



Shared and contracted services in local government

12 January 2009

By ASU - the local government union

"Councils Contracting Out Shared Services" to a third party are just not worthwhile for the community, local councils, their communities and the employees - that's the view of an independent report prepared by the Centre for Local Government, University of New England, for the ASU.*

"Councils Contracting Out Shared Services" to a third party are just not worthwhile for the community, local councils, their communities and the employees - that's the view of an independent report prepared by the Centre for Local Government, University of New England, for the ASU.*

The independent academic report was commissioned by the ASU to see if some of the rhetoric floating around local government on shared services had any basis. ASU Assistant National Secretary Greg McLean, who commissioned the report on behalf of ASU local government Branches across the country, said, "The report well and truly opened our eyes to the rhetoric around local government and the outsourcing of council services using the outsource call centre arguments and or private public partnerships. We had always suspected that there was better value and better services to the community in councils which were working together and keeping the services in house, rather than contracting them out. This report substantiates these views and allows us to say that it's not just a Union viewpoint but there is real substance behind the Union concerns around outsourcing and private public partnerships."

The report Sustaining Services for Future Generations prepared by Professor Brian Dollery, Director, Centre for Local Government, University of New England, features a number of points including:

- Distinguishes between *bona fide* shared service models and alternative market-orientated approaches.
- Focuses on shared services.
- Deals with outsourcing through commercial enterprises.
- Outlines the conclusions reached in the Report.
- *Bona fide* shared services of different kinds are commonplace in Australian local government.
- Empirical evidence shows modest economic gains from these (contracting out) arrangements.
- Council services via outsourcing including Strategic Service Delivery Partnerships', have quite different characteristics from *bona fide* shared service models.
- Loss of local council autonomy and local council control.
- Cost savings in the short run, but longer term evaporation of savings and quality deterioration.
- Loss of local employment, local economic activity and local public service provision.
- Main Conclusion: From a public policy perspective, *bona fide* shared service models are superior to outsourcing in local government.

ASU Assistant National Secretary Greg McLean went onto say, "Anyone involved in local government arguments around contracting out, private public partnerships, and sharing services jointly across councils, whether an employee or an elected council officer, needs to read this report. The report is also of use to those facing similar arguments in the electricity, water, and public transport areas."

You can download a summary of the report below. Full copies of the report are available from gmclean@syd.asu.asn.au or your Local ASU State Local Government Branch office. Media inquiries and additional information, please contact Greg McLean 0419 796 801.

* ASU interpretation

Related Documents:

- [Summary of Sustaining Services Report \(PDF\)](#)

Contact Details

Name : Greg McLean
Telephone : (02) 9283 9280
E-mail : gmclean@syd.asu.asn.au
WWW :