



# ***Inquiry into Collaborative Approaches in Government***

**City of Mandurah submission to the Community Development and  
Justice Standing Committee**

**March 2008**

## **Introduction**

The City of Mandurah is pleased to provide its submission to the Community Development and Justice Standing Committee's *Inquiry into Collaborative Approaches in Government*. The City's submission will endeavour to respond to the Inquiry's terms of reference:

*That this Committee examine, report and make recommendations on the way in which policy and practice, together with organisational structures, encourages sustainable and collaborative approaches and activities across government, with particular reference to community services, and to:*

- 1. models of partnerships between public (including Local Government) and private sectors for the development of policy and the delivery of services, with particular emphasis on human services and community development;*
- 2. the role of relevant legislation, economic instruments (e.g. grants, targets), information, direct intervention, in achieving effective and efficient government services;*
- 3. the use of citizen centred services – how different jurisdictions are transforming and integrating government processes around the needs of the citizens to improve service delivery and improve wellbeing.*

It is understood that the Inquiry's main aim is to identify ways of improving government service delivery through the use of collaborative, integrated or 'joined-up' models.

The City concurs with the Inquiry's information paper, which outlined the problems created when government departments become 'silos', unable to respond to issues and community sectors that do not fit precisely into existing departmental 'slots'. The tendency of departments to then 'dump' the problems created by these issues and sectors onto other departments is all too well known. The information paper also noted a shift towards citizens demanding that government services be more responsive to the needs of client groups, rather than the interests of existing institutions and professions.<sup>1</sup>

## **Local Issues – Cost Shifting**

It should be noted that the areas of government responsibility highlighted as being of greatest interest to the Inquiry are fast becoming 'core business' for Local Government. Under Western Australia's *Local Government Act 1995* 'general competence' principles, Local Government has taken on an ever-expanding role in community affairs, particularly in the areas of Community Development and Environmental Management. This broadly encompasses the portfolios of youth, seniors, disability services, Indigenous affairs, sustainability, economic development, community safety, culture and the arts, and sport and recreation.

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<sup>1</sup> Community Development and Justice Standing Committee: *An information paper backgrounding the Inquiry into collaborative or 'joined up' government*; August 2007; p 3-5.

Cost shifting has in recent years become one of the most serious issues to confront Local Government in Australia. Cost shifting typically takes place where Local Government assumes responsibility for a service or infrastructure item when another level of government stops providing/maintaining it, but is not adequately compensated by the other level of government for doing so. Local examples of this practice include:

**Transfer of infrastructure ownership:** When the new Mandurah Estuary Bridge was opened in 1986, ownership of the Old Mandurah Traffic Bridge was automatically transferred from the WA Government to the City of Mandurah. As a result, the City is now responsible for its eventual replacement, currently costed at up to \$35 million.

**Crime and community health and safety:** The City of Mandurah has been spectacularly unsuccessful at attracting State Government funding for either new or upgraded local Police facilities<sup>2</sup>, as well as additional Police numbers to support Mandurah's rapid population growth. This has resulted in financial and resource costs being placed upon the City, through participation in programs such as StreetNet, Neighbourhood Watch, Constable Care, Designing out Crime, the Group of Four (local joint crime prevention initiative), the Liquor Accord, and a local CCCTV study to consider the purchase of closed-circuit cameras throughout the CBD and local 'trouble spot' areas.

The City's Rangers and Environmental Health sections have also been impacted by State Government cost shifting. Local Government Rangers are frequently required to deal with illegal trial bike and quad incidents, and are also finding themselves having to patrol national park areas owned, but under-resourced by the Department of Environment and Conservation e.g. Peel Regional Park.

The Western Australian Planning Commission is currently establishing the Peel Regional Park over a 10-year period. Peel Regional Park incorporates the Peel Inlet and Harvey Estuary, Goegrup Lake, Black Lake, the Creery Wetlands and the lower reaches of the Serpentine, Murray and Harvey Rivers, incorporating these areas as Regional Open Space and Waterways Reservation under the *Peel Region Scheme*.

However, the Western Australian Government is yet to commit adequate funding resources to ensure that infrastructure and maintenance requirements for the Peel Regional Park (including land acquisitions) are met. This lack of resourcing often results in the management burden being passed to Local Government, particularly the roles of park policing and maintenance.

The City's Environmental Health section is also increasingly being impacted by cost shifting. Environmental Health officers are regularly called upon to respond to industrial pollution incidents with Department of Environment and Conservation legislation including abrasive blasting, concrete batching plants as well as the application of Environmental Protection (Unauthorised Discharge) Regulations 2004 and Environmental Protection (Noise) Regulations 1997.

There has been some discussion in recent times about a reduction in roles associated with water quality issues particularly relating to canals and also oil spills etc. Mosquito control is another area that has effectively been shifted to Local Government responsibility, and has become a major issue to Mandurah due to its significant waterways areas and coastal lifestyle.

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<sup>2</sup> Department of Housing and Works: *Non-Residential Building Program*; 2001/02-2006/07 annual reports

With the introduction of the Dawesville Channel in 1994, tidal inundation of mosquito breeding sites led to the need for increased treatments. We are now seeing pressure from State government agencies for Local Government to apply more resources to this program.

These examples are merely the 'tip of the iceberg', as there are numerous examples of cost shifting being experienced by the City of Mandurah, in both infrastructure and service provision areas. Notwithstanding, the City has been extremely fortunate to attract a new combined Water Police/Department of Fisheries/Department of Environment and Conservation facility, which is due for completion later this year. This is an excellent example of 'joined up' services, and should be promoted as a best practice model for other coastal LGAs.

### **Local Issues – the Federalism Model**

Under the current 'Federalism' model, excessive duplication and inefficient distribution of resources and funding often occurs, resulting in a reduced level of service and/or funding delivery to the community. Current examples include Home and Community Care (HACC) and child care funding, health, education and training funding, and in the specific case of Local Government, Financial Assistance Grants funding. In addition to poorer service delivery, the current Federalism model also encourages the 'blame game' to take place between State and Federal Governments about who is responsible for the service being delivered.

Successful examples of direct National-Local funding include the Australian Government's *Roads to Recovery* program, which has to date provided \$1.2 billion for local road infrastructure between 2001 and 2005, with a further \$1.23 billion earmarked for local road projects between 2005 and 2009. The Australian Government *Envirofund*, which commenced in 2002 and concludes in 2008, was another example of successful National-Local/Regional funding. The fund, which provided funding of more than \$135 million, enabled local community groups to undertake over 8000 small scale on-ground environmental projects across Australia.

It is the City's view that a direct National-Local funding model is often the most effective means of providing local service delivery. To this end, the City has called upon the Australian Government to introduce a direct National-Local distribution model for Financial Assistance Grants. This model would bypass the States, and would end the current inequity that allows Councils in eastern States to receive up to six times the funding of comparable Western Australian Councils.

### **Local Issues – Departmental 'Silos'**

It is the City of Mandurah's experience that when undertaking large scale development projects, conflict often arises between planning and development agencies and environmental agencies. A recent example was the proposed Keralup Residential Estate project, which after many years of planning and promotion by the Department of Housing and Works, effectively had cold water poured upon it by the Environmental Protection Authority. The EPA identified several problems with the project, including potential noise, smell and nutrient runoff issues, and the threat of mosquito-borne diseases.

Another is the proposed Nambeelup Industrial Estate, where the Western Australian Planning Commission and the DEC appear to be only vaguely aware of each other's activities. The Nambeelup Industrial Estate draft Outline Development Plan was submitted to the WAPC in March 2006, initially designed as a 480 hectare light to medium industrial area, servicing Mandurah and wider Peel Region. Nambeelup was designed to resolve Mandurah's existing industrial land shortage, and create significant employment potential, with up to 7000 jobs in retail, warehousing, logistics and transport industries.

However, in 2008, final environmental approval for Nambeelup is still pending, with a number of major environmental considerations to resolve, including nutrient runoff and acid sulphate soils. Whilst it is in no way being suggested that the project should proceed without a thorough environment assessment, the considerable delay is resulting in lost opportunities for Mandurah and wider Peel industry and employment.

Other examples of government 'red tape' are the Meadow Springs Regional Open Space and Ocean Road Primary School Open Space projects. To obtain a water extraction license - required before the projects could commence - the City was required to deal with a number of government departments, including the Water Corporation, the DEC and the Federal Department of Environment and Heritage. The City finds it particularly frustrating when having to deal with numerous State agencies, and then having to repeat the process again with Federal departments, to obtain project approval.

Other areas where government 'silos' are frequently encountered include community safety, policing, education, child protection, education and training, and even tourism.

The Western Australian Government, in a successful dive tourism collaboration between the Department of Housing and Works and Tourism Western Australia, provided substantial funding towards the sinking of the *Lena* dive wreck off Bunbury in December 2003, and the *Saxon Ranger* in the West Coast Dive Park, off Rockingham in May 2005. The State Government had also previously assisted the City of Geraldton's *South Tomi* dive wreck project, and the renowned *HMAS Swan* project in Geographe Bay.

However, following a Ministerial portfolio reshuffle in early 2006, the two departments inexplicably parted ways. When the City of Mandurah wrote to the new Tourism Minister in April 2006, seeking ongoing collaborative support for the West Coast Dive Park project, the Minister's response advised that the tourism project:

*"does not come under my portfolio but that of the Hon. Michelle Roberts MLA, Minister for Housing and Works<sup>3</sup>."*

It should be noted that on this occasion, however, the distinct lack of departmental cooperation was most likely a result of political factors rather than government agency waywardness.

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<sup>3</sup> Letter from Hon. Sheila McHale MLA, Minister for Indigenous Affairs; Tourism; Culture & the Arts, to the City of Mandurah; June 2006



## **Potential Solutions – Breaking down the Silos**

The City concurs that 'joined up' government approaches hold significant potential for Local Government collaboration with State and Federal Government agencies, particularly in the fields of community development and environment. There is also greater scope for Local Government to work more closely with industry peak bodies, for example the Urban Development Industry Association on development issues.

Within the Peel Region, other agencies that offer potential for joined up services include the Peel-Harvey Catchment Council, the Peel Development Commission, the Peel Chamber of Commerce and Industry, the Peel Area Consultative Committee, and the Peel Zone Councils. By working collaboratively and 'information sharing' with others, the City of Mandurah stands to benefit from an association with a diverse group of informed and empowered regional partners.

The Inquiry's information paper promoted a 'horizontal' approach to government service provision, involving joined up delivery units, budgets and management teams, as well as Ministers with crosscutting portfolios, and the integration of services. These are positive examples of 'joined up' services, which should be further explored.

The City views the new combined Water Police/Department of Fisheries/Department of Environment and Conservation facility located at Mandurah Ocean Marina, and due for completion in late 2008, as a benchmark for 'joined up' services. This is a wonderful example of government agencies with similar interests teaming up to firstly, reduce their infrastructure costs, and secondly to provide a more streamlined and efficient service. Not only will it cost less to build one facility rather than three, but it will also promote resource sharing, both of officers and vessels.

Similar opportunities could be explored in other areas, for example co-locating WA Police Service, Department of the Attorney General and Department for Communities officers in a single complex in regional areas, as well as the Department of Environment and Conservation and the Department for Planning and Infrastructure.

Just as a number of regional WA Councils are beginning to realise the potential benefits of regional resource sharing, cooperation, and in certain cases, amalgamation, so too should State and Federal Government agencies see the benefits of collaboration and 'joining up' on issues and projects of mutual interest. Indeed, on the critical issue of infrastructure provision, the Australian Government appears to have finally grasped an opportunity for infrastructure coordination on a national level.

In April 2007, the Australian Labor Party's National Conference outlined Labor's infrastructure and nation-building platform, which included the creation of *Infrastructure Australia* to assist in the planning and coordination of Australia's infrastructure needs. *Infrastructure Australia* will be an independent statutory authority whose role will be to analyse, monitor, report and assess delivery and operation of major infrastructure projects, and develop coordinated and objective approach to longer-term planning and development of nationally significant infrastructure.

The City of Mandurah supports the creation of *Infrastructure Australia*, as a means of effectively coordinating and funding essential community infrastructure at the Local, State and National level. The City encourages the Western Australian Government to play an active role – in cooperation with Local and Federal Governments - in determining the infrastructure needs of Western Australia's 142 Councils.

## **Regional Organisations of Councils**

Local Government cannot justifiably point the finger at State and Federal Governments whilst failing to consider reform in its own back yard. In its 2005 report - *Local Government Finances in Western Australia* - Access Economics found that up to 70% of regional/rural Western Australian Councils were financially unsustainable, with a further 10% of metropolitan Councils being similarly assessed.

In an endeavour to ensure the long-term sustainability of Western Australian Local Government, in January 2006 the Western Australian Local Government Association commissioned an independent study into the *Systemic Sustainability of Local Government in Western Australia*. WALGA has recently released its *Systemic Sustainability Study* (SSS) draft report - *The Journey: Sustainability into the Future* - which made a number of recommendations for structural reform of WA Local Government, including development of a Regional Council model.

The Regional Council model is designed to assist WA Councils to adjust from a local to regional service delivery model, allowing it to improve efficiency and reduce duplication, effectively attract and retain staff, provide more regionally coherent planning, actively engage other levels of government, and retain the 'local' strengths of the existing model, whilst also creating accountable and transparent governance at a regional level.

The City of Mandurah and other Peel Region Councils are currently exploring options for a Regional Organisation of Councils model, including consideration of the Peel being named as a pilot Regional Council.

## **Recommendations:**

- **Implement a range of financial measures to compensate Local Government for cost-shifting, including:**
  - **Revise the escalation methodology for Financial Assistance Grants to Local Government from a mix of population growth and CPI to a new escalation formula tailored to Local Government cost movements**
  - **Introduce legislation to allow Western Australian Councils to set their own fee structures for Local Government services, and to use revenue to cross-subsidise other local community services and infrastructure as required**
  - **Legislate to discontinue the practice of exempting State and Federal Government organisations from paying Local Government rates**
- **Provide Financial Assistance Grants directly to Local Governments via a national distribution model.**
- **Pursue opportunities for co-locating government agencies with mutual portfolio interests**
- **Pursue mandatory regular information sharing and collaboration between government agencies engaged on the same project**
- **State Government to actively engage with Australian Government's *Infrastructure Australia* nation-building platform**
- **Local Governments to explore structural reform options, including participation in Regional Council models.**

