

1 March 2024

Local Government Reform
Department of Premier and Cabinet
GPO Box 123
HOBART TAS 7001

Via email: LG.consultation@dpac.tas.gov.au

Dear Sir/Madam

Future of Local Government Review Final Report

Thank you for the opportunity to provide a submission on the Future of Local Government Review Final Report. This submission has been prepared by the Local Government Association of Tasmania (LGAT) on behalf of Tasmanian local government in collaboration with our members; all 29 councils.

LGAT is incorporated under the *Local Government Act 1993* and is the representative body and advocate for Local Government in Tasmania.

There final report includes a package of 37 reforms. The attached provides commentary against each of the 37 reform recommendations. In general, we would note the following:

- The delivery of the recommendations will require substantial additional resourcing within the Office of Local Government and will impact on LGAT and council resources significantly. Timely and efficient implementation will require appropriate resourcing of our sector.
- The roadmap timeframes are overly optimistic across most deliverables. In particular, the expectation to have a new *Local Government Act* “in force” by quarter one in 2025. The timeframes should be revisited to be more realistic.
- The new Local Government Board and related structures needs to have an appropriate reference group or high-level governance group to support their deliberations. This group should consist of local government (past and present) and expert members.

Where a council has made a direct submission to this process, any omission of specific comments made by that council in this submission should not be viewed as lack of support by us for that specific issue.

Please feel free to contact me if you have any questions or would like further information.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Dion Lester', with a stylized, cursive script.

Dion Lester
CHIEF EXECUTIVE OFFICER

Recommendation	Recommendation Headline	LGAT Comment
1	<p data-bbox="331 212 1272 288">Define in Tasmania’s new Local Government Act the role of local government consistent with the statement below:</p> <p data-bbox="331 347 1272 424">The role of local government is to support and improve the wellbeing of Tasmanian communities by:</p> <ol data-bbox="331 483 1272 970" style="list-style-type: none"> <li data-bbox="331 483 1272 560">1. harnessing and building on the unique strengths and capabilities of local communities; <li data-bbox="331 587 1272 663">2. providing infrastructure and services that, to be effective, require local approaches; <li data-bbox="331 691 1272 815">3. representing and advocating for the specific needs and interests of local communities in regional, state-wide, and national decision-making; and <li data-bbox="331 842 1272 970">4. promoting the social, economic, and environmental sustainability of local communities, by mitigating and planning for climate change impacts. 	<p data-bbox="1272 212 2168 244"><i>Supported.</i></p>

Recommendation	Recommendation Headline	LGAT Comment
2	<p>The Tasmanian Government – through subordinate legislation – should implement a Local Government Charter to support the new legislated role for local government.</p> <p>The Charter should be developed in close consultation with the sector and clarify and consolidate in a single document councils’ core functions, principles, and responsibilities, as well as the obligations of the Tasmanian Government when dealing with the sector as a partner in delivering community services and support.</p>	<p><i>Supported in principle.</i></p> <p><i>The Charter should be accompanied by a new partnership agreement between local and State governments.</i></p> <p><i>From experience, we would say that the right leadership and engagement from the State Government improves state-wide local government performance and community outcomes. We also know that when this is inadequate it impedes local government performance. Unfortunately, different State Government agencies, and even different sections within agencies, work with local government in different ways.</i></p> <p><i>A local and State Government partnership offers an opportunity to define our shared responsibilities for public service outcomes, principles for engagement, and the obligations of each when delivering community services and legislative responsibilities.</i></p> <p><i>The Charter and ongoing partnership agreement must be resourced, with central coordination of State agency involvement.</i></p> <p><i>It should provide a mechanism for ongoing dialogue between both spheres of government around resources, roles and responsibilities.</i></p> <p><i>It also provides the opportunity to:</i></p> <ul style="list-style-type: none"> - <i>define efficient and equitable shared services</i> - <i>address changing circumstances</i> - <i>and define joint advocacy activities, such as Federal Assistance grants.</i>

Recommendation	Recommendation Headline	LGAT Comment
3	<p>The Tasmanian Government should work with the sector to develop, resource, and implement a renewed Strategic Planning and Reporting Framework that is embedded in a new Local Government Act to support and underpin the role of local government. Under this Framework councils will be required to develop – within the first year of every council election – a four-year strategic plan.</p> <p>The plan would consist of component plans including, at minimum, a:</p> <ul style="list-style-type: none"> • community engagement plan; • workforce development plan; • elected member capability and professional development plan; and • financial and asset sustainability plan. 	<p><i>Supported in principle.</i></p> <p><i>A strategic plan spanning only four years risks impacting councils' ability to properly plan on a long-term basis, as planning will be linked to election cycles, potentially introducing the risk of politicisation of strategic planning processes.</i></p> <p><i>Alternatively, introducing the development of a "term plan" which describes the strategic priorities a council wishes to undertake to support the strategic plan – that is, a plan that sets out what each council wishes to achieve in its four year term within the bounds of the existing long term planning framework.</i></p> <p><i>The State Government needs to support the development of templates, that can adapted to local circumstances for the additional plans noted.</i></p> <p><i>The financial and asset sustainability plan should be subject to completion of recommendations 30 and 31. Clarification is required on how this plan would be different to councils' existing long term financial and asset management plans.</i></p>

Recommendation	Recommendation Headline	LGAT Comment
4	<p>Formal council amalgamation proposals should be developed for the following:</p> <ul style="list-style-type: none"> • West Coast, Waratah-Wynyard and Circular Head Councils (into 2 councils); • Kentish and Latrobe Councils; • Break O’Day, Glamorgan-Spring Bay and Sorell Councils (into 2 councils); • City of Hobart and Glenorchy City Councils; • Kingborough and Huon Valley Councils. <p>The Board acknowledges council interest in and discussions on boundary changes are less advanced in respect of City of Hobart and Glenorchy, and Kingborough and Huon Valley councils, but nonetheless believes that these councils have expressed clear interest in further exploring opportunities. The Board believes there is substantial merit in ensuring that those councils (and their communities) are afforded the opportunity to genuinely explore structural consolidation proposals in greater detail.</p>	<p><i>No LGAT comment.</i></p> <p><i>This recommendation is a matter for the councils involved.</i></p>
5	<p>A new Local Government Board should be established to undertake detailed assessment of formal council amalgamation proposals and make recommendations to the Tasmanian Government on specific new council structures.</p>	<p><i>No LGAT comment.</i></p> <p><i>This recommendation is a matter for the councils involved.</i></p> <p><i>Although we would note that membership of this Board and resourcing within the OLG to support it will be critical to the success of the next stages.</i></p>

Recommendation	Recommendation Headline	LGAT Comment
6	A Community Working Group (CWG) should be established in each area where formal amalgamation proposals are being prepared. The CWG would identify specific opportunities the Tasmanian Government could support to improve community outcomes.	<p><i>No LGAT comment.</i></p> <p><i>This recommendation is a matter for the councils involved.</i></p> <p><i>Although we would note that the terms of reference of the CWGs is critical.</i></p>
7	In those areas where amalgamation proposals are being developed, a community vote should be held before any reform proceeds, to consider an integrated package of reform that involves both a formal council amalgamation proposal and a funded package of opportunities to improve community outcomes.	<p><i>No LGAT comment.</i></p> <p><i>This recommendation is a matter for the councils involved.</i></p>
8	If a successful community-initiated elector poll requests councils to consider amalgamation, the Minister for Local Government should request the Local Government Board to develop a formal amalgamation proposal and put it to a community vote.	<p><i>Not supported.</i></p> <p><i>This recommendation invites potential conflict in situations where one council area votes for amalgamation when their neighbour either hasn't voted or does not support it.</i></p>

Recommendation	Recommendation Headline	LGAT Comment
9	The new Local Government Act should provide that the Minister for Local Government can require councils to participate in identified shared service or shared staffing arrangements.	<p><i>Supported in principle.</i></p> <p><i>It is understood there will be challenges in reaching consensus when developing shared service agreements. However, it is difficult to support mandatory shared service arrangements without knowing more details. A mandated unilateral approach fails to recognise that councils have developed processes based on their unique understanding of their community that may not be easily addressed or recognised via a forced shared service model.</i></p>
10	Give councils the opportunity to design identified shared service arrangements themselves, with a model only being imposed if councils cannot reach consensus.	<p><i>Should recommendation 9 be supported, the Minister for Local Government must seek advice from the Local Government Board and <u>each affected council</u> prior to making any decision.</i></p>
11	Before endorsing a particular mandatory shared service arrangement, the Minister for Local Government should seek the advice of the Local Government Board.	
12	If councils are unable to reach consensus on a mandatory service sharing agreement, the Minister for Local Government should have the power to require councils to participate in a specific model or models the Tasmanian Government has developed.	<p><i>There is support for the investigation of shared service arrangements that provide economic and social benefits for the community, and increased collaboration between councils to improve service delivery. However, there needs to be more engagement with the sector about what the process is for moving forward and whether any models should be imposed and under what circumstances.</i></p> <p><i>Many in the sector have expressed a preference for a voluntary and incentivized process, where council can opt in. Mandating it does not allow the flexibility to partner/share in response to demand.</i></p>

Recommendation	Recommendation Headline	LGAT Comment
13	<p>The first priorities for developing mandatory shared service arrangements should be:</p> <ul style="list-style-type: none"> • sharing of key technical staff; • sharing of common digital business systems and ICT infrastructure; and • sharing of asset management expertise through a centralised, council-owned authority. 	<p><i>Supported in principle.</i></p> <p><i>Further engagement is required with the sector prior to the nominated priorities progressing.</i></p> <p><i>Sharing of technical staff alone does not overcome the critical workforce shortage. This priority needs to be accompanied by a suite of workforce development activities. Any work in this area needs to be done in concert with recommendation 36.</i></p> <p><i>While many in our sector have noted there are significant opportunities in moving to common digital business systems, this would be a long term, costly and highly disruptive process. Any future work needs to take account of the scale difference across councils. It is suggested extensive consultation occurs with our sector on what the immediate, mid and long-term opportunities are and how best to progress them. Starting with the “black and white” regulatory and administrative functions that shouldn’t vary much from council to council prior to moving to more challenging areas is recommended.</i></p> <p><i>There was concern expressed regarding the centralization of asset management expertise. It is critical that this capacity remains in councils for operational needs. It is suggested that recommendations 30 and 31 are implemented prior to any centralization of staff.</i></p>

Recommendation	Recommendation Headline	LGAT Comment
14	Include a statutory requirement for councils to consult with local communities to identify wellbeing priorities, objectives, and outcomes in a new Local Government Act. Once identified, councils would be required to integrate the priorities into their strategic planning, service delivery and decision-making processes.	<p><i>Supported in principle.</i></p> <p><i>Clarification is required on what is meant by wellbeing, the role of different spheres of government and what additional on-going funding will be available if councils expand their role in this area.</i></p> <p><i>Community expectations also need careful management.</i></p>
15	To be eligible to stand for election to council, all candidates should first undertake – within six months prior to nominating – a prescribed, mandatory education session, to ensure all candidates understand the role of councillor and their responsibilities if elected.	<i>Supported.</i>
16	<p>The Tasmanian Government and the local government sector should jointly develop and implement a contemporary, best practice learning and ongoing professional development framework for elected members. As part of this framework, under a new Local Government Act:</p> <ul style="list-style-type: none"> • all elected members – including both new and returning councillors - should be required to complete a prescribed ‘core’ learning and development program within the first 12 months of being elected; and • councils should be required to prepare, at the beginning of each new term, • an elected member learning and capability development plan to support the broader ongoing professional development needs of their elected members. 	<p><i>Supported.</i></p> <p><i>Work is well underway with the Learning and Development Framework. The critical next step is to extend the learning beyond the online modules into face-to-face training, workshops and experiences. This requires expertise in curating, designing and procuring learning that is appropriate for the range of councillors across the state.</i></p> <p><i>It is important that this work can be done as close to the local government sector as possible to ensure its design and delivery is tailored for elected representatives and their learning and development needs. In parallel with this, is the need to build a culture of continuous development amongst elected representatives.</i></p> <p><i>It is suggested that the State Government fund LGAT to progress development and delivery of learning materials and provide outreach into councils to build the case for council investment.</i></p>

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17	The Tasmanian Government should further investigate and consider introducing an alternative framework for councils to raise revenue from major commercial operations in their local government areas, where rates based on the improved value of land are not an efficient, effective, or equitable form of taxation.	<i>Supported.</i>
18	The Tasmanian Government should work with the sector and the development industry to further investigate and consider introducing a marginal cost-based integrated developer charging regime.	<p><i>Supported.</i></p> <p><i>In Tasmania, developers face challenges with the financing and delivery of infrastructure for development. This is impacting our state's ability to deliver much needed housing. A framework that evenly spreads the costs across those that will benefit would greatly assist.</i></p> <p><i>These schemes, which every other state has, provide certainty in cost and delivery for everyone. Without this we have stand-offs that halt development, as no one wants to go first and bear the full cost of the infrastructure.</i></p>
19	Introduce additional minimum information requirements for council rates notices to improve public transparency, accountability, and confidence in council rating and financial management decisions.	<i>Supported.</i>

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20	<p>Within the context of the national framework, the Tasmanian Government should seek advice from the State Grants Commission on how it will ensure the Financial Assistance Grants methodology:</p> <ul style="list-style-type: none"> • is transparent and well understood by councils and the community, • that assistance is being targeted efficiently and effectively, and • is not acting as a disincentive for councils to pursue structural reform opportunities. 	<p><i>Supported.</i></p>
21	<p>The Tasmanian Government should review the total amount of Heavy Vehicle Motor Tax Revenue made available to councils and consider basing this total amount on service usage data.</p>	<p><i>Supported.</i></p> <p><i>The amount of Heavy Vehicle Motor Tax collected is around \$29 million per year. However, the State Government provides only \$1.5 million to councils, even though we manage 80 per cent of Tasmania's road network, some 14,400 km.</i></p> <p><i>While heavy vehicle use and the revenue collected by the State Government has been steadily increasing, the amount provided to councils hasn't changed for 27 years.</i></p> <p><i>Heavy Vehicle Motor Tax revenue should be distributed among all road managers on the same basis it is charged – on-road use.</i></p>

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22	Introduce a framework for council fees and charges in a new Local Government Act, to support the expanded, equitable and transparent utilisation of fees and charges to fund certain council services.	<p><i>Supported.</i></p> <p><i>Fees charged under a fee-for-service model should be permitted to consider the cost to deliver the service as well as any policy objective of the council.</i></p>
23	The Tasmanian Government should review the current rating system under the Local Government Act to make it simpler, more equitable, and more predictable for landowners. The review should only be undertaken following implementation of the Board's other rating and revenue recommendations.	<p><i>Supported in principle.</i></p> <p><i>There is no justification for a broad-based review of the current rating system but there is merit in a targeted review of certain aspects of the system.</i></p> <p><i>For example, the review must rectify the current anomaly in the Local Government Act that prevents Tasmanian councils from applying general rates to Independent Living Units operated commercially by charities / not for profits.</i></p>
24	The Tasmanian Government should work with the sector to develop, resource, and implement a best practice local government performance monitoring system.	<p><i>Supported in principle.</i></p> <p><i>The measures used should be service delivery outcome focused, help councils to initiate improvements to performance, compare apples with apples and be informed by the sector.</i></p> <p><i>Any performance monitoring system should aim to reduce the reporting burden on councils by streamlining reporting requirements and use existing data sources.</i></p> <p><i>The development and on-going maintenance needs to be funded by the State Government.</i></p>

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25	<p>The Tasmanian Government should develop a clear and consistent set of guidelines for the collection, recording, and publication of datasets that underpin the new performance reporting system to improve overall data consistency and integrity, and prescribe data methodologies and protocols via a Ministerial Order or similar mechanism.</p>	<p><i>See above.</i></p>
26	<p>The new Strategic Planning and Reporting Framework should actively inform and drive education, compliance, and regulatory enforcement activities for the sector, and entities with responsibility for compliance monitoring and management – including the Office of Local Government and council audit panels – should be properly empowered and resourced to effectively deliver their roles.</p> <p>As part of this the Tasmanian Government should consider introducing a requirement for councils to have an internal audit function given their responsibilities for managing significant public assets and resources, and whether this requirement needs to be legislated or otherwise mandated. Consideration should also be given to resourcing internal audit via service sharing or pooling arrangements, particularly for smaller councils.</p>	<p><i>Supported in principle.</i></p> <p><i>The Office of Local Government should be sufficiently resourced and funded by the State Government, the sector should not be expected to fund their regulatory oversight functions as suggested on page 88 of the final report.</i></p> <p><i>While internal audit provides a valuable management tool and many councils have an existing program already, this will be difficult to resource for many councils.</i></p> <p><i>The final report notes that “Consideration should also be given to resourcing internal audit via service sharing or pooling arrangements, particularly for smaller councils. LGAT may be well placed to provide support for joint procurement for these councils of a shared capability.” While LGAT could do this, there is already a number of competent consultancy firms undertaking this work for councils and so the need and value of an LGAT joint procurement process needs to be established.</i></p>

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27	The Tasmanian Government should collaborate with the local government sector to support a genuine, co-regulatory approach to councils' regulatory responsibilities, with state agencies providing ongoing professional support to council staff and involving councils in all stages of regulatory design and implementation.	<p><i>Supported.</i></p> <p><i>This work should be accompanied by a collaborative process improvement project by the Tasmanian Government and local government by working together to identify further procedural problems and potential solutions.</i></p>
28	The Tasmanian Government should work with the local government sector to pursue opportunities for strengthened partnerships between local government and Service Tasmania.	<i>Supported.</i>
29	Councils should migrate over time to common digital business systems and ICT infrastructure that meet their needs for digital business services, with support from the Department of Premier and Cabinet's Digital Strategy and Services (DSS).	<p><i>See response to Recommendation 13.</i></p> <p><i>Clarification is required on the role of DSS, as LGAT already has existing prequalified supplier panels for many common digital business systems and ICT infrastructure.</i></p>
30	The Tasmanian Government – in consultation with the sector – should review the current legislative requirements on councils for strategic financial and asset management planning documentation to simplify and streamline the requirements and support more consistent and transparent compliance.	<p><i>Supported in principle.</i></p> <p><i>It has been almost 10 years since the current requirements were introduced. They were nation leading at the time and are still very comprehensive. While it is timely for a review, this is a very ambitious recommendation and would be a long-term project that would need to be sufficiently resourced and funded.</i></p> <p><i>The scope should be aimed at simplifying and streamlining the obligations on councils.</i></p>

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31	The Tasmanian Government – in consultation with the sector – should investigate the viability of, and seek to implement wherever possible, standardised useful asset life ranges for all major asset classes.	<i>Supported.</i>
32	All Tasmanian councils should be required under a new Local Government Act to develop and adopt community engagement strategies – underpinned by clear deliberative engagement principles.	<i>Supported.</i>
33	A new Local Government Act should require councils, when developing and adopting their Community Engagement Strategies, to clearly set out how they will consult on, assess, and communicate the community impact of all significant new services or infrastructure.	<i>Supported.</i>
34	Following the phase 1 voluntary amalgamation program, the Tasmanian Government should commission an independent review into councillor numbers and allowances.	<i>Supported.</i>
35	The Tasmanian Government should expedite reforms already agreed and/ or in train in respect of statutory sanctions available to deal with councillor misconduct or poor performance.	<i>Supported.</i>

Recommendation	Recommendation Headline	LGAT Comment
36	<p>The Tasmanian Government should:</p> <ul style="list-style-type: none"> support the Local Government Association of Tasmania (LGAT) to develop and implement – in consultation with councils and their staff – a workforce development toolkit tailored to the sector and aligned with the Tasmanian Government’s workforce development system; support councils to update their workforce plans at the time of any consolidation; support LGAT to lead the development and implementation of a state-wide approach to workforce development for key technical staff, beginning with environmental health officers, planners, engineers and building inspectors; recognise in statute that workforce development is an ongoing responsibility of council general managers and is included as part of the new Strategic Planning and Reporting Framework; and include simple indicators of each council’s workforce profile in the proposed council performance dashboard. 	<p><i>Supported.</i></p> <p><i>To be successful this work also needs to have buy in from education and training institutions to support the strategies and actions to meet skills shortages.</i></p>
37	<p>The Tasmanian Government should partner with, and better support, councils to build capacity and capability to plan for and respond to emergency events and climate change impacts.</p>	<p><i>Supported.</i></p>