

the essential points

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22 September 2015

Ms Ros Spence MLA

Chairperson

The Local Government Act Review Committee

Department of Environment, Land, Water & Planning

8 Nicholson Street

East Melbourne 3002

Dear Ms Spence

The activities of local authorities are diverse and specialist. The activities span physical infrastructure and household, sports, health and education services. In several areas, firms and not-for-profit associations provide the services alongside local authorities. Firms and associations have the competitive and specialist abilities to provide the same quality of services for clients.

Specialist skills are integral to the services. The services could be organised according to the specialisation. The specialist agency becomes responsible for the standards for the service, e. g. for maternal child health. In some cases, the agency would integrate standards with the government. At present, the state government sets standards for maternal child health. Park management specialists are botanists.

Maternal child-health specialist firms and/or associations would supply the service to the individuals. The state government would pay the firm or association for the service. This is a similar arrangement to the payment of general medical practitioner services by the federal government.

A firm or association charges a fee for service to the customer where there is a clear exchange. Local authorities provide many services for individuals and householders, e.g. playing a sport and waste collection. A fee is charged for a swim to the swimmer.

Services that affect systems benefit many users at once. These services are not divisible into parts. Improvements for individual users are not identifiable, e.g. from urban design. The entity that pays a fee is not always clearly identifiable (excluding government). In some cases, fees could be charged to businesses for urban design in a centre. Many firms, employees and consumers benefit from economic development.

The entities that provide the services in the market are mixed. Many associations provide community and health services including aged care. These organisations have different structures and include firms, associations and local authorities. Local authorities provide many services in partnership or contract with firms.

Several highly specialised services, e. g. maternal child health and kindergartens, are typically provided by women. These services have not moved to self-management by the specialists. Returning customers and research show clear benefits from these services. Optometry is necessary and managed by specialists within firms. The customer receives a subsidy for optometry testing. Maternal child health care could evolve into a similar market organisation. Waste collection is a direct service to the householder. The customer could choose a waste collection company and pay a fee.

In '*Organisation of services and alternatives*', attached, local authorities activities are described in summary. Arrangements that open the market to more firms and associations are summarised. Price and the payer of the fee are unchanged from current arrangements. Options for fees to individuals and firms are included for some services. A fee for service would be offset by lower local authority rates or personal or business taxes. In *Consulting topics*, attached, capabilities to discuss extending the participation of firms and associations in supply of these services and map this direction are described.

When firms or associations cannot provide a service, government has a clear service to provide. Yet firms and associations are providing services that are provided by local authorities.

I will be happy to discuss further provision of services by firms and associations with you.

Yours sincerely

Amanda Scully
Chief consultant

the essential points

*Piecing together the effects of active exchanging commerce
on the firm or organisation*

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Consulting topics

piecing together the effects of active exchanging commerce on the firm

The effects of active, exchanging commerce on the firm or organisation are pieced together by the essential points. Selling, purchasing, employing and earning profit by the nexus of firms in your market forms patterns. These affect sales, costs and profit. The essential points measures and describes these effects on the firm or organisation.

The economic system is in exchange with nature. Bringing this into the economic system supports life.

Our models simplify. Our surveys clarify. The aims that you have for the firm or organisation are more-quickly achieved through our models and surveys. Connections to clients are increased.

A wide inclusion in income is a focus. Social and economic characteristics of people are clearly described. An aim is to life the standard of living.

Australian firms and organisations are consulted.

Models that simplify and surveys that clarify

Increasing connections to clients

Explaining interactions in markets

Models that simplify

Measuring the effects of factors that sway satisfaction and affect profit by logit regression

Strategically identifying opportunities for suppliers in a product-group from the flow of purchases and location of suppliers

Measuring the cost-effectiveness of alternatives using markov modelling Using this tree-diagram approach, the outcomes of alternative business decisions can be measured.

Evaluating an industry for the presence of a cluster from purchasing patterns and employment Profit and employment increase faster in clusters.

Forecasting using statistical techniques improve the accuracy of forecasts.

Measuring the economic value of a product group This includes income, value-added by the firm and earnings before interest, tax and depreciation.

Measuring the social value of leisure

Surveys that clarify

Surveying businesses about the business situation in an area or industry shows turning points and changes. Surveying the shape of firms shows the aims of firms and the activities and efforts of firms to achieve aims

Sales, costs, prices and productivity of firms are affected by market-wide-patterns. These are described.

Categorising innovations to show their depth The effects of technology use on innovation activity are calculated using logit regression

Describing the nexus of employment and outcomes

Describing the social, economic and other demographic characteristics of groups of people expand connections to clients

Qualifications

Bachelor of Economics with Honours, University of Western Australia

Master of Economics, Australian National University

The Australian National University is ranked 1st the QS university rankings for Australia and 25th in the global rankings, 2014/5.

The university is ranked 26th globally for economics and econometrics, equivalent to the London Business School.

The Statistical Society of Australia member

Economic Society of Australia, ex-committee member

The fee for consulting is \$139 /hr including GST.

Clients receive a brief about the business situation of Australian firms – 10 pages

Skills

Clear interpretation of findings of surveys

Expert economic analysis of the economy

Sound statistical analysis including use of regression techniques and:

- accurate measuring by logit regression of factors that explain satisfaction and changes in profit,
- testing for independence of the questions,
- describing the shape of the distribution through tests, and
- cross-tabulating to show the interaction of views of customers in two topics.

Forecasting using an autoregressive, moving-average process statistical technique

Accuracy of forecasts

Mental flexibility in applying theoretical precepts to a variety of subject areas

Quantitative skills and interpretive skills

Practical application of finance theory

Tree-diagram analysis for quantifying the outcomes of alternative decisions

Project design and management to completion

Management of a small team

Models that simplify and surveys that clarify

Survey and model examples

This survey reveals that small businesses aim to grow and are entrepreneurial

The shape of firms in the Cardinia Shire and the City of Casey is clearly described in this survey. The aim to grow or renew the firm is inquired into in a set of questions. These micro-firms and small businesses are found to be entrepreneurial. The firms aim to grow over the next five years against a backdrop of increases in population and businesses. Competition and selected costs are common obstacles. Firms are expanding by purchasing assets, recruiting employees and making use of innovations.

Firms aim to grow and to purchase assets and employ to achieve these aims

Sales lift outside the usual pattern or costs are less due to effective innovation. Innovations in products, processes, marketing and internal relationships are asked about. Networking and innovation are statistically associated. In a regression model, it is shown that intensive use of information and communications technology is shown to increase innovation by a factor of 1:1.16. The few firms that expect effects from automotive manufacturer closure have the balancing aim of stabilizing the firm. Firms seek sales to expand. People-oriented methods are primarily used to increase clients.

Use of information and communications technology increases innovations

The answers and the relationships between answers are described using a clear methodology, The accuracy of the findings is tested and supported by the profile of the respondents matching the profile of firms. Findings for selected activities are set in the context of what is usual for Australia. **This survey expands the economic development teams' evidence of the shape of this group of firms and their activities.** The findings are regularly in use for management and to respond to queries from firms.

2014 City of Casey

Cardinia Shire Council

This business activity survey uncovers small businesses shaping a mildly subdued trading situation

This diverse group of firms in a fast-urbanising rural area at the urban fringe faces fast growth in customers and changes to the competitive environment. Evidence of the trading situation is a guiding line and a source of strategic direction.

First-hand evidence of the trading situation is a guiding line and a source of

The questionnaire has elements of a profit and loss statement. The answers describe changes in sales and their reach, changes in prices and profit, elementary price competition, efficiency improvements, and the capacity of businesses in use. The strengths of business are shown. **The key factor affecting profit changes and its the effect are identified and measured by logit regression.** The sentiment of businesses that this survey measures, expresses the shape of income and confidence for earnings for the year ahead. Experiences of businesses by product-group differ. The significance of differences between product-groups and between highly profitable businesses and all businesses is measured by a Sign test. Changes sought to foster a flow of trade are described.

The sentiment of businesses that this survey measures, expresses the shape of income and confidence for earnings for the year ahead

2013 Mitchell Shire Council

Excellent communication between staff and relatives is revealed

Relatives of residents in aged care were engaged to express their experience of care of their relatives. The depth of communication between relatives and staff and clear satisfaction of community care clients are identified. The findings explain the quality of care perceived by relatives and clients. This assists to attract new residents and clients.

In a logit regression, three parts of care explain 75 per cent of satisfaction of relatives with care

The clients are asked about the care received, feeling respected, support for individuality, spiritual and social activities and feeling at home. The clarity of the questions is checked by tests for independence. Responses are studied using statistical techniques to measure accuracy and clarify findings. This includes describing the shape of the distribution of responses, and testing for accuracy and for findings to be true for all care-at-home clients and relatives of residents. Catering for likes and dislikes of relatives, and relatives feeling respected and receiving information and contact explain 75 per cent of satisfaction. This is measured by cross-section analysis (logit regression). Answers are cross-tabulated. The difference in satisfaction between two services is measured. The process and findings are part of a new approach to service development.

2013 Aged care provider

Asking firms key questions shows that active producers are optimistic for sales

Active producers who are optimistic for sales are revealed in this survey. Firms are resilient, reach a recent turning point and are expanding production. The questionnaire has elements of a profit and loss statement. This includes changes for sales, costs and profit. Firms are

asked for their outlook for the year ahead for sales, assets and employees. These are key aims for the firm. The answers are interpreted and integrated into a complete picture of the movement of firms into a more active phase.

Answers are interpreted and integrated into a complete picture of the movement of firms into a more active phase

2013 Whitehorse City Council

Asking volunteers reveals that their work is meaningful

Volunteers are asked about their experience of volunteering in a survey. Evaluations of feeling or value about volunteering are asked about. This includes feeling welcome and appreciated. The experience of volunteering is universally meaningful. In a logit regression, training explains 56 per cent of satisfaction for volunteers. In this systematic survey, statistical tests and modelling techniques are used for accuracy and to measure and explain satisfaction. 2013 Anglican social assistance provider

In a logit regression, training explains 56 per cent of satisfaction of volunteers

Engaging clients brings out the clear satisfaction with people-oriented services

Client satisfaction with services to improve their firm and preferences for seminar topics are identified in this survey. **The questions ask about the satisfaction of clients with specific services, reports for strategic directions, and help and service of the business development team.** Statistical testing is used to gauge the representativeness of the findings for all firms in the area, describe the shape of the distribution of responses and test for independence of answers. The results of tests are integrated into the interpretation and accuracy of answers. The findings show the specific services that are important to people in small businesses. They show that clients have clear satisfaction with people-oriented services and the customer relationship. These findings are regularly used for details about this group of 8,118 firms. 2012 Whitehorse City Council

Constructing a portfolio of OECD bonds and calculating capital and interest returns in each currency, using practical mathematical ability Schroders Australia

Articles and papers

'Small scale home ownership' for The Premier's Innovation Initiative, Social Housing, 2015

'Unemployment insurance as a solution and replacement to the low Newstart allowance', Submission to the Senate Committee Inquiry into the adequacy of the allowance payment system 2012

Two houses from one' Owner Builder Magazine, August/September 2011. The benefits of converting a house into a duplex for owner-occupiers and new home buyer is discussed and illustrated. This solution to supply of housing for new home buyers improves the financial situation of current and new homeowners.

'Economic analysis of treatments for established osteoporosis' A Harris and B.A. Scully Australian Prescriber, Vol 20, supplement

The organisation of service provision and alternatives

activity	description	market	current	alternative	customer
waste	household - soft waste biodegradable waste hardwaste	individual use collection at site new - recycling home composting waste reduction	household waste collectors contract to local authorities commercial waste collectors garden waste removing firms recycling firms public recycling	waste removal by firms standards	customer chooses supplier pays a fee
waste water	drains along streets remove waste water, deposit in streams	many users effect on streams, animals and plants new water conservation and re-use	part of road building drains managed by local authorities	specialist agency	free customers consulted house owner pays a fee firms pay a fee fee for recycled water
sports	specialised space for gymnasiums, swimming tennis, squash basketball, netball	specialised separate distinct sports highly-skilled sports experts, large viewing participation, significant individual sports playing	sports clubs private sports venues public sports venues owned by local authority (general public) and managed by firms or associations	sports agencies grouped by sport type firms, associations small area sports - private/	individual pays a fee

The organisation of service provision and alternatives

activity	description	market	current	alternative	customer
	sports grounds	individual use moderate to large capital costs compared to ongoing costs small area sports lower cost locational convenience	eg tennis, managed by clubs local authority land/facilities, Tennis Australia private and public golf clubs gymnasiums (privately owned) brands sports equipment link fragmented industry	association engaging sports people	
child care	specialised care of children by non-parent, part and full day care after school care	care given to non-primary decision makers individual use standards locational convenience new - increasing use increasing female employment	many small, medium-sized providers a few large providers local authority providers new education standards for educators brands	child care agency body and/or government standards firms and associations continuing standards and quality of care	customer chooses provider individual pays a fee no change federal government subsidy

The organisation of service provision and alternatives

activity	description	market	current	alternative	customer
maternal and child health	health care of the baby/child and mother	individual use (for self and baby) no natural monopoly specialist care of baby and mother and children locational necessity	local authority providers Department of Education partner	specialist agency standards - government, agency part of health care or early childhood not-for-profit associations specialist firms continued ongoing excellence	free
kindergarten	free kindergarten for children ages 3-5 benefits of kindergarten documented	individual use parent - point of contact child recipient high skill set of employees locational necessity	local authorities private specialist skill set educated providers	kindergarten agency continuing widespread early childhood education of distinction not-for-profit associations specialist firms	free
home care	home cleaning, personal tasks for people with	individual use common skill set, short course training	many small and medium-sized private suppliers local authority suppliers	not-for profit association providers firms	individual pays a fee subsidy for eligible users for care from any provider

The organisation of service provision and alternatives

activity	description	market	current	alternative	customer
	minor disability	individual use to home increasing use for aging population	increasing use	standards	
aged care	residential care of the aged and disabled	individual use links with family common and specialist skill set increasing with aging population integrated with other health providers/community capital costs	not-for-profit associations firms single firm and chain providers local authority suppliers standards well-developed brands	not-for-profit providers firms standards	user pays a fee subsidy
libraries	supply of books and print media short-term	individual use locational convenience		agency for local libraries	free

The organisation of service provision and alternatives

activity	description	market	current	alternative	customer
	search help free	common and specialist skill set other suppliers - bookstores other short term loans from school, state and university libraries		not-for-profit association providers	
public health	food safety, disease prevention	many users part of product (food) laboratories part of service	local authorities other government suppliers association suppliers (Vic Health)	food safety agency disease prevention agency	free food supplier fee free disease prevention (reduces health costs)
local road and footpath buildir and maintenanc	maintenance of local road integrity local footpath integrity excavating and building roads and footpaths for access and safety	many users uniform urban road standards new road surface technology	small and larger roadworks companies and landscapers tender for construction and maintenance to local authorities	road agency advisors e.g. RACV private contractor wide area local authority	many citizens consult users individual pays a fee per car or per distance travelled by car house owner pays a fee for footpath

The organisation of service provision and alternatives

activity	description	market	current	alternative	customer maintenance
street lighting	electricity supplied lights and solar lights for streets, parks and retail and commercial areas	many users commercial users lighting standards new technology - solar	lighting purchased and maintained by local authorities	agency private contractor wide area local authority consult house owners	many citizens taxation revenue house owner pays for street lighting change and maintenance retail and commercial site owner pays
planning	urban design	many users commercial groups (e. g. retail complex) locational monopolistic characteristics many specialists architectural and building links new federal government cities and urban environment	local authorities state government management consultants	agency/ government not-for-profit association firms	free fee to commercial user

The organisation of service provision and alternatives

activity	description	market	current	alternative	customer
	economic development	many users firms, people in labour force consumers	local authorities mentoring agencies management consultants	agency objectives	free
animal shelters	housing and care of lost, unwanted and harmed animals	objectives similar service local convenience no natural monopoly individual use selected non user interest integrated with other animal services - veterinary, native animal shelters (separate) new growing care for animals	RSPCA, shelters Lort Smith not-for profit associations local authorities firms fee to purchase philanthropic support	firms agency eg RSPCA standards not-for-profit associations firms	free fee for purchase of animals and other philanthropic supporters
parks	bushland and botanic parks	individual use (user and non user interest) walk, run, play, view	local authorities contract to firms	botanic agency firms not-for-profit associations	consult users free

The organisation of service provision and alternatives

activity	description	market	current	alternative	customer
		native flora and fauna/oxygen		manage parks	
		locational convenience			
arts and culture	arts and cultural events	individual users	outdoor and other festivals artworks, film, theatre	agency/association	free
	supportive and integrative of creative endeavour and non-English cultures	part of a fragmented arts and culture supplier group	music	local authority	fee
	expression of culture and talent	varied product	local authorities associations firms	firms associations	

Other services include advocacy, safety, vehicle parking times, community services

This is a non-exhaustive summary. The free receipt or payment of fees by customers is unchanged. Options for fees are included.

In some or all cases agencies benefit from advisors.

Taxation revenue from the federal and/or state government and/or local authority (rates) is received for all services.

The organisation of service provision and alternatives

activity

description

market

current

alternative

customer

Currently, the construction of roads etc. are included in the price for a new dwelling.

Personal and business taxation is reduced by expenditure savings.