

# MANAGING THE RELATIONSHIP BETWEEN LOCAL GOVERNMENT AND STATE GOVERNMENT – THE VICTORIAN EXPERIENCE

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## **ABSTRACT**

Increasingly, organisations are required to work together, as well as through others to achieve their objectives. Australia has three tiers of government and has had to operate for many years in an environment where responsibility for service delivery is split between policy makers and service deliverers, and between local, state or national government. The relationship between governments has at times been difficult to manage and does not always provide the best possible outcome. This paper reviews how Land Victoria as a Division of the Department of Natural Resources and Environment in a state government worked in partnership with Local Government to achieve significant land information management reform. The changes achieved include the development of significant electronic property information holdings at the local level and the wide acceptance of the Victorian state digital map base that builds in information exchange and maintenance. Examples will be given as to how co-operation and sharing of data can develop. The paper reviews how the relationship was developed along cooperative lines between two tiers of government and will review network theory and relationship marketing as the principles that guided the approach taken. This approach may prove to provide an example of how other governments or organisations can work in a similar situation.

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## **1: BACKGROUND - HOW LAND VICTORIA FITS INTO THE AUSTRALIAN SYSTEM OF GOVERNMENT.**

### **The Australian System of Government**

Australia has three tiers of government. At a national level it is a federation of states and territories. There are eight jurisdictions at the second level, six States and two Territories. Victoria is the smallest in area of the mainland States: at 227,420km<sup>2</sup> it accounts for only 3 % of the country's area although its population of 4.8 million people makes it Australia's second most populous State (see Table 1).

**Table 1: Comparison of Victoria as part of Australia according to key characteristics.** (ABS 1999)

	<b>Area Km<sup>2</sup></b>	<b>Population</b>	<b>Roads Km</b>	<b>Dwellings*</b>	<b>Land Parcels</b>	<b>Properties</b>	<b>Local Govts</b>
<b>Victoria</b>	227,420	4.8M	155,079	1.75M	2.4M	2.3M	78
<b>(% of total )</b>	3%	25%	19%	25%			
<b>Australia</b>	7,692,030	19M	802,600	6.95M	11M	-	728**

\* Housing (separate houses, flats, apartments, etc)

\*\*National Office of Local Government

Local government is the third tier of government in an Australian federal system that is one hundred years old in 2001. The role local government plays in this system differs from that in many other parts of the world in that Australian local governments tend to have limited constitutional powers and have a relatively narrow range of services for which they are responsible. There are 78 local governments in Victoria.

### **Land Victoria**

The Australian Constitution provides for State governments to deal with land related matters. Land Victoria, the agency within Victoria with responsibility for land administration matters, was created in 1996 with the bringing together of many of the State's core land administration functions into the one business for the first time. These functions include mapping, survey, valuation, crown (or unalienated) land management and freehold title creation and registration.

Victoria's land administration system is based on the Torrens system of land registration first used in 1862 and which still operates. Land is broadly classed as freehold (in private ownership) or Crown land (unalienated and retained by the State). The latter group includes National and State parks, forests, fauna and flora reserves, and reserves set aside for public purposes. Approximately one third of Victoria's area is Crown land that represents 70,000 of the 2.4M land parcels in the State.

Land Victoria's primary goal is to contribute to the enhancement of Victoria's competitiveness and the quality of life of Victorians by improving land management and decision making. Given the critical role that quality information plays in sound decision making, Land Victoria decided that owners and users of Crown and freehold land would require access to integrated and affordable land information. A critical first step to achieving this was to ensure that core or fundamental land information was readily available for the State. In short, the Land Victoria challenge was to ensure that:

- All land was capable of being uniquely identified and clearly defined;
- Regulation and administration of land was simplified, streamlined and made transparent; and
- Basic land information was accessible and understandable.

Land Victoria subsequently developed a suite of reform initiatives which it has spent the last four years implementing. Key elements of this reform program are:

- The Standard Parcel Identifier: a project allocating a unique identifier to all land in Victoria thereby enabling data on land parcels collected by different bodies to be linked together;
- The Property Information Project: a joint initiative with local government designed to construct a Statewide property view in Victoria thereby enabling data on land parcels collected by different bodies to be linked together;
- Valuation Best Practice: a joint initiative with local government to improve land valuation practices across the State and encourage the collection, storage and transmittal of valuation information electronically (local government is the valuation and rating authority in Victoria);
- Titles Automation: a major project to improve access to Victoria's 3.8 million freehold titles by converting them from paper form into digital format and building a reengineered business system; and
- Reengineering Crown Land Management: by streamlining and simplifying Crown land management processes to enable responsive land management by local and regional managers.

Many of the above projects will lead to the establishment of a comprehensive Spatial Data Infrastructure across Victoria that is complete, current and accurate, with appropriate maintenance regimes in place to ensure that changes to the base information at the local level is continually reflected in the Statewide datasets.

Land Victoria's approach to dealing with larger client groups including local government in solving the above challenges is the subject of this study.

### **The Drive to Improve Spatial Decision Making**

In 1995 Australia's coordinating body dealing with national land information issues, the Australian and New Zealand Land Information Council (ANZLIC), commissioned a study into the benefits of building a 'Land and Geographic Data Infrastructure' for Australia. This study found that for every dollar invested in producing land and geographic data in Australia, four dollars of benefit was generated in the economy. For the period 1989-94 these benefits were estimated to be in the order of \$4.5 billion, translating to roughly \$1.5 billion dollars in Victoria over a 5 year period.

Land Victoria has developed the above reform program within the context of a Victorian Strategic Plan for geospatial information which guides the development of this Spatial Data Infrastructure. The Victorian Geospatial Information Strategy 2000-2003 is the second of these plans and was developed in 1999. It focuses on the development of eight fundamental datasets for Victoria. The datasets are: Geodetic Control; Cadastral; Address<sup>1</sup>; Administrative; Transportation; Elevation; Hydrology; and Imagery. The Strategy focuses on the development and maintenance of these fundamental datasets and their relationship to other spatial information managed throughout the community. The Strategy addresses industry development issues in the widest sense, covering all Governments, the private sector and academia (Jacoby, 1999).

The Strategy also recognises the need to encourage the flow of information relating to land and property between different government agencies (including local government) and between these agencies and the public (Bathurst Declaration, FIG/UN, 1999).

### **The Importance of Local Government**

The structure of local government is determined by the States and exists only by virtue of State government legislation (McNeill, 1997). While this legislation varies from state to state, in the 1990's most Australian States moved from prescriptive legislation to enabling Acts that allowed local governments to determine in consultation with the local community what activities it could undertake. While State and Federal governments have continued to manage most of the larger infrastructure and community services programs from a central framework, local government has continued to focus on the three r's: rates, roads, and rubbish.

Nevertheless, the overall system of government in Australia has evolved with a growing recognition that in some cases it is better to deliver services through local governments given their proximity to and relationship with their constituents. This has allowed many in the Federal and State tiers to more effectively concentrate on policy development and the administration of national or State programs (Balmer, 1981). To this end, local government

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<sup>1</sup> The Address dataset includes geographic place and features names.

has become an important service delivery arm of the other two tiers of government (Chapman, 1997). At the same time all three tiers of government are increasingly becoming involved in joint actions in response to greater community expectations concerning the delivery of services.

As the primary source of key elements of land information at the local level, the involvement of local government in Land Victoria's various reform initiatives was critical to the success of the Strategy. For example, half of the fundamental data sets are dependent on Local Government as the responsible authority for the creation of land information (eg. addresses, road names, suburb and locality definitions) or for the timely notification of approvals relating to the changing status of land information (eg. proposed land developments, approvals, certifications, etc, in the cadastral theme).

Local Government is also a major user of all the fundamental datasets identified in the Strategy. Consequently, local government was quickly identified as a key player in the development of Victoria's entire spatial data infrastructure and in providing feedback on its success, relevance and effectiveness at the local level.

Yet this was the same tier of government that had shared a somewhat antagonistic relationship with State Government over the years – one that had been filled with suspicion and distrust.

### **Problematic Relationships between State and Local Government in Victoria**

Generally speaking, national and state governments operate in an interactive framework where neither are keen to share power very readily (Chapman, 1997). As mentioned earlier, they also control a substantial amount of the funding that is received at a local level. Local government tends to mistrust the motives of the other tiers as they can easily legislate to control local government operations.

During the 1990's the Victorian State Government instituted a number of actions designed to reform local government and increase its operational efficiency. The following actions were the most significant and had the biggest impact:

- Amalgamations and boundary changes which forcibly reduced local governments in Victoria from 210 to 78 in the early 1990's;
- Capping rates (local government land taxes) that restricted municipalities ability to raise income from levying rates unless they could satisfy the State Government that they had good business reasons for increases, (this rate capping has recently been removed); and
- Compulsory competitive tendering which required local government to tender a certain percentage of its services delivery with the aim of increasing competitiveness in service provision. (This has also now been replaced by a best value approach that does not compel set levels of tendering).

These policies created significant changes to the way local government operated. They were seen by many to be threats to the autonomy of local governments and created ill will and tension between the state and local level. Other activities inflamed the situation, such as the delegation of planning laws to local governments with the allowing of appeals to be held by a state government constituted Panel with the Minister able and willing to overrule local decisions. These State government policies prescribed activity for local government in a way that was considered intrusive to the independent operation of local government and created antagonism between these two tiers of government at the time Land Victoria was embarking on its reform process in 1996.

## **2: WHY RELATIONSHIP MANAGEMENT?**

### **The Challenges of Working In A Rapidly Changing World**

In 1996 Land Victoria found itself in a situation where, as a new organisation, it was faced with implementing a challenging reform agenda in an environment where other agencies had experienced similar levels of change. In such a world, the old approaches to doing business were not going to be adequate to deal with the complex issues that were arising in the community at large.

Those changes that impacted on Land Victoria's operations were:

1. New business paradigms: Technologies such as e-commerce were changing ways of doing business and dismantling traditional industry boundaries;

2. Moving towards network organisations: Acting across both external and internal environments organisations were increasingly creating networks of strategic partnerships;
3. Organisations are interdependent: Organisations were moving towards increased partnerships and shared responsibility for the creation of products and services;
4. Changing role of government: Across the world governments were reinventing their service delivery towards 'steering not rowing', introducing alternative means of direct service delivery including partnerships and arrangements with the private sector; and
5. Changing community expectations: A more educated and vocal community expected a more open and transparent government that clearly identifies its objectives and outlines its future strategies.

**New Business Paradigms:** The world we work in is changing, boundaries are fluid, there is great opportunity to create value or innovation by developing partnerships and alliances. This environment demands new approaches to doing business. Webster (1992) identifies a move from the 'micro-economic' paradigm that used products, prices, firms and transactions as units of analysis, to the 'political economy' paradigm that uses people, processes and organisations as ways of managing marketing. While the ongoing business of an organisation is not always innovative, the new form organisation must be creative and innovative to survive; it must review old ways of undertaking business and look to new approaches to solving issues.

Webster (1988) states 'that everyone in the firm must be charged with the responsibility for understanding customers and contributing to developing and delivering value for them'. As organisations do not always have the capability to employ specialist resources, the demands for relationship building will be part of most roles within an organisation. Payne, Christopher, Clark and Peck (1993) broaden this concept to identify the need for a 'broader perspective' that develops stronger cross-functional capabilities 'which facilitate much closer relationships between suppliers, internal staff, customers and other relevant markets'.

**Moving towards network organisations:** Organisations are increasingly likely to consist of networks of strategic partnerships within their own walls: the designers, technology providers, manufacturers, distributors and information specialists. Webster (1992) states that in network organisations the most important business asset is the ongoing relationship with a set of customers. This set of customers and stakeholders extends both within and without the organisation and in many instances includes suppliers of various resources.

**Organisations are interdependent:** There is a growing appreciation that the complexities of today's world creates interdependencies in product and service delivery as product chains are extended and integrated across organisational boundaries. This is also true for government entities as policy development and implementation often overlaps between all levels of government (Chapman, 1997). With increasing convergence of technologies and previously separate industry groupings, today's organisations are quick to create new economic entities and organisational structures in response to rapidly changing consumer demands. This interdependence is further increased with the contracting out of government service delivery creating new entities at the government and community interface.

**Changing role of government:** Governments worldwide are recognising that effective stakeholder relationships are important in realising service delivery objectives as they reinvent their service delivery towards 'steering not rowing' and introduce alternative means of service delivery. As the role of government changes, the need for new approaches that allow more considered input from stakeholders and the community has increased in importance (The Allen Consulting Group, 1999).

**Changing community expectations:** Parallel to the changing role of government is an increase in community and stakeholder expectations from government. A more educated and vocal community is expecting a more open and transparent government that clearly identifies its objectives and outlines its future strategies. The community is also seeking a deeper involvement in decision making. It is therefore vital that governments recognise the importance of stakeholders and the community and include them in the service delivery process. There is also an expectation by stakeholders that their stake in the organisation will be recognised and the organisation will be aware of their needs.

This paper argues below that in a changing world the application of relationship management principles can play a significant role in helping organisations continue to meet their goals.

### **3: THE PROPERTY INFORMATION PROJECT: HOW RELATIONSHIP MANAGEMENT PRINCIPLES ASSISTED IN DELIVERING PROJECT SUCCESS.**

### **A Relationship Management Approach**

As outlined earlier, in 1996 Land Victoria commenced a lengthy program of reform to establish a comprehensive Spatial Data Infrastructure across Victoria. It did so as part of an overall initiative to improve overall land management and decision making within the State by ensuring that integrated and affordable land information was available to users at a time and place convenient to them. But as also mentioned earlier, this initiative took place at a time when two of the key players, State and local government, continued to share an unhealthy and antagonistic relationship filled with suspicion and distrust.

Within such a context, Land Victoria needed to make a conscious policy decision about how its programs were to be delivered if it were to have any chance of achieving the desired outcomes for Victoria.

The decision on which approach to adopt was influenced by a number of important factors:

- The reforms being undertaken needed stakeholder involvement and commitment on a long term basis;
- Land Victoria was asking clients and stakeholders to significantly change the way they did business; and
- Land information reform would be progressive, with other programs likely to be delivered to the same groups over time.

It was therefore decided to adopt a relationship management model or philosophy rather than continue to apply the 'big stick' legislative approach that had generally been the approach by State governments in the past. Although there were some both in and outside of the organisation who thought it would be easier to legislate for change, Land Victoria concluded that this would not encourage joint commitment from the parties and would work against the desired intention of the construction of a single Statewide data infrastructure for Victoria across all tiers of government.

A partnership model was therefore developed which can be seen to have its roots in relationship marketing concepts of establishing, maintaining, enhancing and commercialising stakeholder and customer relationships, particularly long term relationships, so that the objectives of all the parties involved are met (Grönroos, 1991).

The key elements of relationship management as it has been applied within Land Victoria are:

- Strategic management of relationships at an industry level;
- A consistent approach across the Land Victoria businesses;
- Co-operative development of projects with clients and stakeholders;
- Structured two way communications processes with stakeholders;
- A focus on building long term relationships;
- Consideration of the constraints on the stakeholder's business;
- The building of service strategies to deliver consistent quality in delivery; and
- Provision of funding and support to key partners during project rollout. (O'Keeffe,1999)

This paper will now look at one of Land Victoria's key reform initiatives, the Property Information Project, as a way of illustrating the benefits of applying a relationship management approach to reform projects.

### **The Property Information Project (PIP)**

Over the past 10 years Victoria has been constructing a digital cadastral mapbase which shows titles or legal parcels of land ownership (the mapbase also includes information on roads, topography and other core land information). However, while most State agencies base their information systems around the concept of a parcel of land (which forms the legal basis of land transactions in Australia), parcels are only one way of managing relationships to land. Many other entities such as local government and utilities use a more general concept of property that in many cases relates service delivery to an entity and hang their information systems off such a concept. A property can therefore have a one to one relationship to a legal parcel (usually the case in metropolitan areas), or can consist of many legal parcels (in the case of a farm), or a single parcel can contain many properties (in the case of a shopping centre).

The objective of the Property Information Project was to collect and reconcile property information from all 78 Victorian local governments to build a definitive property mapbase for the State that was reconciled to the State's database of legal parcels. This would result in the establishment of a common geospatial infrastructure between Local and State Government based around the State's digital cadastral mapbase. (Jacoby, 1999). The project would for the first time completely map all of Victoria's properties and store that information in the cadastral

mapbase along with their relationship to land parcels. A key feature of this project was to establish an on-going maintenance regime to ensure the completeness and currency of this constantly changing dataset that would be secured by a data exchange agreement between the State and each of the 78 Local Governments.

Land Victoria designed the project along the lines of a cooperative, long term partnership model where local governments had a choice as to whether or not they wished to be involved in the project. The challenge was to develop a package that would be readily adopted given that project success depended solely upon the ability of Land Victoria to continue to meet local governments' expectations about the benefits of participation.

Under the terms of the Project, the State committed to:

- Provide funding ( approximately US\$3 M State-wide) to match or reconcile the local government's rating database with the cadastral mapbase – creating a property layer in the mapbase;
- Allow each participating local government to use the mapbase at no charge; and
- Provide each local government with a fully maintained copy of the cadastral mapbase at a frequency to be agreed.

In return the local government agreed to:

- Adopt Land Victoria's version of the digital cadastral mapbase;
- Allow key property information owned by the local government to be incorporated into the mapbase; and
- Provide Land Victoria with early advice of all proposed plans of subdivision or redevelopment and changes to property information (for example, new street addresses) to support the maintenance process.

The Project was rolled out in five stages. They were (1) Project Briefings; (2) 'In Principle Agreement'; (3) Municipality Analysis; (4) Development of Agreed Work Plan; and (5) On-going Maintenance. All local governments would need to progress through these stages, although they were able to pick a time of their own choosing (some local governments electing to be involved after they had overcome potential Y2K risks to their GIS and IT systems). The initial round of visits to local governments by Land Victoria staff began in late 1997 and by December 1998 all 78 local governments had given their in principle agreement to be involved in the Project. By February 2000 a total of 66 local governments had entered formal contracts with Land Victoria, 32 had completed data reconciliation activities, and 23 had entered the on-going maintenance phase. The project is expected to have been completed by the end of 2000.

### **Strategic Management of Industry Relationships**

Local Government is one of Land Victoria's key clients and stakeholders given its role as a major land management organisation. Land Victoria therefore developed a Local Government Coordination Strategy (Land Victoria, 1997) designed to establish a consistent and professional approach to dealing with local government; identify the products needed to support the business in its dealings; and develop an ongoing relationship that was mutually beneficial and of assistance to both parties.

This relationship was managed at a number of levels. At the strategic level there was a need to inform Local Government about the entirety of the Land Victoria reform agenda, obtain their support for the proposed approach and gain their commitment to the goals of the Project. During 1998 a series of meetings were held with peak industry bodies, as well as with the State Government's coordinating body, the Office of Local Government. In addition, Land Victoria also targeted forums and conferences where local government CEOs, administrators and decision makers would be attending. Information and feedback gained from these meetings was incorporated into the project and its accompanying communications strategy.

### **A Consistent Approach Across the Land Victoria Business**

When Land Victoria was created in 1996 it consisted of a number of different organisations or parts of organisations that had had long histories of operating in different environments. These agencies had developed distinctive corporate cultures and ways of dealing with clients and stakeholders. They also possessed a healthy suspicion of any activity undertaken by other parts of the newly created Land Victoria! There were many common clients and stakeholders but the lack of a consistent approach in dealing with them made it difficult for Land Victoria to manage its significant reform program. It was also confusing to local governments who perceived State government as a single monolithic entity and expected their Land Victoria contact person to represent the entire government bureaucracy.

Part of the Local Government Coordination Strategy therefore addressed the need for Land Victoria to have a single voice. Where projects were directed to the same or overlapping client groups, joint project planning was undertaken. For example, members of the 'Valuation Best Practice' and Property Information Projects met on a regular basis to plan project implementation focusing on message delivery, staged delivery of information, conflict resolution, project overlap issues and entered into general information sharing between the project teams.

Land Victoria staff working in other areas, for example in its regional offices, were also regularly briefed on the projects and the program of activities so that they could answer client or stakeholder questions. A Local Government Coordination Committee was established to monitor and review proposed local government activity by the Land Victoria businesses to ensure business and project planning addressed all relevant issues.

### **Cooperative Development of Projects with Clients and Stakeholders**

A key characteristic of the of the Property Information Project was that it was designed along the lines of a cooperative, long term partnership model. Local governments not only had a choice as to whether or not they wished to be involved in the project, but they also had a significant say on how the project was to be rolled out depending on their own particular circumstances. Of the 78 local governments in Victoria, each of them was at a different stage of development: some local governments were using state-of-the-art geographic information systems (GIS) as part of their land information systems (LIS) whereas others were still using paper plans to analyse and manage their information. Each local government consequently had differing requirements based on their knowledge and understanding of LIS/GIS technology and the extent to which it saw GIS being used in its future operations.

Land Victoria developed a basic framework for the works stage of the project that allowed flexibility to cater for the many variations across the State. Trust was built up throughout the project as local governments and Land Victoria collectively analysed the nature of the problem and jointly developed a works program capable of meeting the objectives of both the parties. While the reconciliation of property and parcel information was the main objective of the project, it was also acknowledged that there may be other tasks that needed to be undertaken to achieve this end. These included the allocation of addresses to rural properties and the identification of Crown (unalienated) land.

There was also choice as to how the work was to be completed. For example, those with sophisticated systems and highly skilled staff preferred to undertake their own works while others required assistance from skilled personnel with appropriate expertise. Land Victoria staff also assisted in Councils in establishing LIG/GIS capability where there was none before. A Land Victoria liaison officer remained a resource for municipalities throughout the life of the works program as an impartial reference on technical issues and could assist the local government in working through issues with contractors.

### **Structured Two-Way Communications Processes with Stakeholders**

Land Victoria recognised that an effective communication process was necessary for the project to be successful. A Communication Strategy was developed for the Project. A project 'kit' was developed and sent to local governments introducing the project, followed up by a series of presentations to senior executives to ensure high level commitment was gained. The Strategy required regular briefings of key stakeholders as well as the preparation of a project newsletter. This newsletter was regularly sent to all local governments and peak bodies to provide information on the project and its status across Victoria and within individual local governments. Feedback from local governments was documented and shared with the wider community through a series of 'Fact Sheets'.

Local Government Liaison Officers were appointed as the main project contact. These liaison officers were able to quickly deal with any local issues and bring back common issues and questions to the project team to assist in refining the project plan.

Obtaining the endorsement of industry leaders was also important as when individual local governments contacted peak bodies to obtain information on the Project, these groups were aware of and prepared to endorse the Project as delivering sound benefits to local government. These peak bodies were also in regular contact with Land Victoria and would provide feedback about any industry issues that were developing.

### **Consideration of the Constraints on Stakeholders' Business**

Effective communications links ensured that due consideration was given to the constraints on local government. Feedback from local government and other stakeholders was input into the project planning process and acted upon. Effective communication with other State agencies such as the Department of Infrastructure, Office of Local Government and the State Revenue Office also ensured that the project team had a sound understanding of the range of pressures on local government.

In response to such pressures, the project was designed with a degree of flexibility which allowed customising to suit the requirements of the particular local government in question. In addition to the USD\$3M available statewide to fund the necessary works program to reconcile the parcel and property bases, Land Victoria also established technical panels able to provide technical advice and support to local governments during implementation. The existence of a LV liaison officer was also of great benefit for rural areas where expert staff were often limited.

### **Provision of Support to Key Partners During Project Rollout**

Land Victoria's relationship with Councils began from the moment that a Council gave an in-principle agreement to participate. Project support to Councils revolved around three key areas: flexibility in scope and timing of project, provision of expert advice and analysis, and the provision of the necessary funds to complete the agreed works program.

Particular support by Land Victoria included the funding of a confidential fact finding consultancy for each local government to identify the current LIS/GIS status in the business. This consultancy was resourced from a panel of industry consultants engaged by Land Victoria. Quality control was maintained by requiring the consultants to undertake a training program before they were able to apply to undertake work for local governments. This consultancy established what work was required to enable the local government to reconcile the information it held with that in the State's database and for it to then move on to an ongoing data exchange. Land Victoria was thereby able to identify how resources spent on improving LIS/GIS capabilities would translate to business efficiencies and cost savings.

### **A Focus on Building Long Term Relationships**

The success of the Project was dependent on a sound relationship between Land Victoria and local government. The partnership approach has provided a firm basis for introducing other Land Victoria projects to local governments. There is no doubt that success would have been greatly limited if the technical reforms had been pushed through without care being taken to manage the overall relationship with local government. This has allowed greater understanding of the needs of local government as a whole and has allowed the project to cater for significant variations in activity at the individual local government level.

## **4. CONCLUSION:**

There is no doubt that the Property Information Project has been an outstanding success and has introduced a new style of relationship into State and local government dealings. Land Victoria's relationship management approach has been widely recognised as a best practice approach to dealing with customers and stakeholders. It was used as a case study by the Institute of Public Administration Australia (IPAA, 1999) and has been the subject of a study on Stakeholder Relations in the Public Sector, Innovation in Management. (The Allen Consulting Group, 1999).

The approach used is not difficult to implement but is instead a cooperative way of working with stakeholders. The organisation has found that as it works more co-operatively with clients and stakeholders their interest increases and they begin to generate ideas for ongoing improvement. They become advocates and partners for Land Victoria projects and spread the word within their industry groups and to their peers. It also creates a situation where information channels are kept open and the organisation is able to gain positive feedback that assists in the development of its programs and enables it to maintain quality service delivery. As the relationship develops, industry and stakeholder forums are created where stakeholders are able to work with the business on common topics of interest.

Land Victoria will continue to work with stakeholder groups using relationship management principles. This requires an investment of time and effort in building and developing relationships which is repaid through the

outcomes it achieves. New projects now incorporate relationship management principles as success is now best achieved through cooperative ventures with customers and stakeholders.

Changes to the way organisations do business requires new approaches to dealing with increased complexity. All organisations need to become smarter in managing interactions within and between organisations and in managing competing activities within their own organisations. Relationship management principles have been successfully used in Land Victoria to deal with a major program of reform and could provide a way for others to deal with rapidly evolving organisational environments.

## GLOSSARY

ANZLIC –	The Australian and New Zealand Land Information Council
CEO	Chief Executive Officer
Crown Land	State owned land.
GIS	Geographic Information System
IT	Information Technology
LG	Local government
LIS	Land Information System
LV	Land Victoria
OLG	Office of Local Government (Now Local Government Division)
PIP	Property Information Project
SDI	Spatial Data Infrastructure
VBP	Valuation Best Practice Project
Y2K	Year 2000

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