

## Tasmanian Local Government Common Services Model

For some years, a number of southern Tasmanian Councils have been providing and receiving common/professional services, on a commercial basis. The exchange of common services has ensured that these Councils have maintained the ability to meet ever increasing legislative requirements and enabled them to continue to provide essential services to communities.

Councils are now looking to develop what to date have been ad hoc arrangements into a formal framework. This process commenced in 2013, but was delayed by the local government elections. Subsequently, a number of discussions and workshops have been conducted and it is now proposed to develop the current arrangements further through a managed joint venture of Councils. This will see functions undertaken by different Councils and administered by a Common Services Model. It will operate initially as a group of Councils with no central administration, but with limited organisational management, where functions are undertaken by different Councils and administered by individual Councils.

The overriding objective is to formalise and develop the Common Services Model to provide maximum cost efficiencies, high quality service and long term sustainability for participating Councils.

It will provide participants with the ability and resources to enable quality equitable service provision to their residents and visitors, as well as generate economic efficiencies and increased viability to Common Service Model participants and the Region. It will enable participants to meet legislative requirements, increase consistency of processes between municipalities and develop the reputation and professionalisation of the Common Services Model by capitalising on opportunities to build strong professional relationships and expand networks that will ensure the continual development and success of the 'Model'.

**Core participating Councils (to be confirmed):** Glamorgan Spring Bay, Sorell, Tasman, Southern Midlands, Glenorchy City and Brighton.

**Prospective participating Councils:** Central Highlands, Derwent Valley, Huon Valley and Flinders.

Under this model representatives of participating Councils will meet to identify workload and assign tasks from within their Councils and participating Councils would agree rates, etc. and draw up agreements.

A Joint Venture Agreement has been drafted with the core group of participating Councils expected to formally sign and commit to the agreement in February 2015. A business plan, management structure, marketing and strategic communication strategies are also being developed.

### Joint Venture Management

The Common Services Joint Venture Model is unique. It will be administered by a committee comprising a representative of each participating Council, a Chairman,

Manager and Chief Administrator. The committee will report regularly to the Mayors of participating Councils. It will not employ any staff directly, but the Manager and Chief Administrator will charge Councils for the time spent on administering particular services and operations. Hourly rates for services will be determined based on the seniority of the employee delivering the service.

Savings for Councils is a key. Therefore, the pricing strategy must deliver similar cost savings to both Councils providing services and Councils receiving services.

The Common Services Model gives small, under-resourced councils the ability to provide a high level of professional services to their ratepayers at an affordable cost. Councils who are unable to attract professional staff or hire suitable employees on a full-time or permanent basis have the opportunity to limit their exposure to financial risk while delivering a high level of service to the community.

Councils do not lose their autonomy, but rather will have access to all the skills and experience within all the Councils under agreed joint venture arrangements, enabling them to better use their autonomy. Councils only pay for the services they use and their ability to sustainably provide services for ratepayers will be enhanced. Any participating Council can be a provider as well as user of services.

#### **Examples of Common Services**

- Animal Control
- Asset Management
- Building Permit Authority
- Corporate Finance / Management
- Development Engineering
- Environmental Health
- Governance
- Information Technology
- Operational Works Planning
- Pay Services
- Planning
- Plumbing Permit Authority
- Rates
- Records Management
- Technical Design and Investigation

In the past financial year, some 4500 hours of common services were provided and exchanged between Councils. This resulted in cost savings of approximately \$660,000. With the formalisation of the Common Services Model and the commitment of Councils to the Joint Venture, an increase in amount of common services hours is expected, along with significant additional savings. It is projected that 6000 hours of common services hours could be completed this calendar year, leading to increased savings in the order of \$800,000 - \$880,000.

In his letter to Mayors of 26 November advising of the February 11 meeting, the Minister for Local Government Peter Gutwein stated that any local government reform must:

- Be in the interest of ratepayers;
- Improve the level of services for the communities;
- Preserve and maintain local representation; and
- Ensure that the financial status of the entities is strengthened.

By any fair and reasonable measure, the Tasmanian Common Services Model Joint Venture is the least costly, most flexible and best-placed option to meet all of these requirements.