



STRATEGIC ALLIANCE NETWORK

Resource Sharing Models

Submission by
Southern Sydney Regional Organisation of Councils

1. INTRODUCTION

This submission is a group response presented by the member councils of the Southern Sydney Regional Organisation of Councils (SSROC). SSROC is an association of eleven local councils located in the southern Sydney region. The councils represented by SSROC are:

- Botany Bay City
- Canterbury City
- City of Sydney
- Hurstville City
- Kogarah
- Marrickville
- Randwick City
- Rockdale City
- Sutherland Shire
- Waverley
- Woollahra.

SSROC provides a forum for member councils to develop common policies and approaches to the challenges facing the southern Sydney region through resource sharing, shared policy development and advocacy.

2. OVERVIEW OF REGIONAL COLLABORATION

SSROC welcomes the Department of Local Government's initiative in examining models to enhance the efficiency and effectiveness of service delivery. While SSROC provides one such forum for councils in southern Sydney, it is not the exclusive vehicle through which councils in the region co-operate. This demonstrates that councils are willing and able to establish a variety of arrangements to suit their local needs.

An overview of the way SSROC operates is provided below:

- The primary decision making body of SSROC comprises two delegates (councillors) nominated by each of the member councils.
- SSROC has two Standing Committees comprising a delegate (councillor) nominated by each of the member councils.
- SSROC facilitates regular meetings of member councils' senior management at general manager level and director levels.
- A number of regional working groups also function at middle management level. These groups include purchasing, environment, planning and transport, disability, records management, community services, HR, and waste management.

- The organisation was formed in 1986 in response to community concerns about regional planning in the Botany Bay region.
- It is a voluntary association in a defined geographical area.
- The member councils fund the core activities of the organisation, and income is supplemented by grants, commissions and one-off contributions for special projects.
- It reaches policy decisions by mutual agreement.

The Organisation has a number of key functions:

- *Regional advocacy* - speaking on behalf of the member councils with a united voice on major issues.
- *Facilitation of joint activities between member councils* - ranging from joint procurement, shared policy and program development, joint training.
- *Project management* - providing the auspice for member councils to undertake new programs and initiatives.

3. REGIONAL PROJECTS

Last year, SSROC established a biennial planning forum for the various officer working groups. The purpose of the forum has been to produce a set of project action plans and to identify suitable projects for cross-group development and implementation.

This section of the paper identifies the type of projects that emerged from the forum planning process. Four of these projects are selected as case studies, presented in the next section of the paper.

Group	Project Type	Project Objectives
Public Works Management Group	Street Lighting Improvement Program	<ul style="list-style-type: none"> • Improved technology and maintenance arrangements • Establish a service agreement with the street lighting service provider • Improve regulatory arrangements to better meet council needs
	Road Restoration Agreements with Public Utilities	<ul style="list-style-type: none"> • Common agreement with the public utilities for the restoration of road surfaces • Maintenance of appropriate standards
Supply Management Group	Road Maintenance and Repair Tender	<ul style="list-style-type: none"> • Regional tender to establish more competitive pricing arrangements – as a council group • Better co-ordination of works programming across the region • More appropriate apportionment of risk between councils and the service provider
	Ready Mix Concrete	<ul style="list-style-type: none"> • More competitive pricing and service arrangements – as a group
	Document Imaging Tender	<ul style="list-style-type: none"> • Working with the Records Group to establish a contract with more competitive pricing and service arrangements
	Advertising (tender under development)	<ul style="list-style-type: none"> • More competitive pricing arrangements anticipated • Higher quality of service from the provider • Compliance with Local Government Tendering Regulations

Group	Project Type	Project Objectives
Environmental Management Group	Training on acid sulphate soils (in development)	<ul style="list-style-type: none"> • Benefits from a collective learning process and sharing of knowledge • Economic unit cost for training
Planning and Transport Groups	Childcare DCP	<ul style="list-style-type: none"> • Sharing of knowledge and experience to produce better outcomes • Provide a consistent approach for service providers to respond to
	The Regional Bike Plan	<ul style="list-style-type: none"> • Identify current gaps in the network across council boundaries • Encourage investment in future infrastructure with State agencies
	“Get Into Condition Training” - training in writing development consent conditions	<ul style="list-style-type: none"> • Responding to identified skill deficiencies • Unmet training need • Involvement of the Environmental Planning and Law Association and legal professionals
Records Management Group	Document Imaging Group Tender	<ul style="list-style-type: none"> • More competitive pricing arrangements – as a council group • Higher quality of service from the provider
	Records Training	<ul style="list-style-type: none"> • Benefits from a collective learning process and sharing of knowledge • Economic unit cost for training • Responding to legislative requirement for upgrading staff skills
Waste Management Group	Medical Sharps Management	<ul style="list-style-type: none"> • Lower public safety risk with inappropriate disposal of medical waste • Improve occupational safety for waste industry employees • Group tender for appropriate disposal
	Regional Contract for General Waste Disposal	<ul style="list-style-type: none"> • More competitive pricing arrangements – as a council group • Higher quality of service from the provider • Certainty of service • Efficiency savings

4. CASE STUDIES

The following case studies have been chosen, to illustrate:

- That resource sharing can vary greatly in size and duration
- The complexity and challenges of group procurement
- How benchmarking standards can improve the quality of service delivery for all councils
- The way in which group approaches by councils can benefit third parties, such as public utilities and developers.

The four case studies are:

1. The General Waste Contract
2. The Street Lighting Improvement Program
3. Medical Sharps Management
4. Development of Planning Provisions for Child Care Centres.

4.1 The General Waste Contract

Background

In 2003, SSROC co-ordinated a group tender for the processing of recycled material collected by the councils' kerbside recycling services. That project was undertaken by Marrickville, Rockdale City and Waverley Councils. In 2004, SSROC member councils wanted to build on the successful outcomes of this tender. At this time, it was evident that the monopoly supply of putrescible waste disposal services by WSN Environmental Solutions was going to end with the entry of a multinational waste company – Collex – into the Class 1 putrescible waste disposal market. In late 2004, Collex's Woodlawn facility near Goulburn commenced operations to accept Class 1 waste. With a competitive market opening up, SSROC councils undertook to tender for contracting the disposal of their domestic putrescible material.

Objectives

The councils undertook this collective approach to:

- Receive a competitive price for disposal, agreed for a contract period
- Secure contractual certainty
- Secure a more advantageous commercial agreement as a group rather than as individual councils
- Maintain a certainty of supply at councils' preferred receival facility for their waste
- Ensure a maximum turnaround time for collection vehicles using each receival facility.

Following the tender evaluation, Councils awarded a contract to the successful tenderer, which commenced in July 2005.

Outcomes

The resulting outcomes for the SSROC member councils participating in this procurement process have been:

- To receive approval from the Australian Competition and Consumer Commission (ACCC) to collectively tender a group price for general waste disposal arrangements under individual contract. This approval has guaranteed the participating councils' immunity from the anti-competitive provisions of the Trade Practices Act
- To accept a competitive contract price that has provided price certainty to those councils for at least the next five years – the savings to councils over the life of the contract is expected to be in excess of \$9 million
- Agreement by the winning tenderer to accept all the conditions of contract tendered
- An apportionment of responsibility and risk divided between each party to the contract best able to manage that risk
- An appreciation by the councils of the challenges of reaching common agreement on post-tender negotiations with service providers.

4.2 Street Lighting Improvement Program

Background

Councils have responsibility to provide street lighting, yet for many years have had no effective control over costs, products, standards and the level of service provided. SSROC councils spend more than \$12 million per annum on street lighting. In 2002, SSROC - in

conjunction with six councils in Sydney's inner west - undertook a major review of street lighting. The review identified significant opportunities to improve the relationship between councils and the service provider (EnergyAustralia). Not long after the review findings became public, a number of other councils in EnergyAustralia's service territory sought to become involved in a program to implement the recommendations of the review.

This saw the establishment of the Street Lighting Improvement Program, which now covers 29 councils ranging from southern Sydney through to the Central Coast and Hunter. Collectively, the street lights in the participating councils' jurisdictions constitute over 85% of EnergyAustralia's street lights. SSROC continues to oversee management of the Program on behalf of the 29 participating councils.

Program Objectives

- Through improved technology and maintenance arrangements, improve lighting outcomes while minimising costs and public liability risk for councils
- Establish a service agreement with the service provider
- Improve regulatory arrangements to better meet council needs.

Program Outcomes

- Participating councils now have a greater and ever growing say over technology, maintenance and regulatory arrangements
- Participating councils are now in a better position to evaluate the claims and proposals made by the service provider and the regulator (IPART)
- Special case problems have been solved (eg. inappropriate charges, delayed installation works, asset ownership disputes)
- The service provider is proceeding with a program to replace the most poorly performing street lights and with a trial of new technology nominated by councils
- Councils were able to strenuously object to a proposed price increase, resulting in the increase approved by IPART being 60% less than originally requested
- On behalf of the Street Lighting Improvement Program, SSROC has been successful in securing a grant of \$4.2 million under the Energy Savings Fund to accelerate the deployment of energy efficient street lighting technologies over the next four years and deliver energy, greenhouse and financial benefits to councils and the community
- The Program has received a number of local government innovation awards.

4.3 Medical Waste Disposal Contract

Background

Waste industry staff in waste collection and waste processing operations, are increasingly being exposed to harmful products, such as chemicals, batteries, and medical sharps. Waste companies are continually looking to improve occupational health and safety standards in the work place, and SSROC member councils are also looking to assist their service providers to improve these standards.

Domestic medical waste is seen as the most problematic health risk to waste operators. Much medical waste, the most dangerous being syringes, needles and lancets (collectively known as 'medical sharps') find their way into the kerbside domestic recycling system. This is because many residents, who are legitimate users of sharps, believe that such items are recyclable. In response to this problem, member councils are setting up a regional scheme which is designed to encourage residents to dispose of medical sharps in dedicated clinical

waste bins, either at pharmacy shops where they receive their medical supplies of sharps, or at community health centres.

Benefits

The councils undertook this collective approach to:

- Reduce and ultimately eliminate medical sharps entering the domestic waste stream
- Reduce injuries to waste service operatives from the handling of medical sharps
- Gain State Government Health Department support for this safety campaign
- Educate users of sharps about the dangers of inappropriate disposal and where to dispose of sharps safely
- Educate general practitioners and providers of sharps about advising sharps users of safe disposal habits
- Receive cost savings for streamlining the disposal service.

Outcomes

This project is midway through its implementation. However the following progress has been made:

- The majority of SSROC member councils are participating in the project
- The councils have successfully received a grant of \$40,000 from the LGSA/Department of Health for this initiative
- The project has the support of the Pharmacy Guild of Australia
- About 25 pharmacies within the southern Sydney region have agreed to participate
- The councils are paying for the costs of both procuring clinical waste bins and the regular collection and disposal of the contents (medical sharps) of these bins
- The recycling industry is very supportive and is providing resources to assist in making the scheme a success
- An education toolkit, on the safe methods for disposal, is being developed to provide ongoing education to the providers of sharps and users of sharps.

4.4 Development of Planning Provisions for Child Care Centres

Background

SSROC has produced model planning provisions to respond to problems experienced by member councils in dealing with development applications for child care centres. Current approaches appear not to be working to the satisfaction of all parties, so the regional planning provisions for child care centres have been produced address the main issues encountered.

Objectives

SSROC's Planners' Group formed a small working group (including a representative from the community services area) to produce the planning provisions. The working group consulted with a wide range of council stakeholders. As part of the development process, the working group:

- Investigated demand for child care places
- Identified common objections and developed provisions to address these
- Reviewed DCPs and child care centres that work well and identified the reasons for their success

- Considered Department of Community Services (DoCS) requirements
- Reviewed the economic implications of planning provisions for child care operators
- Developed recommendations for DCP provisions.

Outcomes

The Discussion Paper sets out options resulting from an analysis of extant DCPs, court decisions, and discussions with stakeholders; and includes an appendix with all relevant controls on child care centres in SSROC councils. Issues covered in the Discussion Paper include:

- Preferred locations for child care centres
- Zones under the draft Standard LEP template where child care centres are permissible with council approval
- Areas where child care centres will not be considered
- Parking provisions
- Restrictions on the number of places
- Noise
- Design issues.

The Discussion Paper has been circulated to the LGSA and DoCs for comment. In the meantime, a number of councils have begun to use the model provisions to guide the development of Development Control Plans.

5. CONCLUSION

SSROC welcomes the Department's initiative in convening the Strategic Alliance Network conference. It will provide an important opportunity for councils to share their resource sharing experiences and explore a range of best practice models.

SSROC hopes the information provided in this submission will assist the conference organisers. We would be delighted to provide additional information of clarification on any of the information submitted.

6. FURTHER CONTACT

For additional information, contact details are as follows:

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