitability.** Does the proposed collaboration address key issues and be able to deliver required outcomes?

    o Are the issues to be addressed clearly understood and do they reflect real need?

    o Is there tension between the proposal and other strategic objectives or priorities?

    o Is the latest experience and research available and understood?

    o What will be the adverse impacts?

    o Do the gains warrant the costs?

➤ **Feasibility.** Can the proposed collaboration deliver the required outcomes within the potential system's capabilities and resources?

    o Are there sufficient resources available to support the partnership?

o Is there sufficient evidence to support the proposal achieving the required outcomes?

o Are there sufficient incentives to support innovation and develop best practice?

➢ **Acceptability.** Is there sufficient political and community support to legitimise the collaboration?

o Is the proposal acceptable to the community for the development of community identity and connectedness?

o Is the proposal structured in a way that the community will understand what is proposed, how it will work and the benefits for them both in terms of services and costs?

o Does the proposal conflict with other community or political expectations?

These questions are a starting point in risk identification. The answers will guide decisions as to whether a proposal should proceed or be adapted to manage the identified risks.

Having established the context of the proposed collaborative arrangements and identified the risks the following steps should be undertaken to analyse, evaluate and treat the risks.

1. **Analysis of the risks** – Once risks have been identified they should be analysed in terms of how likely the risk event is to occur (**likelihood**) and the possible magnitude (**consequence**) of the risk event. From this analysis the level of **inherent risk** can be determined. Inherent risk is the measure of risk before mitigating steps or controls are implemented. Following the determination of the inherent risk ranking it is important to consider any mitigating activities or management processes that reduce the level of risk. These mitigating factors are taken into account in determining the **residual risk** ranking.

2. **Evaluation of the risks** – Compare risks and set risk priorities. The aim of risk evaluation is to arrive at a prioritised list of risks that can be flagged for treatment.

3. **Treat risks** – Reduce, avoid, transfer or retain. Once the final residual risk ranking has been determined, consideration must then be given to whether the risk profile of the proposed project is acceptable to the council.

4. **Continuous monitoring and review** - It is necessary to incorporate monitoring and review procedures into day-to-day operational and management activities, in order to capture any new risks arising from changing circumstances, and to review implementation of risk reduction strategies.

The project management plan should have built into it a mechanism to ensure that the risks associated with the project are regularly monitored and reviewed, with correctional action taken where appropriate.

The following resources may provide councils with more assistance with the risk management process:

- AS/NZS 4360 2004 - Risk Management
- COSO Enterprise Risk Management - Integrated Framework http://www.coso.org/publications.htm.

Appendix 4: Benefits realisation and analysis

The purpose of any local government strategic collaboration is to achieve benefits for local communities. It is important that the planning of collaborative arrangements includes mechanisms to identify and measure expected benefits. Benefits may be tangible or intangible. In order to assess the success or otherwise of the project it is important that wherever possible expected benefits are quantified and measured.

Benefits arising from a proposed collaboration between councils can include:

Cost Related Benefits

➢ **Increased revenue**

➢ **Cost reductions**

  o Reduced maintenance – for example, maintenance contracts, repair costs, reduction in downtime.

  o Reduced staff costs – for example, more efficient staffing arrangements, less overtime, less costly skills, reduced turnover, improved productivity.

  o Environmental savings.

  o Reduced operational costs (non-staff) – rent, power, licence fees, communications, stationery, stock, etc.

➢ **Cost avoidance**

  o Increased service/same staff.

  o New service/same staff.

  o Increased capacity/same cost.

Service Related Benefits

➢ **Achievement of policy objectives**

  o Better council services.

  o Safer work places.

  o Better environment.

  o Sustainable development.

➢ **Increased service type availability**

  o New services available to the community that would not be available without a partnership.

➢ **Existing service enhancement**

  o Faster service.

  o Wider range of services.

- o Services tailored to the specific needs of client groups.
  - o Better geographic access to services.
  - o Greater equity of access.
  - o Better infrastructure support to councils' staff.

➢ **Improved productivity**
  - o More with same resources.
  - o Increased client access.
  - o Increased service capacity.
  - o Increased assets/better utilisation.
  - o Increased information accuracy.
  - o Faster decision-making.

➢ **Improved skills**
  - o Shared experience.
  - o Shared skills.
  - o Access to expertise not otherwise available.

Benefits realisation management is an effective mechanism for minimising project risks and determining if proposed outcomes and benefits have been realised. It is a valuable means of managing change and the implementation of new ways of doing business.

The following is a summary of the major steps of benefit realisation management. For more detailed guidance refer to the references listed at the end of this section and in **Appendix 8**:

1. Identify potential benefits

Members should identity all the benefits they aim to realise from the collaboration.

2. Initial valuation of benefits

For each of the achievable benefits identified there should be an initial valuation made. For quantifiable benefits this may include a preliminary estimate of the dollar value of the benefits. Non-quantifiable benefits should be related to business performance measures, preferably those aligned with the partnership's strategic plan.

3. Assign responsibility for realising benefits

Members should ensure that the responsibility for achieving the planned benefits is assigned to the most relevant managers who will have responsibility for further refining quantifiable and non-quantifiable benefits.

4. Identify business drivers

The strategic and business objectives that are most strongly influencing or driving the changes outlined in the business case should be identified.

5. Analyse business processes

The business processes that are going to be supported by the proposed system should be analysed and opportunities for refinement or re-engineering of these processes identified. The greatest benefit will generally arise from reforming the way business processes are undertaken.

6. Identify all costs

Costs include financial commitments, material commitments and staff time. The benefits to be achieved must exceed the total costs.

Note that there are likely to be unexpected costs and allowances need to be made for this.

7. Establish business performance measures

Performance measures reflecting the partnership business should be identified and their impact documented. It is important that the partnership establishes a clear base demonstrating where it is now, so that progress can be measured.

In consultation with the affected business units, targets should be established for performance measures identified as relevant to the project. The targets should also set a timeframe for achievement and an outline of action necessary to reach the proposed targets. Managers are responsible for ensuring that the performance measure targets, timeframes and actions are adhered to.

8. Develop a Benefits Realisation Register

A Benefits Realisation Register can be developed which records for each identified and defined benefit the following:

- A description of the benefit to be achieved.
- The person responsible for realising the benefit.
- A description of the current situation or performance measure of the business process.
- The current cost or performance measure of the business process.
- The target cost or performance measure of the business process after the planned change.
- The target date for the benefit to be realised.

- The trigger or event that will cause the benefit to be realised.
- The type of contribution to the business.
- The assessed value of the benefit or saving.
- How the benefit contributes to achieving the strategic objectives of the partnership.
- The value of the benefit realised and the date this is achieved.

Note that the experience of collaborative arrangements is that there will often be unexpected benefits. Developed systems need to be able to capture and analyse these.

Benefits Realisation Register Guideline - NSW Department of Commerce.
Government Chief Information Office
http://www.oit.nsw.gov.au/pages.asp?CAT=764&ID=769

Shared corporate services: realising the benefits - guidance on better practice - The Audit Office of NSW

http://www.audit.nsw.gov.au/publications/better_practice/2004/corporate_servi
ces_bpg_nov_04.pdf

Appendix 5: Business models

There are a number of different structures that councils have successfully used to formalise the arrangement between them to undertake joint projects or resource sharing activities. These range from entering into a Memorandum of Understanding to document the intentions of the parties, through to the formation of a separate corporate entity.

The most appropriate form of business structure to adopt will always depend on the individual circumstances of the activities, which the councils propose to undertake. All councils to the proposed arrangements should seek their own independent expert advice regarding the appropriateness of any proposed arrangement. This will ensure that the interests of the council and the community it serves are adequately represented and protected.

Appendix 9 details the range of partnerships currently operating in the NSW local sector and a summary of the services provided. (This information is based on information provided to the Department of Local Government and does not necessarily capture all partnerships projects.)

The following are some examples of business models that have used by these partnerships:

County Councils

County Councils have been established in NSW to achieve economies of scale in service provision. They are specialist bodies created under sections 383-400 of the *Local Government Act 1993.* Their key feature is that they have a governing body elected by constituent councils from among the councillors of the constituent councils. As such, they have a significant representative base. They operate in a similar way to general purpose councils.

The functions of a County Council are limited by the initiating proposal from member councils and subsequent Proclamation by the Governor. Currently County Councils carry out functions in the following areas:

- Noxious weed control
- Water supply and sewerage
- Floodplain management

This model provides specialisation and economies of scale and provides a community representative base to the business. However, the legal process to establish County Councils can be complex and requires approval at state government level.

Appendix 9 lists County Councils operating in NSW.

Regional Organisations of Councils (ROCs)

ROCs are voluntary regional organisations of councils established across NSW. Voluntary regional organisations of councils are recognised under the Local Government Act as a way councils can exercise their functions. However, unlike county councils, the Act does not stipulate a required legal status or other legislative requirements.

Many ROCs exist as voluntary associations, however a number have entered into more formal legal structures. These provide an entity that supports the employment of staff and the undertaking of more complex initiatives.

A prime function of ROCs is to provide a forum to identify issues, lobby state and federal governments for increased financial and other resource enhancement, promotion of policy and legislative change, promotion of a region and fostering cooperation between councils.

ROCS also serve two additional broad functions in the developing of collaborative arrangements which are often inter-related.

Knowledge sharing and organisational development

Common activities include the development of cross council policy development, support and problem solving in areas such as:

- Waste management planning.
- Telecommunications feasibility.
- Community information.
- Resource sharing and information.
- Public works.
- Environmental management.
- Planning.
- Transport.

Platform for the delivery of cross-council services

Many ROCs provide cross-council services in the areas of:

- Noxious weeds.
- Carer support.
- Stormwater and other environmental management areas.
- Land management.
- Records management.
- Training.
- Procurement.

Appendix 9 lists Regional Organisations of Councils operating in NSW.

Strategic Alliances

These are voluntary cooperative arrangements, usually between neighbouring councils, for the purposes of pooling resources, reducing duplication and developing a common platform to develop initiatives. They are usually governed by a Memorandum of Understanding or a constitution. They often interrelate with other alliances and may use a variety of the following business models. (For further detail see section 5.)

Appendix 9 lists Strategic Alliances operating in NSW.

Joint enterprises

This model involves a number of councils working together to provide a clearly defined service such as a waste facility or an airport. It involves the creation of a separate single entity, with a clear separation of the functions of the councils from the entity, hence providing the individual councils with some level of protection from the risks associated with the management of the service.

This model can be particularly useful in providing clearly defined services that generate an income sufficient to manage the service provision.

In developing this model councils need to be aware of the requirement of section 358 of the Local Government Act, DLG circular 06-56 *Formation of Corporations and Other Entities: Assessment Criteria*, and DLG circular 05/51 *Public Private Partnerships legislation and Guidelines*.

Shared administration

This model is similar to a joint enterprise but involves a number of councils forming a single business entity to provide internal back-office services that support council services to the public. There is minimal interface with the public. The benefit of the model is that it uses technology to reduce duplication and costs and improve efficiency. Such services may include:

- Payroll.
- HR.
- IT.
- Accounts.
- DA processing.

Existing strategic alliances each to some degree incorporate aspects of this model.

Sole Ownership

This model involves the development of a single business unit, for example a waste facility, as part a particular council's business plan. Other councils are then able to purchase access to the service on a fee-for-service or cost contribution basis. This model is particularly useful where there is a large council surrounded by a number of smaller councils. The larger council may have the capacity to develop and manage such a service and can defray the costs over a broader base.

Joint ownership

This model involves a number of councils working together in partnership to jointly fund a service or combination of services. This may be a particularly useful model in rural areas where councils can join together to fund positions with high-level expertise requirements.

Reciprocal resource sharing

Similar to joint ownership, but in this model councils reach agreement about the reciprocal sharing of expertise. For example, Council A may agree to employ an engineer and provide their services to Council B. Reciprocally, Council B agrees to employ a planner and shares this resource with Council A. This is one of the ways that alliances such as Wellington Blayney Cabonne and Central Tablelands organise their sharing of resources.

City/Rural partnerships (Sister Cities)

While not strictly a business model this is an effective partnership model for knowledge sharing, organisational development, problem solving and cultural and community development. Essentially such relationships involve the mutual exchange of ideas and initiatives.

This model should not be seen simply as large urban councils making their expertise available to smaller less well-resourced councils. To be effective this model involves the mutual exchange of ideas and identifying areas where both partners can benefit.

Normally such partnerships are formalised in a Memorandum of Understanding detailing how the two councils will connect with each other. The following are examples of activities undertaken in such arrangements:

- Job exchanges provide the opportunity for council staff to broaden skills in different contexts.

- Cultural exchanges to connect communities.

- Larger councils have the capacity and resources to mentor less experienced staff in other councils.

- Joint problem solving.
- Mutual assistance arrangements during periods of natural disaster.

Appendix 9 lists city/rural partnerships operating in NSW.

Appendix 6: Managing relationships

The success of any collaborative arrangement is dependent on developing high levels of commitment to the objectives of the arrangement and developing mutual respect between the members and others who have a stake in the outcomes. The development of mutual respect and commitment requires a structured approach. The following are some important principles that guide the development of such an approach:

- ➢ **Develop clear strategies to manage the unique human side of collaboration development**. Any new approach may require jobs to change and new skills to be developed. Employees and external stakeholders will be uncertain and resistant. A formal approach to managing change should be developed early and updated often as the arrangement develops. This is a key element that needs to be fully integrated into the design, decision-making and strategic direction of the arrangement.

- ➢ **Start at the top.** Senior staff and elected representatives must be able to embrace the concept of the arrangement first, in order to provide the necessary strength, direction and support required. They must take the time to understand the existing culture of their councils and the changes required to make the new arrangement successful. They must be publicly able to articulate its benefits.

- ➢ **Involve every layer.** Effective collaboration must be developed in a way that encourages all levels of the organisation to contribute. This is critical. This is often where the technical expertise identifies and resolves challenges.

- ➢ **Engage and involve external stakeholders.**

- ➢ **Make the formal case.** The community and council staff need to understand what is proposed, the reasons for the proposal, and what benefits are expected. There are a number of steps involved in making the formal case:

  1. Confront reality. Outline the constraints of the current circumstances.

  2. Articulate a convincing argument for the new arrangement.

  3. Demonstrate the model.

  4. Outline the benefits.

  5. Provide a road map to guide how the partnership will develop and at what points key decision will be made.

- ➢ **Create ownership**. Involving people in identifying issues and crafting solutions creates ownership. Industrial and professional organisations have a critical role. They have a vested interest in success. Planning must include structured ways where their participation is not only available, but also expected.

- ➢ **Communication.** Providing regular, timely information and seeking feedback is motivating and essential to capturing key issues as they

emerge. Communication flow both ways provides stakeholders with the right information, at the right time and solicits input and feedback.

➢ **Manage organisational culture.** Council culture is an amalgam of shared history, explicit beliefs, and common attitudes and behaviours. Council culture can be organic in nature and change over time. The development of collaborative arrangements can benefit from this if communication, ownership and participation strategies are well thought out.

➢ **Plan for the unexpected.** No collaborative arrangement goes as expected. People react in unexpected ways, areas of anticipated resistance fall away, and internal and external environments shift. Collaboration requires continual reassessment and crafting in order to meet the strategic outcomes sought.

Appendix 7: Strategic collaborations – better practice

The effectiveness of a strategic collaboration is about demonstrating the success of the collaboration in delivering better services to constituents within a framework of good governance, including legislative accountability and responsiveness to community needs and expectations.

Given the differing strategic objectives of collaborative arrangements and the wide range of business models that may be used to achieve these objectives, there is no "one way fits all" approach to evaluating better practice models of collaboration.

Collaboration evaluation strategies need to be developed in the early stages of their formation. Business plans need to stipulate at what points evaluation of progress is undertaken.

However, the following are important issues and key questions that should be considered:

➢ **Strategic direction**

- o Has the collaboration set aims and strategic directions?
- o Are these directions clearly articulated as objectives with measurable outcomes?
- o Are priorities set?
- o How were these strategic directions developed?
- o Are these strategic directions linked to the strategic intent of the individual member councils?
- o Do they include validated community views?
- o Has the partnership arrangement considered demographic, social and economic trend data in determining its strategic direction?
- o How does the partnership measure the progress it is making with its priorities and its overall strategic intent?
- o What mechanisms are in place to identify and respond to emerging issues as the partnership progresses?
- o Is there a detailed business plan to support the implementation?
- o Does the business plan clearly articulate the principal activities of the arrangement, who is responsible for them, and how the partnership will know they are completed successfully?
- o Is there a clear reporting mechanism to participating councils and the community on partnership achievements?
- o Is there a media strategy in place to keep the community informed of developments?

➢ **Governance arrangements**

  o On what basis does the partnership exercise its authority?

  o Does it have a clear legal status?

  o Is there a clear management structure?

  o Is the difference between the partnership arrangement and participating councils activities clearly documented and understood?

  o How effective is the leadership of the collaborative arrangement at the elected representative and senior staff level? How is this measured?

  o Is there a clear definition of the role of councillors and senior staff regarding their respective roles in the arrangement and in council?

  o What is the relationship between this partnership and other partnerships or relationships? How are these relationships managed?

  o What is the relationship between this arrangement and the participating councils?

  o How are decisions made and recorded?

  o How are conflict of interest issues identified and managed?

  o How and where are principal activities of partnership decisions recorded?

  o Are the other business procedures (including record keeping) documented and understood?

  o Do the business procedures identify and address all required legal and ethical obligations?

  o Do the business procedures identify risks and are they sufficiently robust to prevent and detect dishonest or unethical behaviour?

  o Do supplier arrangements comply with tendering requirements?

  o Is there a code of conduct and how effectively are such issues managed?

  o How effective are conflict resolution procedures?

  o What is the system for reporting of legislative and regulatory non-compliance?

  o At what frequency are business procedures reviewed?

➢ **Workforce relations**

  o Have council staff at all levels been involved in the development of the arrangement?

  o Do they understand the intent of the arrangement and the value it brings to participating councils?

  o Has the input of relevant employee industrial and professional bodies been sought?

  o Does the arrangement change the type of work and/or employment conditions of council employees?

  o Have relevant industrial and professional bodies been involved in the negotiation of such changes?

  o How are these changes documented?

  o Where staff are shared is there clear guidance as to their respective responsibility to the council and the partnership's arrangement?

  o For shared staff are they clear about their employer, supervisory and work allocation arrangements?

  o Have staff been trained in any new business procedures?

➢ **Asset and financial management**

  o What are the financial arrangements and/or resource base to support these activities and services?

  o How does council use its corporate capacity and systems to drive and deliver quality activities and/or services in accordance with its mandate and strategic directions?

  o Is there clear differentiation in the accounting of the collaborative arrangements and councils' finances?

  o Are there clear processes for the accounting of any grants money received by the collaboration?

  o Has the arrangement established clear financial baselines to facilitate accurate measurement of financial benefits?

  o Is the ownership of shared assets (and maintenance) clearly documented?

➢ **Stakeholder consultation**

  o What mechanisms were used to facilitate active stakeholder participation in the arrangement's development?

  o Do stakeholder representative bodies have a role in ongoing management and evaluation?

o How does the new arrangement inform the stakeholders of its objectives, achievements and performance?

o What mechanisms are in place to identify and respond to changing stakeholder expectations?

o Is there an effective complaints management procedure?

Appendix 8: Useful publications

Shared corporate services: realising the benefits: guidance on better practice. The Audit Office NSW November 2004.
http://www.audit.nsw.gov.au/publications/better_practice/2004/corporate_services_bpg_nov_04.pdf

Benefits Realisation Register
Government Chief Information Office
http://www.oit.nsw.gov.au/pages.asp?CAT=764&ID=769

The Winner's Response to Local Government Restructuring
A Framework for Strategy Led Change. Extract from a paper by Kerry Feldman and Leone Shueler published in the Institute of Municipal Management Bulletin March 1996.
Change management for Australian Local Government reform
http://www.changeperform.com.au/local_government_change.html#5.%20Manage%20Performance%20to%20Implement%20Council%20Strategy

Discussion Paper: Resource Sharing Project
Local Government Research and Development Scheme (Prepared by:
D. (Joe) Collins, Collins Anderson Management October 2000).
http://www.lga.sa.gov.au/webdata/resources/project/Resource_Sharing_Discussion_Paper.pdf

Information Paper 7. Service Delivery Framework Including the Role of Shared Services. LGA South Australia August 2006.
http://www.lga.sa.gov.au/webdata/resources/files/Financial_Sustainability_Info_Paper_7_-_Service_Delivery_Framework_Including_the_Role_of_Shared_Services.pdf

Review Of South Australian Local Government Joint Service Delivery Opportunities: Analysis Of Council Responses To A Survey And Options For Implementation Of Various Resource Sharing Measures: Prepared by Tony Lawson: Tony Lawson Consulting February 2007.
http://www.lga.sa.gov.au/webdata/resources/files/Review_of_SA_Local_Government_Joint_Service_Delivery_Opportunities.pdf

Shared Services For Even Greater Efficiency In Local Government: Price Waterhouse Coopers, UK September 2005
http://www.pwc.com/uk/eng/ins-sol/publ/PwC_LocalGov-SharedServices.pdf

Shared Services as a long term Solution for Local Government
http://www.serco.com/Images/delivering_tcm3-8310.pdf

London Centre of Excellence - Shared Services Final Report
http://www.lcpe.gov.uk/Library/pdf/etho-060616-shared services report final160606.pdf

Appendix 9: Strategic collaborations in NSW

The following is based on information provided by councils to the department.

County Councils

- *Castlereagh-Macquarie County Council* - Coonamble, Gilgandra, Walgett, Warren, Warrumbungle (eradication of noxious weeds)

- *Central Murray County Council* - Berrigan, Conargo, Deniliquin and Murray (eradication of noxious weeds)

- *Central Tablelands Water* - Blayney, Cabonne, Weddin (water supply)

- *Far North Coast Weeds* - Byron, Ballina, Lismore, Richmond Valley (eradication of noxious weeds)

- *Goldenfields Water County Council* - Bland, Coolamon, Cootamundra, Harden, Junee, Narrandera, Temora, Young (water supply)

- *Hawkesbury River County Council* - Penrith, Baulkham Hills, Blacktown and Hawkesbury Councils (eradication of noxious weeds)

- *MidCoast County Council* - Great Lakes, Greater Taree (water and sewerage services)

- *New England Weeds Authority* - Armidale Dumaresq, Guyra, Uralla, Walcha (eradication of noxious weeds)

- *Richmond River County Council (RRCC)* - Byron, Ballina, Lismore, Richmond Valley (floodplain management)

- *Riverina Water County Council* - Greater Hume, Lockhart, Urana, Wagga Wagga (water supply)

- *Rous Water* - Byron, Ballina, Lismore, Richmond Valley (water supply)

- *Southern Slopes County Council* - Boorowa, Harden, Yass Valley, Young (eradication of noxious weeds)

- *Upper Hunter County Council* - Upper Hunter, Muswellbrook and Singleton (eradication of noxious weeds)

- *Upper Macquarie County Council* - Bathurst, Blayney, Lithgow, Oberon (eradication of noxious weeds)

Regional Organisations of Councils

- *Central Coast Regional Organisation of Councils (CCROC)* – Gosford, Wyong

- *Central NSW Councils (CENTROC)* - Bathurst Regional, Blayney, Cabonne, Central Tablelands Water, Cowra, Forbes, Lachlan, Lithgow, Mid-Western Regional, Oberon, Orange, Parkes, Upper Macquarie County, Weddin and Wellington

- *Hunter Councils Inc* - Cessnock, Dungog, Gloucester, Great Lakes, Greater Taree, Lake Macquarie, Maitland, Muswellbrook, Newcastle, Port Stephens, Singleton, Upper Hunter

- *Macarthur Regional Organisation of Councils (MACROC)* - Camden, Campbelltown, Wollondilly

- *Mid North Coast Group of Councils* - Bellingen, Coffs Harbour, Gloucester, Great Lakes, Greater Taree, Hastings, Kempsey, Nambucca

- *Murray Regional Organisation of Councils (Murray ROC)* - Albury, Balranald, Berrigan, Conargo, Corowa, Deniliquin, Greater Hume, Hay, Jerilderie, Murray and Wakool

- *Namoi Regional Organisation of Councils (NamoiROC)* - Gunnedah, Gwydir, Liverpool Plains, Narrabri, Tamworth Regional, Walcha

- *New England Local Government Group (NELG)* - Armidale Dumaresq, Glen Innes Severn, Guyra, Inverell, New England Tablelands County, Tenterfield, Uralla, Walcha

- *Northern Rivers Regional Organisation of Councils (NOROC)* - Ballina, Clarence Valley, Kyogle, Lismore, Richmond River County, Richmond Valley, Rous Water and Tweed

- *Northern Sydney Regional Organisation of Councils (NSROC)* - Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, North Sydney, Ryde, Willoughby

- *Orana Regional Organisation of Councils (OROC)* - Bogan, Bourke, Brewarrina, Cobar, Coonamble, Dubbo, Gilgandra, Narromine, Walgett, Warren, Warrumbungle and Wellington

- *Riverina Eastern Regional Organisation of Councils (REROC)* - Bland, Coolamon, Cootamundra, Corowa, Goldenfields Water, Greater Hume, Gundagai, Junee, Lockhart, Riverina Water, Temora, Tumbarumba, Tumut, Urana and Wagga Wagga

- *Riverina Regional Organisation of Councils (RIVROC)* - Carrathool, Griffith, Hay, Jerilderie, Leeton, Murrumbidgee, Narrandera

- *Shore Regional Organisation of Councils (SHOROC)* - Manly, Mosman, Pittwater, Warringah

- *Southern Councils Group* - Bega Valley, Eurobodalla, Kiama, Shellharbour, Shoalhaven, Wingecarribee, Wollongong

- *Southern Sydney Regional Organisation of Councils (SSROC)* - Botany Bay, Canterbury, City of Sydney, Hurstville, Kogarah, Marrickville, Randwick, Rockdale, Sutherland, Waverley, Woollahra

- *Sydney Coastal Councils Group Inc* - Botany Bay, Hornsby, Leichhardt, Manly, Mosman, North Sydney, Pittwater, Randwick, Rockdale, Sutherland, Sydney, Warringah, Waverley, Willoughby, Woollahra

- *Western Sydney Regional Organisation of Councils (WSROC)* - Auburn, Bankstown, Baulkham Hills, Blacktown, Blue Mountains, Fairfield, Hawkesbury, Holroyd, Liverpool, Parramatta, Penrith

Strategic Alliances

- *Central Tablelands Alliance* - Lithgow, Mid-Western Regional and Oberon Councils

- *Bellingen, Coffs Harbour, Gloucester, Great Lakes, Greater Taree, Kempsey, Nambucca and Port Macquarie Hastings Councils Strategic Alliance*

- *New England Strategic Alliance* - Armidale Dumaresq, Guyra, Walcha, Uralla Councils and New England Weeds Authority.

- *Bathurst Orange Dubbo Strategic Alliance*

- *Barwon Darling Alliance* - Bourke, Central Darling, Coonamble, Brewarrina, Walgett Councils and Murdi Paaki Regional Assembly

- *Mid North Coast Group of Councils (MIDGOC)* - Bellingen, Gloucester, Great Lakes, Greater Taree, Hastings, Kempsey, Nambucca, and Coffs Harbour Councils

- *Wellington Blayney Cabonne Strategic Alliance (WBC)*

- *Richmond Tweed Clarence Council Cooperation* - Ballina, Byron, Tweed, Lismore, Kyogle, Richmond Valley, Clarence Valley Councils, Rous County Council

- *Northern Rivers General Managers Group* - Tweed, Byron, Ballina, Lismore, Kyogle, Richmond Valley, Clarence Valley Councils and Rous Water

- *Bombala, Cooma-Monaro and Snowy River Shire Councils Strategic Alliance*

- *Alliance of the Councils and Shires of the Upper Murray* - Albury, Greater Hume, Tumbarumba, Corowa, Wodonga (VIC) and Indigo (VIC) Councils

- *Western Sydney Alliance* - Holroyd, Parramatta, Blacktown, Fairfield, Penrith, Camden, and Wollondilly Councils

- *Mid Lachlan Alliance* - Forbes, Lachlan, Parkes and Weddin Councils

- *Goulburn Mulwaree, Palerang, Upper Lachlan Strategic Alliance*

- *Carrathool, Griffith, Leeton, Lockhart, Murrumbidgee and Narrandera Strategic Alliance*

- *Wollondilly and Wingecarribee Councils Strategic Alliance*

- *North East Waste Forum* - Byron, Ballina, Lismore, Clarence Valley, Richmond Valley Councils (also associated with Kyogle and Tweed Councils)

- *Upper Murray Partnership* - Albury, Corowa, Greater Hume, Tumbarumba with Indigo (Vic), Towong (Vic) and Wodonga (Vic) Councils

- *Western Local Government Alliance* - Bogan, Bourke, Brewarrina, Central Darling, Cobar and Walgett Councils

- *Conargo, Deniliquin and Murray Strategic Alliance*

- *Port Macquarie-Hastings - Nambucca Alliance*
- *Cross Border Partnership between Murray Shire Council (NSW) and Campaspe Shire (VIC)*

Other collaborative arrangements

- *Institute of Public Works Engineering Australia - Metro West Group -* Holroyd, Blue Mountains, Penrith, Blacktown, Campbelltown, Hawkesbury, Liverpool and Camden Councils
- *Georges River Combined Councils Committee (GRCCC) -* Wollondilly, Campbelltown, Liverpool, Fairfield, Bankstown, Kogarah, Rockdale, Hurstville and Sutherland Councils
- *Regional Illegal Dumping (RID) Squad -* Penrith, Bankstown, Baulkham Hills, Fairfield, Holroyd, Liverpool Councils and Department of Environment and Climate Change
- *Central West Salinity and Water Quality Alliance -* Bathurst, Bogan, Cabonne, Coonamble, Dubbo, Gilgandra, Narromine, Orange, Warren, Warrumbungle, Wellington Councils and Central West Catchment Authority
- *Cooks River Foreshores Working Group -* Bankstown, Burwood, Canterbury, City of Sydney, Marrickville, Rockdale and Strathfield Councils, NSW Department of Planning, NSW Department of Natural Resources, the Sydney Metropolitan Catchment Management Authority, Sydney Water and RailCorp
- *Coffs Coast Waste Service -* Coffs Harbour, Bellingen and Nambucca Councils
- *Wakool - Gannawarra (VIC) councils strategic alliance*
- *Newcastle Airport -* Newcastle and Port Stephens Councils
- *Riverina Cities Group -* Albury, Griffith and Wagga Wagga Councils
- *Ashfield, Canada Bay and Strathfield Councils Road Maintenance Service Level Agreement*
- *Northern Regional Food Surveillance Group -* Moree Plains, Narrabri, Gunnedah, Gwydir, Tamworth Regional, Inverell, Uralla, Walcha, Armidale Dumaresq, Guyra, Glenn Innes Severn and Tenterfield Councils.
- *Wingecarribee and Shellharbour Councils Joint Payroll Service*

Proposed collaborative arrangements

- *Proposed Joint Development Controls -* Canada Bay and Strathfield Councils

- *Proposed Cockatoo Island Visual Arts & Multimedia Precinct* - Canada Bay, Leichhardt and Hunters Hill Councils with Sydney Harbour Federation Trust

- *Proposed Joint Community Nursery* - Canada Bay and Strathfield Councils

- *Proposed Penrith - Blue Mountains Councils strategic alliance*

- *Proposed Strathfield - Burwood Alliance*

- *Proposed Dubbo, Narromine, Warren and Wellington Alliance* - drought relief.

Sister City Partnerships

- Auburn and Oberon Councils

- Baulkham Hills and Cootamundra Councils

- Bland Shire and Ku-ring-gai Councils

- Broken Hill and Bankstown Councils (proposed)

- Brewarrina and Warringah Councils

- Canterbury and Cobar Councils

- Coonamble and Campbelltown Councils

- Cowra and Kogarah Councils

- Lane Cove and Gunnedah Councils

- Liverpool Plains and Blacktown Councils

- Mosman and Glen Innes Councils

- Penrith and Lachlan Councils

- Rockdale and Gilgandra Councils

- Sutherland and Harden Councils

- Temora and Randwick Councils

Type of Service	Summary of services provided through strategic partnerships
Regional planning	**36 partnerships reported.** *Examples include: General Managers/Mayoral groups, regional strategies (eg: Sustainable Cities), Metropolitan Strategy, emergency management planning groups* ➤ Namoi Local Government Group (NamoiROC) ➤ St Leonards Strategy (NSROC) ➤ Upper Murray Partnership

Type of Service	Summary of services provided through strategic partnerships
	➢ Cooks River Foreshore Working Party Group ➢ Regional Housing Strategy (Botany, Marrickville, Sydney, Waverley and Woollahra Councils)
Waste management	**41 partnerships reported**. *Examples include: shared facilities, regional waste groups, street sweeping services, illegal dumping squads, resource recovery, shared Waste Management Officers, joint recycling projects.* ➢ South-west Regional Waste Management Group (Boorowa, Cootamundra, Gundagai, Harden, Tumbarumba, Tumut, Yass Valley and Young councils) ➢ Wellington Waste Disposal Management Service ➢ Hunter Waste Advisory Group ➢ Coffs Coast Waste Service ➢ Namoi Inland Regional Waste ➢ Northern Inland Regional Waste Group
State of the Environment Reporting	**5 partnerships reported.** ➢ NSROC councils ➢ Murray ROC ➢ Namoi ROC (Catchment based report) ➢ Bombala, Cooma-Monaro and Snowy River Strategic Alliance ➢ Central West Salinity and Water Quality Alliance (Bathurst Regional, Bogan, Cabonne, Coonabarabran, Coonamble, Dubbo, Gilgandra, Narromine, Orange, Warren and Wellington Councils and Central West Catchment Authority)
Environmental health	**3 partnerships reported.** ➢ Northern Regional Food Surveillance Group (Moree, Narrabri, Gunnedah, Gwydir, Tamworth Regional, Inverell, Uralla, Walcha, Armidale Dumaresq, Guyra, Glenn Innes Severn, and Tenterfield Councils) ➢ NSROC Fox Baiting program ➢ Coffs Harbour Council provision of laboratory services to surrounding councils
Water and sewerage	**18 partnerships reported.** *Examples include: County Councils, sewerage*

Type of Service	Summary of services provided through strategic partnerships
	management, regional water schemes, supply of water to neighbouring councils, floodplain management ➤ Rous County Council ➤ North Coast Regional Water Scheme ➤ Joint Water Authority (Gosford and Wyong Councils) ➤ Murrumbidgee Valley Water Users Association ➤ Water Managers Group (Dungog, Gloucester, Singleton and Upper Hunter Councils)
Sharing/purchasing of physical and other assets	**21 partnerships reported.** *Examples include: group supply contracts, regional procurement, plant sharing, joint grant applications.* ➤ WSROC e-tendering ➤ MIDGOC regional procurement arrangement ➤ Joint grant applications (Randwick, Waverley and Woollahra Councils) ➤ Hunter Councils Regional Procurement Project ➤ SSROC Supply Management Group
Back office operations	**27 partnerships reported.** *Examples include: sharing of administrative staff, joint payroll/finance/HR services, apprenticeships, mentoring, professional support groups.* ➤ Carathool and Leeton joint payroll service ➤ Riverina Murray Human Resources Group (REROC and Murray ROC Councils) ➤ Northern Rivers Human Resources Interest Group ➤ Hunter Councils Ltd Records Repository ➤ Shellharbour – Wingecarribee shared payroll services
Development assessment/town planning	**10 partnerships reported.** *Examples include: shared staff (including s94 officers), joint building inspections, development control strategies, professional support.* ➤ Design review panel (Randwick and Waverley Councils) ➤ Reciprocal referrals of development applications (Gunnedah and Liverpool Plains Councils) ➤ Shared development assessment staff (Bankstown

Type of Service	Summary of services provided through strategic partnerships
	and Leichhardt Councils)
	➢ St Leonard's development control study (Lane Cove, North Sydney and Willoughby Councils with Department of Planning)
	➢ Joint s94 Officer (Bellingen and Nambucca Councils)
IT services	**11 partnerships reported.**
	➢ Joint IT arrangement (Liverpool Plains, Armidale Dumaresq, Numbucca and Lane Cove Councils)
	➢ "Councils Online" project (Hornsby, Lake Macquarie, Parramatta, Randwick and Wyong Councils)
	➢ Inner West Information Project (Ashfield, Burwood, Canada Bay, Leichhardt and Strathfield Councils)
	➢ Central Tablelands Alliance
Governance, compliance and audit services	**3 partnerships reported.**
	Shared audit services.
	➢ Asset Management Cluster (Dungog, Gloucester, Great Lakes, Port Stephens and Taree Councils)
	➢ Local Government Internal Auditors Network
	➢ Joint training audit (Gunnedah, Liverpool Plains and Narrabri Councils)
Economic development and tourism	**45 partnerships reported.**
	Examples include: regional tourism boards/corporations, joint business ventures, regional development boards, mining planning bodies, Main Street projects.
	➢ Regional City promotion (Bathurst, Dubbo and Wagga Wagga Councils)
	➢ Hawkesbury River Heartland (Baulkham Hills, Hawkesbury and Hornsby Councils)
	➢ North Coast NSW Tourism Inc (Bellingen, Coffs Harbour, Great Lakes, Greater Taree, Kempsey, Nambucca, Port Macquarie-Hastings and Port Stephens Councils)
	➢ Economic Development Professionals Group (Tamworth Regional, Gunnedah, Liverpool Plains, Narrabri, Uralla and Walcha Councils)
	➢ South Coast Regional Tourism Organisation (Shoalhaven, Eurobodalla and Bega Valley Councils)
Roads and	**31 partnerships reported.**

Type of Service	Summary of services provided through strategic partnerships
engineering	*Examples include: Weight of Loads groups, joint employment of Road Safety Officers, maintenance, highway upgrades, Single Invitation Maintenance Contracts (SIMC) Groups, bridge construction* ➤ Joint Road Safety Officer (Greater Hume, Lockhart and Urana Councils) ➤ Joint plant hire (Clarence Valley, Glen Innes Severn, Kyogle, Boonah (Qld) and Stanthorpe (Qld) councils) ➤ Mid North Coast Weight of Loads Group ➤ Joint Road Safety Officer (Murrumbidgee, Leeton and Narrandera Councils) ➤ Joint road safety advertising (Ballina, Lismore and Tweed Councils) ➤ Gundagai and Junee joint bridge construction
Insurance	**9 partnerships reported.** *Examples include: pools, risk management* ➤ Westpool ➤ Metropool ➤ Statewide Mutual ➤ Hunter Councils Risk Management Group ➤ Statewide Regional Risk Management Group (REROC and RIVROC councils)
GIS	**6 partnerships reported.** ➤ Dubbo and Mid-Western Councils Regional Base Station ➤ Gloucester, Great Lakes and Greater Taree Councils ➤ Bland, Coolamon, Goldenfields Water, Junee and Temora Councils Spatial Information Management ➤ MIDGOC ➤ Goulburn Mulwaree and Upper Lachlan Councils
Libraries	**21 partnerships reported.** *Examples include: regional libraries, inter-library loan systems, regional information projects. Libraries are commonly noted as being the most well established alliances.* ➤ Southern Tablelands Regional Library (Goulburn Mulwaree, Palerang, Upper Lachlan and Yass Valley

Type of Service	Summary of services provided through strategic partnerships
	Councils)
	➢ Riverina Regional Library (Coolamon, Cootamundra, Gundagai, Junee, Lockhart, Temora, Tumut and Wagga Wagga Councils)
	➢ Upper Murray Regional Library (Greater Hume, Urana, Albury, Corowa, Tumbarumba, Indigo (Vic), Towong (Vic) and Wodonga (Vic) Councils)
	➢ Central Northern Regional Library (Tamworth Regional, Gunnedah, Liverpool Plains, Narrabri, Uralla and Walcha Councils)
	➢ Shorelink Library Network (Lane Cove, Manly, Mosman, North Sydney and Willoughby Councils).
Children's services	**4 partnerships reported.**
	➢ Hume Billabong Family Day Care (Corowa, Greater Hume and Tumbarumba Councils)
	➢ Willoughby – Lane Cove Family Day Care
	➢ Cremorne Baby Health Centre (Mosman and North Sydney Councils)
	➢ SSROC Childcare Development Control Plan
Other community services	**64 reported.**
	Examples include: aged care services, community transport, disability services (including shared Disability Service Officers), youth services (including shared Youth Officers), arts councils, arts projects, shared Heritage Officers, joint crime prevention.
	➢ Arts Northern Rivers Inc (Ballina, Byron, Clarence Valley, Kyogle, Lismore, Richmond Valley and Tweed Councils)
	➢ Joint crime prevention plan (Burwood and Canada Bay Councils)
	➢ Eastern Riverina Arts Program (Bland, Coolamon, Cootamundra, Harden, Junee, Lockhart, Temora, Tumbarumba, Tumut, Urana, Wagga Wagga and Young Councils)
	➢ Southern Tablelands Rural Counselling Service Inc (Goulburn Mulwaree, Palerang and Upper Lachlan Councils)
	➢ Joint Youth Development Officer (Greater Hume and Lockhart Councils)
Weed	**15 partnerships reported.**

Type of Service	Summary of services provided through strategic partnerships
management	*Examples include: County Councils, noxious weeds groups, joint Noxious Weeds Officers.* ➢ Richmond River County Council ➢ Upper Macquarie County Council ➢ Far North Coast Weeds ➢ Joint Noxious Weeds Officer (Carrathool, Griffith and Hay Councils) ➢ Eastern Riverina Noxious Weeds (Albury, Coolamon, Cootamundra, Corowa, Gundagai, Greater Hume, Junee, Lockhart, Narrandera, Tumbarumba, Tumut, Urana and Wagga Wagga Councils) ➢ Bombala, Cooma-Monaro and Snowy River Strategic Alliance
Companion animal management	**4 partnerships reported.** *Examples include: shared impounding facilities and shared ranger services staff.* ➢ Hawkesbury Animal Shelter (Baulkham Hills, Hawkesbury and Penrith Councils) ➢ Shared ranger services (Dungog and Port Stephens Councils) ➢ Shared ranger services (Tumut and Tumbarumba Councils) ➢ Shared animal control staff (Narrandera, Urana and Wagga Wagga Councils)
Emergency services	**11 partnerships reported.** *Examples include: Rural Fire Services, bush fire management committees/initiatives.* ➢ Bombala, Cooma-Monaro and Snowy River Strategic Alliance ➢ Southwest Rural Fire Group (Boorowa, Cootamundra, Harden, Upper Lachlan, Weddin and Young Councils) ➢ Lower Hunter Rural Fire Service (Dungog and Port Stephens Councils) ➢ NOROC Regional Bushfires Committee ➢ Murrumbidgee Irrigation Area Rural Bushfire Service (Griffith, Leeton and Narrandera Councils)
Sports facilities	**2 partnerships reported.** ➢ Snowy River Strategic Alliance sports ground and

Type of Service	Summary of services provided through strategic partnerships
	showground management ➢ Camden, Campbelltown and Wollondilly Councils
Transport	**7 partnerships reported.** *Examples include: regional transport strategies/committees, regional airport management.* ➢ Snowy River Strategic Alliance transport strategy ➢ Joint regional airline support (Gunnedah and Inverell Councils) ➢ Joint regional airport management (Leeton and Narrandera Councils) ➢ South Eastern Regional Transport Strategy ➢ SSROC Planning and Transport Group
Training	**9 partnerships reported.** ➢ Gunnedah – Singleton Asset Management Joint Training ➢ WSROC HR and Training Group ➢ Hunter Councils Learning and Development ➢ Shared training of councillors and staff (Tenterfield and Stanthorpe (Qld) Councils) ➢ My Gateway Macarthur training group (Campbelltown, Camden and Wollondilly Councils)