

State Budget Priority Statement 2019-20

Perhaps more so than any other stakeholder, councils deliver the services and infrastructure that shape the daily experiences of Tasmanians. Services that are major determinants of our community's prosperity and wellbeing.

Councils are place shapers who drive most people's attachment to, and satisfaction with the area in which they live, making them an essential partner in working to create liveable places.

Councils are supported in undertaking their diverse roles by the Local Government Association of Tasmania (LGAT). We have been the peak body for Local Government in Tasmania for over 100 years and represent all Tasmanian councils, with 262 elected members and nearly 4000 employees.

Our core purpose includes the promotion of an efficient and effective system of Local Government in Tasmania.

Local Government is the closest level of government to the community and as such it is the best placed to work cooperatively with the State Government in implementing its agenda and ultimately improving community outcomes.

In order to achieve this, the Local Government sector is seeking the following targeted investments, split into support for State Government initiatives and investments that will build the capacity of Local Government.

State Government Initiatives

PLANNING

Local Governments make decisions daily that influence how local communities are planned and developed.

For the past few years the State Government and councils have been implementing a significant planning reform agenda. A large body of work has been progressed but with much still to be done, it is important the work is appropriately supported so that critical missing pieces are put in place.

To achieve this, it is imperative that the State Government's proposed planning agenda is appropriately funded. It is an ambitious reform agenda that must be supported to regain community confidence in land use planning. To further build this confidence specific resourcing is required to improve the information available to the community on our planning system, both current, but also how they can engage with the reform agenda as it progresses.

In order to achieve this, the program of reform activity requires at least 2 additional full-time resources, plus a third resource solely focused on communications and stakeholder engagement, for at least the next 2 years, based in the Planning Policy Unit of the Department of Justice.

WASTE

Tasmanian lags well behind most other jurisdictions when it comes to percentage of material we divert from landfill. This is not only very poor resource recovery, but also a significant lost opportunity for Tasmania.

Waste management and resource recovery is not just an essential service, but also a significant contributor to our economy with the potential to expand.

The State Government has committed to developing a State Waste Action Plan by early 2019 as well as to Tasmania having the lowest incidence of litter in the country by 2023. There is a real opportunity for the Tasmanian Government to provide leadership but only if these commitments are properly resourced and have political support.

Irrespective of the final Waste Action Plan, there are three immediate actions the State Government can undertake:

1. Implement a Container Refund Scheme (CRS);
2. Investigate the phase out of single use plastic takeaway containers; and
3. Support a community awareness and education program.

The National Litter Index indicates that beverage containers are the largest contributor to litter by volume. In South Australia, the only jurisdiction in which a CRS has been in place for a substantial length of time, container littering is more than 50% lower than the Australian average.

Takeaway food containers are the second largest litter stream by count, second only to cigarette butts and packaging. The City of Hobart has already started to look at the best way to phase out of single use takeaway

containers for the City. Feedback from business and consumers has been overwhelmingly positive, however those consulted suggested that this phase out should occur on a statewide basis. At the July 2018 LGAT General Meeting, councils supported a motion for this to occur.

Rethink Waste, a collaboration between the three regional waste authorities, encourages our community to rethink what they do with their waste. The effectiveness of this program would be enhanced through additional resourcing and increased cooperation and coordination with the State Government.

For all this to be achieved, Local Government calls on the State Government to fund an additional 3 staff members within the EPA over the next 3 years to support the implementation of the CRS as well as an investigation into phasing out single use plastic takeaway containers. In addition, a modest investment of \$150,000 per year for the next 4 years would be invaluable to the community education campaigns of Rethink Waste.

ACTIVE TRANSPORT INFRASTRUCTURE FUND

The Tasmanian Government has the goal of making Tasmania the healthiest population in Australia by 2025, and physical inactivity is one of the most significant global health concerns, with a similar level of risk (at least) of premature mortality as smoking and obesity. In contrast, physical exercise is connected to better mental as well as physical health. Significant effort to improve physical activity has focused on leisure time activity but this has had very little effect, with physical activity in Australia remaining stagnant since the 1980s. This suggests work needs to target other areas to make an impact.

One of the most important factors in increasing physical activity is an environment that supports active travel. The transport environment is known to affect health: cardiovascular risk is significantly lower in active commuters than passive commuters, and public transport users generate over 30 minutes per day more physical activity than car drivers. Incorporating physical activity into the daily commute is a significant opportunity to improve public health outcomes.

While a majority of people are interested in active transport options, they remain concerned about their safety. The lack of better infrastructure to support the safety of active commuters remains an impediment to the uptake of active transport options and the public health opportunity it represents.

Separated infrastructure for active transport, particularly cycling, has been shown to substantially increase the number of people who choose to commute by active transport. Providing well-designed walking and cycling pathways and safe intersection treatments that separate active travellers from vehicular traffic encourages people to take an active option, increasing their physical activity and health, freeing up road and parking space, reducing pollution and greenhouse gas emissions, reducing congestion, and improving safety outcomes.

Proposal

To build separated active transport infrastructure and support active living requires planning and execution at the local level. As the custodian of the vast majority of transport infrastructure in local areas, particularly roads, Local Government is ideally placed to partner with the Tasmanian Government to deliver these treatments.

LGAT proposes that the Tasmanian Government create an Active Transport Infrastructure Fund, consisting of \$1 million per year over four years, as the basis of funding the delivery of this

infrastructure. The fund would support the safety of people who choose to make more and more of their daily transport by active means. Projects could be competitively tendered, or funding cooperatively assigned in partnership with Local Government, the Road Safety Advisory Committee, the Department of Health and the Department of State Growth.

Local Governments already undertake this work where local priorities and budgets allow. However, the fund would accelerate the delivery of this infrastructure and make the Tasmanian Government a key partner with a set goal, providing the means and impetus for the work, aligning local priorities with the State, as well as helping to achieve the State's objectives in health, road safety, and greenhouse emission reductions.

Local Government Capacity Building

Councils provide a diverse range of services and infrastructure to support the healthy, liveable and prosperous communities and are also significant economic engines in their own right. As the community's expectations grow, so too does the complexity of council business. In a post-election environment, a focus on capacity, efficiency and effectiveness is particularly important.

Local Government Procurement Improvement Initiative

Local Government in Tasmania manage more than \$10.6 billion in community assets and spend over \$770 million annually on infrastructure and services.

Good procurement practices, centered around the principles of probity, accountability and transparency, are key to managing procurement risks and ensuring the delivery of good outcomes for the community. When councils do not follow sound procurement practices, they also face reputational damage and expose themselves to the risk of fraud and misconduct.

The *Local Government Act* and related regulations prescribe the minimum requirements for councils in relation to how they undertake their tendering and contracting, however these prescriptions need to be complemented by internal controls and practices at the individual council level.

The Auditor-General's in Victoria and Western Australia and the Independent Commission against Corruption in New South Wales have highlighted significant weaknesses in many council's procurement practices in those jurisdictions.

In Tasmania, the recent Shared Services and Feasibility Studies have highlighted the organisational, economic and community benefits that come when there is particular investment in strategic and operational procurement skill development.

LGAT already provides substantial support for councils via aggregated contracts and bulk procurement opportunities, with over \$1.9 million saved by Tasmanian Councils in the 2017-18 financial year. This budget initiative seeks to expand this program to include improving procurement policy, practice and skills at the Local Government level.

Through this initiative, Local Government will achieve sustainable savings and value for money for their rate payers, support local and regional economic development, and improve probity and compliance.

Proposal

LGAT seeks to introduce a structured specialist procurement assistance program to undertake procurement spend analysis and to develop and implement tailored procurement improvement plans for individual councils.

The intent is that independent Local Government procurement specialists work closely with participating councils over the next two years.

This approach is underway in many council areas in South Australia, New South Wales and Victoria and has met with considerable success. Demonstrable improvements have been made in the visibility of procurement spend, budget savings, regional collaboration and in building procurement skills and capability.

By way of example, two NSW councils, Inner West (population 194,000) and Armidale Regional (population 29,600), identified a return on investment in excess of \$1m each in the first 12 months of a similar program.

Where this program has worked effectively in other States, the relevant Local Government Association has played a lead role in facilitating and coordinating the project.

To this end LGAT will work to identify interested councils as participants in the program, will engage a consultant to deliver the project and will participate in and manage project operations.

LGAT is seeking \$250,000 for this project, with a co-contribution from the sector.

Smart Councils Initiative

The rapid advances in digital technologies over the last few decades mean there are significant opportunities for higher productivity and improvements in living standards. However, there are also risks of higher inequality through lack of digital inclusion, which we know follows some clear economic and social contours. Tasmanians with low levels of income, education, and employment are significantly less digitally included. Digital technologies will accelerate changes in our economy and consequently both the benefits and risks are elevated.

While not a traditional area of responsibility for Local Government, the community's expectations are growing and changing. Local Government already delivers the services and infrastructure that shapes the daily experiences of every Tasmanian and like access to transport, water or electricity, access to information and communication technologies is essential to living, working and participating in today's society.

This poses three questions:

1. How should councils play a role in fostering and supporting local business and residents' active participation within the digital economy?

2. How can councils adapt their service delivery in the digital age?
3. What internal changes do councils need to enable these changes?

Over the last few years Tasmanian councils have begun to explore ways that technology can be deployed to service their communities in a smarter and more efficient manner. For example, work associated with the Launceston City Deal, the establishment of a Shared Services entity to deliver IT and business process services on behalf of three north west councils and Hobart's development of a Smart City Strategy. However, a number of barriers exist for Tasmanian councils, particularly in the rural and regional areas. Despite the constraints, there is a recognition and willingness to find ways to capitalise on the benefits that come with digital technologies.

Proposal

In recognition of the potential role LGAT can play in supporting leadership and change in the digital environment, we have already established a Digital Advisory Group, made up of sector and industry leaders from Tasmanian and Queensland, to help guide LGAT's activities in this space. However, the work of this group must be supported by further resources for it to be successful.

This proposal seeks to introduce a specialist digital transformation program within LGAT to support the development of 'smart councils', which will in turn support the development of 'smart communities'. While councils are exceptionally optimistic about transitioning towards an increasingly digital way of working, the available skills have been identified as a barrier to success for the sector and it makes more sense for these skills to be shared across all councils, rather than for each individual council invest.

The intent of this program is to engage specialists that have significant experience and expertise in this field, to work alongside LGAT, in supporting the digital transformation of councils. We will work to create councils that are:

- Easy to deal with;
- Informed by communities / consumers;
- Fit for the digital age; and
- That can lead their communities in their transition.

Not all communities are the same and as a result the relative importance of initiatives will differ between them. Our approach will consider the current conditions that exist within specific communities, their importance in that specific context, the preferred condition and then the supporting interventions necessary.

LGAT is seeking \$750,000 over three years for this program.

We know that with the right planning and investment in digital transformation, our councils can make their communities more productive, liveable and sustainable.

Elected Representative Capacity Building Initiative

A recent study undertaken by the Australian Centre for Local Government into training and development for councillors found that the skills and knowledge they bring to the role and the skills the role requires often do not align. It is fundamental that councillors have access to good quality training to prepare them to make informed decisions in the best interest of their community.

In recent years there has been significant attention on Tasmanian councils in relation to governance and sound financial and asset management. It is essential that councillors

have a good understanding of these areas to ensure sustainable and well-run councils. As such it is seen as a priority area of training for new and existing councillors.

LGAT provides a broad range of training material, including governance and financial management, for councillors at affordable prices. However, a more intense program, with potential for accreditation is needed. With a new intake of councillors following the October 2018 election (41% of the elected are new councillors) it is a prime time to offer such a program.

A number of surveys of elected members have identified that one of the key constraints for councilor's participation in training is cost. There is also a need to ensure representation from all councils and that participation is not confined to the better resourced councils.

Proposal

This proposal seeks funding to support councillors from each council to undertake a professionally accredited and intensive training program through a suitable provider. LGAT would broker the training with the most appropriate provider, ensuring relevance and to ensure a bulk discount and also run an Expression of interest process for participants from each council.

Funding of \$290,000 (or \$10,000 per council) is sought with a co-contribution from participating councils (scaled to their size).

A highly regarded, intense training program provided to a number of councillors in each council at the beginning of their term will provide for better decision making, better governance and informed strategic decisions regarding financial and asset management.