

TRANSCRIPT

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

Inquiry into local economic development initiatives in Victoria

Melbourne — 8 November 2012

Members

Mr N. Burgess
Mr M. Foley
Mr B. Carroll

Mrs I. Peulich
Mr G. Shaw

Chair: Mr N. Burgess
Deputy Chair: Mr M. Foley

Staff

Executive Officer: Mr S. Coley
Research Assistant: Mr M. Newington

Witnesses

Mr O. Harvey-Beavis, Manager, Research and Strategy (affirmed), and
Mr J. Cleaver, Policy Adviser (affirmed), Municipal Association of Victoria; and
Ms M. Morrison, Program Manager — Networked Rural Councils, Rural Councils Victoria (sworn).

The CHAIR — Welcome to this public hearing of the Economic Development and Infrastructure Committee. All evidence taken at this hearing is protected by parliamentary privilege. Comments you make outside the hearing are not afforded such privilege, so it is best if you keep your comments to within these walls.

I ask each of you to state your names and positions and whether you are representing an organisation or appearing on your own behalf.

Ms MORRISON — I will start. I am Maxine Morrison. I am the Program Manager of a program called Networked Rural Councils, which is a \$3.3 million program over four years for the Rural Councils Victoria network. It is an economic development-based program of work for Victoria's 38 rural councils. I am accompanying my colleagues from the MAV, where I am also based, and I am representing that network as best I can today.

Mr HARVEY-BEAVIS — I am Owen Harvey-Beavis. I am the Manager of Research and Strategy at the MAV, and I am obviously here representing the MAV.

Mr CLEAVER — I am James Cleaver, Policy Adviser with the MAV and also representing the MAV.

The CHAIR — Thank you. I now invite you to make an oral presentation.

Mr HARVEY-BEAVIS — I will ask James to speak to our submission. I come with apologies from Rob Spence, the CEO of the MAV, who is taking only his second holiday since I have known him — since 2003 — so this is an incredibly rare event, for Rob to miss something due to holidays. I will hand over to James to run through the submission and then I will hand over to Maxine to also run through her submission and some subsequent work which is alluded to in her submission about a project that they are delivering currently.

Mr CLEAVER — I suppose there are two key points to our submission. They are, firstly, that councils need to work together in terms of achieving economic objectives and implementing economic plans. Councils are most effective when they form clusters. For instance, I referenced a few of the council groups and the western region employment and industrial development strategy, the green triangle region freight action plan and the south-east Melbourne innovation precinct. Another one that I have been doing a bit of work on recently that is not in the submission is the Wimmera Development Association.

I think the big risk when councils implement economic development strategies is that there is a zero sum gain. For one council to do better means that their adjacent councils will lose out — they just take employment and jobs away from one another. So it is critical, when councils set out on these processes, that they work together to actually create a net improvement in employment and economic opportunities. That is the first point, that councils need to work together.

The second point is that economic development is fundamentally reliant on infrastructure. To that extent, any role of councils really needs to hang off state or federal government action in terms of providing infrastructure and setting a framework. For instance, people in the Wimmera Development Association have recently been doing a lot of work on the Wimmera intermodal freight terminal, a big project out there that all the councils can benefit from. Fundamentally, that project is only going ahead because of state and federal government support. I think the councils are contributing about 20-odd per cent of the funding and the balance is coming from other levels of government. The councils are creating a cluster and I suppose they are holding up their end of the bargain in terms of the planning side, identifying the site and making sure that the road network of the local roads around the site is appropriate, but their activities are really hanging off the state and federal government activities in terms of funding that intermodal freight terminal.

I suppose the same thing can be said for the south-east Melbourne innovation precinct. Fundamentally the transport infrastructure in that area is the driving force behind the development of that precinct and the economic opportunities that it created there. Whereas the councils can support those things by creating a good planning environment and with smaller strategies, the freeway, the road network and the rail network are the key factors that are providing the bulk of the impact there. The councils can support that but they cannot lead that. No one council strategy can replace a really good piece of transport infrastructure.

The CHAIR — Where are you suggesting the nub of the idea comes from — at which level?

Mr CLEAVER — If you look at the ideas that are around at the moment in terms of some of the planning for the growth corridors, the ideas are being generated at all levels of government — in terms of creating local job opportunities. I suppose that is the critical one — creating local job opportunities as the population in those areas grows. But there needs to be ongoing support in terms of the infrastructure and funding for new road and rail projects to accompany the development in those areas to allow those jobs to be created, because that is what I think businesses ultimately respond to.

Mr HARVEY-BEAVIS — I think probably ultimately there are good examples of projects where it is bottom-up from council level and coming down from the state level. If you look at the green triangle project down in the south-west of the State, I think that is a very good example of where the State Government approached a number of councils and worked very cooperatively together with them to come up with a strategy that actually encompassed both Victorian and South Australian municipalities and came up with a transport-related strategy that dealt with the major freight challenges in that area based predominantly around the timber industry and also the access to the port down there.

So I think there are good examples of where it could come from, state or federal. Obviously with Infrastructure Australia and the cooperative processes they run, there is sort of a formalised process through which the State can actually put up ideas for enhanced infrastructure investment. I guess that is an example of a project that we have been closely involved in and where we have worked cooperatively with the State and have seen that work quite well.

Ms MORRISON — Economic development in rural council areas, as I explained, underpins my program of work. It was recognised by the previous government that our economic development initiatives, particularly in rural areas, were lagging behind those of their regional city cousins. The 10 regional cities under the previous government flourished in terms of economic development, broadly speaking, and my rural councils group was successful in gaining some \$1.8 million to do economic development in rural council areas. It fell upon my network to identify exactly what that means and what it meant at the time.

Over the last five years that I have been supporting the program of work and successfully advocating for, as I explained, another \$3.3 million to work in this space. What I have learnt is that economic development can mean weeds, child care and everything in between, as well as the underpinning caveat that we have for everything we do, and that comes down to attracting and retaining a rural population. That is the focus of economic development for my network and the work that we do in that space, if I could just make that point.

In our submission we explain how key the local government role is in rural economic development. The person who has that role will often be involved in tourism, development, business development and sometimes even home and aged care. Given the constraints on resources in those councils, it is no surprise that financial and human resources are really stretched in council areas. We make that point in our submission, and we are seeking a review of the allocation for pure economic development from the State Government.

Regarding how local government and the State Government work jointly in these areas, we point out that the Putting Locals First and planning for development programs are facilitating cooperation between state and local government. They are well received by our members.

In the area of infrastructure — which I think my colleagues referred to — the two key areas for the rural councils sit in the broadband space and also in the provision of gas and other resources. What can sometimes happen — and James alluded to it as well — is that where there is interest from a large industry, rural council areas will be overlooked because they cannot provide basic services to that industry, and the industry will elect to be based in a regional city area. Our councils will often just miss out.

For rural council areas, economic development can also be about jobs, jobs and more jobs, so it will often be the focus of the work we do to try to build up employment and liveability in that space. I mentioned in my paper that under my program we are doing a specific piece on attraction, retention and migration in rural areas. We will have a draft report on that in the coming week, and I would like to provide that to you — provide the latest and greatest from my rural councils on their thinking in this space.

The CHAIR — Thank you.

Ms MORRISON — And in particular what is working for them, because there are some things, surprisingly, that are working for rural councils in the attraction space, and the best thing in most recent times has been the Regional Living Victoria Expo, in terms of pure interest and attraction in rural areas.

The CHAIR — What have you found has been the flow-on from that?

Ms MORRISON — There was some just astounding success for my councils, much more than we imagined, to be really honest with you. There has been instant take-up of the mills in the regional areas. The Shire of Moira is an example of where there is a business that has already opened, and in fact has not only employed four but in fact seven people in that business. There have been tangible tyre-on-the-road examples of flow-on in some other areas that have had success down in the Southern Grampians region as well. What I am working on with my councils is making sure that we carry on from that event in capturing those people who are very interested. I worked at the event myself, and I saw that it was not just tyre kicking. There was genuine interest from people eager to experience life there.

The CHAIR — Maxine, would there be things you would change? Would you be able to refine it and target it more than was the case at the time of the expo?

Ms MORRISON — In terms of the audience that we had?

The CHAIR — I mean, is there a way you would improve it?

Ms MORRISON — I think what my colleagues in Regional Development Victoria are trying to do is get on the front foot early. We have already started work on the PR effort for it. I think they are taking any learnings from it and implementing them straightaway.

The CHAIR — Okay.

Ms MORRISON — We have already started work. That would be getting the word out there earlier, I would say, in my humble opinion.

The CHAIR — It is a very valued opinion. Thank you. Have you finished your presentation?

Ms MORRISON — Yes. I will finish up there. But if I could please provide our report, that would be great.

The CHAIR — Yes, that would be fine.

Mr FOLEY — Thanks very much for the presentation. We appreciate it. A key part of the stakeholder group for this inquiry is local government and how we partner. It is up to the Committee, of course, but if a significant part of our final report is not about how we can cooperatively work with all levels of government, but particularly with local government, in a better, more efficient way, with more instruments as to how economic development can be facilitated, I would be surprised.

Essentially you have said that cooperation between councils — and by extension other levels of government — and infrastructure are the two key issues. I do not think they are unrelated. We have heard evidence that essentially there is a growing infrastructure gap, not just in Victoria, but around the nation, as population and economic development struggle to keep up with demand of all sorts. I am going to suggest that judging by the number of submissions we have received from your members that local government shares that opinion pretty widely.

We have also heard from key stakeholders about a reluctance that they have identified for governments to lever off huge amounts of debt to meet that infrastructure gap. We have heard from you that there should be a cooperative arrangement with Infrastructure Australia and other partners of government. What is the view of the MAV — and obviously the rural councils — of the different instruments that are out there in the public policy debate around how to raise the necessary capital? Is there an expanded role for local governments in meeting that capital required to meet the infrastructure deficit, and is there a role for a cooperative framework for local government to meet that deficit?

Mr HARVEY-BEAVIS — I think that is a good and interesting question. I guess in terms of the MAV most of our emphasis around infrastructure gap has been on local government infrastructure; that has been

where our key concern is. And very much we have spent a number of years attempting to ensure that councils have a really good understanding of their own infrastructure portfolios — predominantly roads, but also some public buildings as well — and are able to prioritise their expenditure as well. So if they are going to turn around and put more money into infrastructure, it is around infrastructure that provides value to the community and the actual intervention is timed in such a way that you get the best bang your for buck. Obviously infrastructure degrades at different rates, so if you get the investment in there at the correct point in time, you actually get a much better bang for your buck.

Now it is absolutely clear that there is still a significant infrastructure gap in the local government sector. But that infrastructure gap is actually unequally shared between council types. Most of our metro members manage infrastructure pretty well and predominantly have sufficient financial resources to manage their infrastructure. You would probably say the growth councils are one exception to that, just due to the need to have very rapid investment for new communities. When it comes to rural councils, the biggest issue is fundamentally their capacity to manage their infrastructure. They often have declining populations, and with that a greater pressure on their rates. Their rates are often much greater on a per head basis. Whilst I think it is fair to say that there is a general reluctance in the sector to borrow, we are not necessarily convinced that borrowing is a solution to the issue for those rural councils, basically because it comes back to the question of: if you cannot afford the investment now, how would you actually be able to afford the repayments on the borrowings? While I think, yes, there is a general reluctance to borrow, I think that would be part of any solution ultimately for many councils. I do not think it is necessarily the case that that is going to be the only solution for small rural councils.

Mr FOLEY — If I could, Chair. To follow up, the Committee for Melbourne suggested in its submission to us, at page 12, a whole range of other areas of the raising of funds, some of which have a direct role for local government — benefited area levies, broad-based transport levies, incremental rate growth, paid parking levies, developer charges and development rights, tolling, user infrastructure levies and congestion charging. Does the MAV have a view on any of those?

Mr HARVEY-BEAVIS — We have a view on some of those. James, is there anything that you would want to add in relation to — —

Mr CLEAVER — You could not say that there is a sector-wide position on those issues. But I think that broadly speaking councils see that sort of transport infrastructure as a state government responsibility, and then by definition the State Government, with federal government support, should be responsible for funding the delivery of it. As far as some of those growth-capture arrangements go, the State Government does implement similar sorts of mechanisms already. They have definitely been successful in other parts of the world. For instance, in England, and I think the Netherlands, their case studies have been quite successful in that sort of value-capture policy. But I do not think there is really a sector-wide position on the value of those things.

Mr HARVEY-BEAVIS — And some of the value-capture approaches — particularly the local government approach to capturing those values — would require legislative change as well. Under the local government there is not a provision to undertake a range of those value-capture approaches. And indeed to the extent that you have got that within the Local Government Act — which deals with special rates and charges provisions — we have actually seen that that has tended to be used less over the last 5 to 10 years. It is really based around some changes that were made in around 2005, I think, which in effect raised the bar for councils in terms of community support around those schemes. Actually it has moved in the opposite direction for local government in terms of their capacity to use it. I think we have recently provided a submission around developer contributions. Obviously that is currently being reviewed.

I guess ultimately developer contributions come down to the extent to which you want to finance infrastructure through user charges — do you actually turn around and push it onto the beneficiary to pay so you have a broader tax contribution? So it is really based around principles. Obviously you do not want to go down that path where you have very significant developer contributions like they have in New South Wales that adversely affect housing affordability, but to what extent is it fair that the broader community actually bears the costs of new development? Ultimately it does come down to values. Without doubt it is fair and reasonable that there is some form of developer contributions, but to the extent that they are actually providing a great deal of infrastructure, we do not have a really firm position on that.

Ultimately I think that some of those alternative financing options would be beneficial when looking at major and particularly transformative infrastructure investments. The historic use of betterment capture levies, value capture, for the funding of the City Loop is obviously an example where there was that income generation through that major infrastructure investment. I think in the future it may have merit, but it is not something that has come before the MAV from our members with universal endorsement.

Mrs PEULICH — We have heard you make comments about the respective roles of other levels of government, other portfolios and so forth. I am particularly interested in what the MAV sees as its role in developing the capacity of local government in the — to use a common term — space of economic development. Are you able to say what PD MAV does on helping local government, individual councils, to develop economic development policy, and what do you think should be the content of such a policy? That is no. 1. No. 2: what is the total number of economic development staff employed in the local government sector, and do we know their budget? Then I will come back to some other questions, if I may.

Mr HARVEY-BEAVIS — In terms of PD, the MAV actually operates within the context of several peak bodies for local government and most of the development at office level is actually typically the responsibility of LG pros — local government professionals.

Mrs PEULICH — You do not see that your role is in up-skilling councillors? We know, for example, that only 48 per cent have returned — it is a very volatile electoral system — so there is little corporate memory or organisational memory left in place. You do not see that the MAV has a role in up-skilling the capacity of councillors?

Mr HARVEY-BEAVIS — At the council level, absolutely. We have a person in the MAV who coordinates professional development activities. There is a very big program for new councillors in particular. I am not aware that there is a specific component of that that deals solely with economic development, but it comes along with the general desire to improve a new council's understanding of the major challenges facing local government.

Mrs PEULICH — Is there more specific information?

Mr CLEAVER — Yes. We are happy to look at that.

Ms MORRISON — Of course I can just speak in a rural space for my 38 rural councils.

Mrs PEULICH — I am actually interested in sector-wide, so if we can just come back to the question, if I may. So we do not know what is the total of the staff employed in the economic development units?

Mr HARVEY-BEAVIS — No. We could potentially do some work on that, if you wish us to take a question on that.

Mrs PEULICH — I am surprised that you have not. What do you see as the specific role of individual local councils — notwithstanding that we will come back to the idea of clusters — in terms of economic development? For example, I am appalled that many councils do not even have any proactive or regular relationship with their traders association or chamber of commerce, which one would have thought would have been 101 in economic development at local level. Are you able to comment as to what you would see as the basic role of individual councils in the area of economic development policies and programs?

Mr CLEAVER — The first point that needs to be made in response to that is that councils are very varied. There are 79 councils. You have a massive difference in population, budget and geography, so they have different approaches to these questions.

Mrs PEULICH — Very ad hoc, very underdeveloped and very understated.

Mr CLEAVER — At the end of the day I think that they are probably just responding to the many challenges that they face, and you will see — —

Mrs PEULICH — You do not think that the MAV should have a more proactive and more focused role in the area of lifting the capacity of local government to develop economic development policy in the context of its importance, in the context of job generation and so forth?

Mr CLEAVER — I think that is a very important point, but new councils come in and they are faced with a lot of challenges and — —

Mrs PEULICH — Even the old councils; I did not see you guys doing much.

Mr CLEAVER — But perhaps when they are prioritising these things you see that the larger councils with more financial capacity are able to dedicate specific resources to those programs and smaller councils with less capacity are not. So we get involved in economic development in a number of ways, in terms of supporting some of these regional clusters and — —

Mrs PEULICH — I understand that, but I am thinking more about working to improve the system capacity.

Mr CLEAVER — That is very difficult when the system constitutes 79 councils that are very varied.

Mrs PEULICH — It has not stopped you from doing it in other areas, but nonetheless let us move on. We have seen other clusters emerge, for example, the Committee for Melbourne, Geelong Region Alliance and others. For example, in my area of south-east metropolitan they come together once every five years, I think, and chip in \$10 000 to commission an economic study with which they do bugger all — with the exception of Greater Dandenong City Council, which probably has a good unit. So is there a way that the clusters can be systemised so they can more proactively capture this sort of agenda? Or do you think it is just on an ad hoc basis and that we should just let things happen as they do — which is that some areas are very active and there is nothing in others?

Mr CLEAVER — I think that gets back to the first question that you asked, which was: is there capacity to overlay some sort of system on all the councils to systemise 79 different councils in how they — —

Mrs PEULICH — Capture?

Mr CLEAVER — Yes, capture.

Mrs PEULICH — Regional needs in particular. I know, for example, that the two levels of government operate on different definitions of regions. For the Federal Government it is obviously across the nation, including metro. In the State Government we exclude metro. Speaking specifically for my region there are huge needs, and getting the councils to actually work together on some of those big-picture issues that need to be progressed over not just a single council term but a number of decades just is not happening; there is no structure, mechanism or leadership. The MAV seems to be not really focused on economic development, except in some of the more 'sexy' areas. Where do we go? What can we do? What innovations or new ideas can you bring to the table that this committee can get behind to see the situation improve?

Mr CLEAVER — I think that is a very complicated question, and what we have tried to do in terms of putting this submission together is capture the big-picture issues, one of which is that councils have had this role in this sort of situation and they need to leverage off the leadership and the activity of the other levels of government.

Mrs PEULICH — But can they show some leadership, and can you guys cultivate it?

Mr CLEAVER — I am saying no, I do not think so.

Mrs PEULICH — You — —

Mr CLEAVER — You are being quite aggressive in the question.

Mrs PEULICH — No, I am being provocative, not aggressive.

Mr CLEAVER — Well, you say 'potato', and I am saying that councils have very limited capacity and resources compared to the capacity and the resources available to different levels of government. So where should the leadership come from? Councils can do a lot of things. In terms of providing real horsepower, that horsepower does not exist at the local government level.

Mrs PEULICH — But sometimes the vision and the ideas can be the horsepower.

Ms MORRISON — Speaking of vision and ideas, under the economic development program funded by the State Government we also have a skills and capacity-building component. We went out to our 38 rural economic development officers — 38 in the rural areas, plus an offsider; we will give you the numbers of who they are. They have budgets ranging from \$10 000 a year to possibly \$50 000, if they are lucky. We went straight to the coalface and said, ‘Where are your skills lacking, and where do you think the skills for your councillors are lacking?’ They identified that their councillors do not understand economic development enough, so in consultation with the MAV — and in particular Andrew Rowe, who is the person who leads in this space — we are putting forward what we, in all our wisdom, think may help some new councillors to understand the economic development space. Now it is different with rural, regional and metro.

Mrs PEULICH — Should that be state-wide?

Ms MORRISON — The relationships with chambers of commerce in a rural area are easy because it is probably your dad or another councillor sitting in the chamber of commerce. Those relationships are very definitely there. The way they do things in rural areas varies as well.

The other thing we did in the skills and capacity area is that our ED officers were very forthcoming in saying, ‘We do not understand enough of what is happening in ICT’ — information and communications technology, the sexy term for digital economy. ‘What can we do? How can we better understand what is happening in our rural businesses to enable them to move forward and embrace these technologies, because that is one way we can see that we can be more sustainable ourselves. We can assist our businesses not just to become bricks and mortar on the main street but to sell to Vladivostok if need be and be a global enterprise.’ We are firmly in the skills and capacity-building economic development space. We work alongside Economic Development Australia and make sure that we complement their work and not double up on what they are already doing, which is of course that they support the State, and what is more, the nation, and outside of the rural areas as well.

Mrs PEULICH — I like what I hear. How can we achieve that across the system?

Ms MORRISON — I think the proof will be in the pudding. I have already half-subscribed a digital economy workshop that I have put together based on what my councillors want. It is out there in the public domain. I have just received a call from ABC Radio, which is very interested in the fact that this is being provided for our rural councils. I have said to my rurals, ‘This is what you wanted, so we’re putting it on for you. This is what you’ve asked for.’ Once I see the success of that, I will roll it out more widely.

Mrs PEULICH — Could you demonstrate that to us?

Ms MORRISON — Yes — with the numbers I get signed up, the success that I have after it and my council staff being able to go back into their offices and say to their councillors, ‘This is what I have learnt’ — and it is obviously available for councillors as well. Anything I do on this program, when we have a success and we often do, it is out there loud and proud.

Mrs PEULICH — System wide?

Ms MORRISON — Yes, and it will be available to any of my colleagues to take a look at and run at a cost.

Mrs PEULICH — I look forward to hearing about the MAV doing more in that space.

Mr CARROLL — I agree with what you have all said today, and thank you for the presentation. Councils are coming together to collaborate; we see that in the ICT sector with the National Broadband Network — the councils are mandated to come together and collaborate in clusters to get the National Broadband Network rolled out in multiple suburbs at once. It cannot just be rolled out in one little patch. It has to be done as a cluster, and basically a ring. The digital economy, the National Broadband Network and cloud computing are ways in which councils are coming together to collaborate, but are there any other examples where either state or local governments sort of lead in with grants programs that mandate councils having to come together for economic development? It sort of just brings them together; they make the application and then the program will eventually be rolled out.

The CHAIR — Is your question wide enough to incorporate shared services?

Mr CARROLL — Yes.

The CHAIR — That is something I would like to know about.

Mr HARVEY-BEAVIS — I am not aware of — —

Ms MORRISON — I have one. We have got so much going on at the moment. The plates are spinning everywhere. My colleague at Regional Development Victoria is speaking with colleagues in Local Government Victoria who have just done a pilot around asset management in rural areas. The cost savings that came out of that pilot were jaw dropping, and it was very illuminating to see how assets are managed in some of these rural councils and what the possible benefits could be if we shared and shared alike a little. We have a project that is currently at sign-off with the CEO at RDV, and it is around taking that pilot that has already been undertaken by the State Government and funding it with Rural Councils Victoria's grant funding to look at how we can take it a step further and roll it out to the rest of our rural councils to consider. We are working alongside a regional city, which is important. Our rural councils sit around the 10 regional cities, so that is something I would urge you to have on your radar. I do not have anything more to show you other than our program charter for it, which stipulates exactly how we are going to undertake this, but we are passionate about that collaboration.

The CHAIR — Things like shared HR, pays and things like that, as far as I can understand it, are replicated in every council, and that is an enormous cost.

Mr HARVEY-BEAVIS — The MAV has done a lot of work in this space to attempt to get councils to actually move towards a shared service model, and it has been predominantly around IT system platforms. The program we attempted to implement had two objectives, and that was to get them on a similar platform, so there was a much better level of actually obtaining data and information across councils, and making it much simpler, but it was also about improving the quality of the IT products. So in effect what one council could actually purchase by itself versus what a cluster could do is quite different in terms of the quality of the actual product. The big issue we have had with that is getting the appetite of the councils at the really pointy end. There is a great deal of enthusiasm for the concept, there is a great deal of enthusiasm to get out and work towards it, but when it actually comes to the crunch, and in particular the large capital up-front funding that is required for it, unfortunately it has not got across the line.

Mr CARROLL — You need the grant, that sort of thing.

Mr HARVEY-BEAVIS — We have not looked for a grant for it, actually. It was very much self-funded. However, unfortunately — —

The CHAIR — It may be worthwhile looking to have some easier wins to establish the process, like your HR departments.

Mr HARVEY-BEAVIS — Yes, and in effect that is the direction we are moving in. We have sort of moved from that shared service, needing to have pretty clear governance structures around how the shared service works, to looking at the shared procurement space in a number of these areas. It does not require such a high level of investment or cooperation, but it still — —

The CHAIR — It would be a significant cost saving.

Mr HARVEY-BEAVIS — Absolutely.

Mr CLEAVER — I think there are two important messages out of that. Where you have councils moving into a new area, like for instance into emergency services and emergency management, then the opportunity to joint-venture and create some sort of shared service is very high. We did a big project recently in that space in response to the Black Saturday event. The other part where it can work is for really simple services like telecom services and fleet management, where it is easy to line up all the ducks and get some sort of shared service arrangement in place. For the more complicated IT payment system, that is where things are significantly more tricky. Owen said that there have been some challenges in some of those examples, and that there have been a lot of successes in terms of fleet management deals and telecom tenders that have gone out. I think the telecom tender is in the high 70s in the number of councils that are participating. So that is the sort of basis that we are trying to build on to move forward into some of the trickier things.

The CHAIR — It occurs to me that some of the easier wins would be something that you replicate in every council. You could get together, say, a couple of specific councils, build it and then add on. For instance I highlighted before HR, your payroll and things like that. There are lots of businesses that do this now — provision from outside. In fact I think we might do it. I would have thought they would be easy wins for you with significant savings. There would obviously be an increase in productivity.

Mr HARVEY-BEAVIS — Yes, and that has very much been the approach we have taken, and we are seeing that there are several steps towards moving to the more complex services.

Mrs PEULICH — Do we have an organisational chart of the MAV — of the task forces and subcommittees underneath the board? Can you go through what they are, and is there one for economic development?

Mr HARVEY-BEAVIS — We do have a range of board advisory groups.

Mrs PEULICH — Is there an economic development model?

Mr HARVEY-BEAVIS — There is not, no.

Mrs PEULICH — An innovation.

The CHAIR — Okay. Thank you very much. We really are very grateful for your being here today, for your presentation and for the written presentation that has been provided. In about two weeks you will receive a copy of today's transcript. Feel free to change what you see as typographical errors but nothing in the substance of the document. Thank you again for being here. We really appreciate it.

Witnesses withdrew.