



ABN 68 300 116 092

## **George Town Council - Submission to the Local Government Review Board's Interim Report.**

George Town Council welcomes the opportunity to submit its views on the Interim Report.

### **Consultation and Engagement**

Council acknowledges the challenges in consultation efforts, however, is concerned that the disability sector has been overlooked in the engagement process. It should be acknowledged that 1 in 4 Tasmanians identify as having a disability and this cohort is often left out in broad consultation processes. It is Council's view that a targeted engagement campaign needs to occur to capture the views of some of our most valued and most vulnerable community members. This concern extends to First Nations, youth, early years and aged sectors.

Council is also concerned that a small number of participants ( $n = <1,400$ ) may shape significant reform, which may not represent the views of the greater community. It is also difficult to interpret survey results without knowing the questions that have been asked and any guiding information that was provided to participants. For example, do areas of low engagement reflect a misunderstanding of the category such as 'Defining Role' and 'Consolidation and Shared Services'? Were participants provided sufficient information to make an informed decision?

It is assumed that 'Traditional Council Business' refers to rates, roads and rubbish? If this is the case, Council has concerns as to why these areas were combined into a single category. Waste management for instance has a clear role to play in reducing impact on climate change and the environment.

Infrastructure provision and service rated as extremely important, while emergency management, economic development and local promotion was scored as less important, yet the report suggests infrastructure, waste services and land use planning should be shifted away from local government to regional bodies or the State.

### **Role Statement/s**

The Local Government role statement is supported by George Town Council, however the individual statements read as 'motherhood statements' and require further definition to be able to gain a full appreciation of the role/s and functions being proposed.

Clarity around what 'infrastructure and services' are to be within in the remit of local government and definition on what exactly terms such as 'human services' and 'environmental wellbeing' entail, are examples of terms requiring further definition.

With a focus on 'place based' approaches, will legislative reform provide flexibility for some groups of councils to participate in regional service delivery and others not to?

If the Board agrees that local government is an important and critical level of government, does it support recommending to the State Government support for local government to be included in the Constitution?

## Charter

George Town Council does not support the inclusion of a Charter in the Local Government Act as this would move the legislation further away from principles and powers of general competency to prescription. Perhaps a Code of Practice complimentary to the ensuing Regulations may be a better approach.

## Capability and Outcome Aspirations

George Town Council supports the statement for Capability and Outcome Aspirations, however, requires further detail to gain a full appreciation of what is being proposed. For example, what are the proposed 'clearly defined range of place-based functions and services' in statement 1?

It is acknowledged that the sector faces challenges with the recruitment and retention of skilled employees particularly in areas such as civil engineering, building surveying, environmental health and planning. It should be acknowledged that this challenge is not unique to local government in Tasmania but is also experienced in most mainland jurisdictions.

The Interim Report recognises that Tasmania based educational pathways are insufficient to meet legislative requirements for professional roles such as environmental health. Addressing this area as a recommendation will assist in building local capacity. Changes in legislation to accommodate sub-degree qualifications for 'para-professionals' may be another solution to consider.

Remuneration will always remain a challenge to local government and indeed state government (as identified in the review of the Tasmanian State Service) competing with mainland organisations who have greater capacity to offer larger remuneration packages.

Perhaps the Board consider recommending an expansion on Recommendation 27 (among others) of the Review into Tasmania State Services to include workforce planning for local government:

*'That the Department of Premier and Cabinet develop an overarching 'ideas' partnership agreement with the University of Tasmania focused on areas of mutual benefit and with the broad objectives of improving outcomes for Tasmanians. That under the auspices of the new partnership, the TSS and UTAS explore opportunities, including to:*

- *build a shared capability to link and analyse administrative data*
- *work together on whole-of-service workforce planning*
- *consider the TSS's potential 'surge' capacity needs and the UTAS faculty structure required.'*

Greater detail is required to understand what financial models are being suggested in Statement 3. The local government sector has for many years been requesting a return of 1% distribution of tax revenue without success. Rather, Councils continue to have to rely on recurrent and non-recurrent competitive grant processes from limited funding pools.

Local Councils are able to raise revenue through rates, which can be subject to poor policy from some Councils, however it should remain a vehicle for Councils to use for revenue raising without fear of capping.

George Town Council supports Statement 4, however queries the effectiveness of scales of economies as suggested. Councils already have access to a broad range of discounted goods and services through LGAT Procurement, MAV Procurement and the National Procurement Network.

A number of collaborative procurement efforts, resourcing sharing and other joint initiatives have been explored by Northern Councils with and without success.

Examples include the establishment of the Northern Waste Management Group funded by a voluntary landfill levy in the absence of state government leadership. This program has many success stories including large funding initiatives, grants, awards programs and significant waste diversion across the region.

Other examples in the north, include the nationally awarded joint procurement exercise for legal services, development of a regional climate change action plan, establishment of a regional planning forum and appointment of a regional planning coordinator, regional response to cat management legislation through NRM North, establishment and ongoing support of Bell Bay Advanced Manufacturing Zone representing industrial interests across the Tamar Valley, establishment and ongoing support of Northern Tasmania Development Corporation as economic development and advocacy body, shared building and planning services, collegiate participation in Launceston City Deal, Greater Launceston Transformation Plan, among many others.

Northern Councils have explored common IT platforms to an advanced stage, which considered the innovative approach to have a centrally hosted cloud services by City of Launceston acting as a centre of excellence for IT services. This was not supported by leading vendors at the time.

Pursuing savings through perceived scales of economy needs will not always bear savings as the concept suggests. There are many failed examples to learn from. Inadvertent creation of monopolies should also be considered. The larger the contract the lesser the competition.

It may be that back of house functions associated with corporate services could provide savings and efficiencies, however George Town Council would urge the Board to consult with the Victorian State Government and the Gippsland Cluster of Councils to learn from their experiences prior to any reform of sorts in Tasmania. Prior to recommending reform in this area, the Board may wish to recommend that State evaluate the pending business case as per Recommendation 20 of the Review into State Services that calls for:

***‘That the government fund the Department of Treasury and Finance to review the potential scope, costs and benefits of consolidating transactional services in government into a shared service.’***

(Recommendation 34, is also of relevance here).

The fourth statement also refers to ‘community willingness and capacity to pay’ for services. Greater detail is required around how such is determined. For example, this measure already exists in legislation for the raising of rates. Councils ability to means test is generally limited to examination of capital value of rateable assets (as determined by TAVO) and through assessment of application of hardship. Greater and more regular surveys may be a part of the solution, however, Council have learnt that the community already suffers from consultation fatigue. Citizen juries as trialled in other jurisdictions may provide another vehicle for assessment, however, these are usually deployed in metropolitan areas where citizen engagement is somewhat further removed from the council than in regional and rural communities.

Recent initiatives in benchmarking and performance reporting such as the digital platform ‘*get to know your council*’, are a welcome step toward greater transparency and accountability. Council recommends a similar platform for state services. Further, Council believes the review should extended to consider state services that may be better delivered by local government.

## Future Vision - Infrastructure provision and management

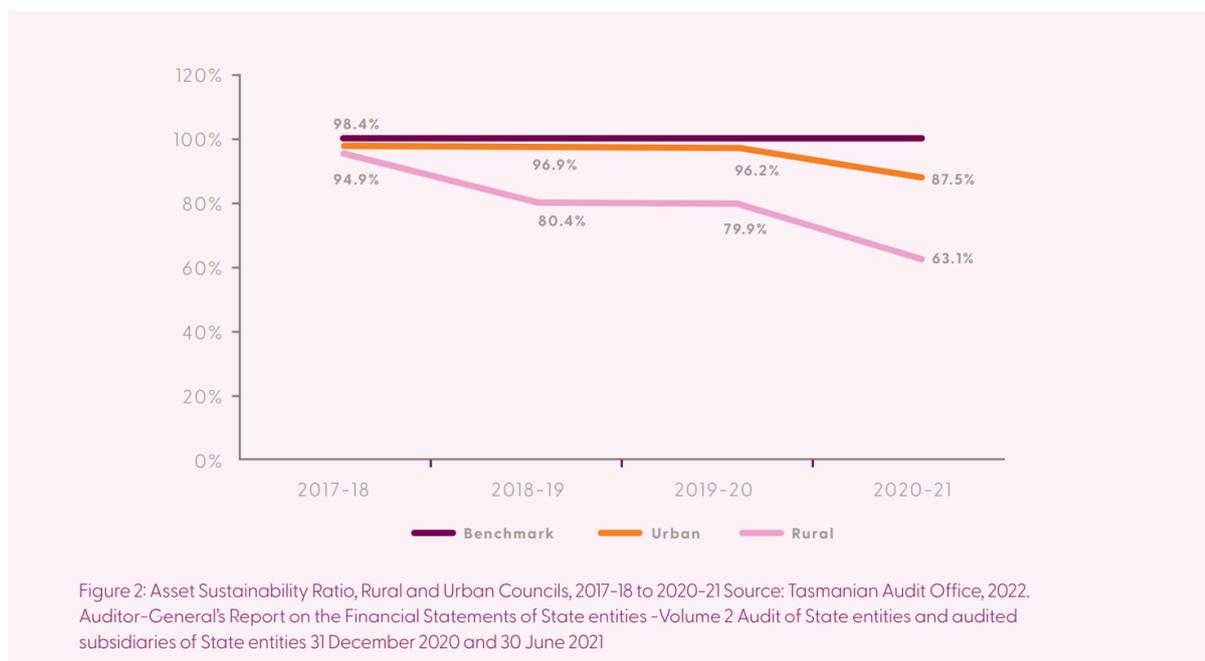
***‘Councils are coming under increasing financial pressure to maintain and renew their assets, while at the same time are being asked to meet a range of new service expectations’***

While this may be true, the data referred to within the report such as that in figure 2 below, should be contextualised. It would appear that most councils were investing in accord with the benchmark set by TAGO for renewal in the fiscal year 2017/2018.

Decline in renewal investment needs to be examined further. For instance, significant investment in infrastructure following the federal election in June 2022 ensued, which resulted in an increase of councils’ asset base. Further, the reduction in renewal investment in the 2019/2020 and 2020/2021 fiscal years is likely a reflection of COVID implications, where skilled labour and supply chains have been impacted, exasperated by unprecedented investment in infrastructure by all levels of government.

In George Town’s case, the renewal ratio was temporarily reduced to 85% to lessen the impact associated with loss of income resultant from zero rates increases and waiving of certain fees and charges, during COVID crisis.

It should also be noted that figures in investment in renewal may not be accurate where councils are recording the full cost of upgrading assets without apportioning adequate expenditure to renewal categories for the same asset classes. Likewise, if councils are not reducing the value of the asset base by the value of upgraded or replaced assets for application of renewal ratio, renewal investment levels will appear lower than actual.



A further examination of council owned assets and levels of service may be required to gain a full appreciation of asset management performance across the sector.

In response to the Boards observation that:

***‘Strategic asset management maturity and capability is highly uneven across the sector, and this is being exacerbated by skills shortages and a lack of clear regional coordination and cooperation’***

Council suggests that a Code of Best Practice for Asset Management be established in Tasmania as a recommendation. The reference to skill shortages namely civil engineers needs to acknowledge that asset management isn't the sole remit of the civil engineering profession. Many organisations employ the services of finance professionals to undertake this function successfully.

***‘Better consolidation and coordination of council civil works contracting would likely deliver better value for money.’***

Council welcomes this initiative, however, cautions the inadvertent creation of monopolies, including the establishment of any state owned entities that may resemble the City of Melbourne owned CityWide as an example. As the report acknowledges there already exists a small number of contractors that dominate the Tasmanian civil works market.

Consultation with the Civil Contractors Federation and State GBE's has occurred in the past with regard to pipeline projects. Aligning works in accord with priority will be a challenging exercise to do without a robust framework for assessment of 'priority' in place. Care needs to be exercised to ensure the smaller more remote communities aren't further disadvantaged.

Council rejects the notion of the 'spill over effect' as referenced by the City of Launceston, for reasons outlined in George Town Council's own submission which has been omitted from consideration for contextual comparison or simply past over for inclusion in the interim report.

*You don't build a regional size facility such as an Aquatic Centre, advertise it on free to air commercial television and not expect population from the region to use it.*

The submission by Launceston lacked sufficient data to support the argument of the spill over effect. How many from other municipalities are using the facility before and post work in the CBD? What is the ratio of subsidy to non Launceston residents? Has alternate fee schemes been considered? The lack of a sound evidence base for the 'spill over effect' should render the notion inadmissible as a concern or consideration in the review process.

The economy of cities are dependant on transient populations. What would happen to retail and cultural facilities should the CBD be off limits to non Launceston residents?

### **Future Vision – Finance and administration**

Council supports this vision statement, however, makes the following remarks.

Council is concerned that the data used to examine operational performance in terms of deficit/surplus needs to be revisited. The ten-year average does not reflect the strong financial position of George Town as example. George Town Council has delivered surplus each year for the last four years, maintaining high level of services and capital works delivery, as communicated through publicly published quarterly performance reports and annual reports.

It is agreed that procurement and contract management practices could be improved through support of state wide delivered accreditation courses and a sector wide framework, and likewise for project management.

The report acknowledges that the sector employs approximately 3,500 FTE. Consideration should be given to the impact on local communities particularly in remote and rural locations should services be centralised at a regional basis. A sector wide demographic analysis may demonstrate that the local government sector provides benefits beyond direct employment that far outweigh benefits of centralisation. In fact, other jurisdictions are decentralising state services to boost populations and economies of regional and remote areas.

Consideration should be given to the likely investment in rural areas of wind farms and the rate revenue generated for councils. There will be a significant amount of wind farms located through Tasmania to meet the States 200% renewable target and the energy demands associated with hydrogen production and Marinus Link. This infrastructure increases capital land values and results in additional rates to beneficiary councils.

### **Future Vision – Planning and other regulatory functions**

***‘Fragmentation in strategic land use and infrastructure planning, funding, and delivery is a real issue, despite regional structures designed to improve coordination.’***

Council does not support this statement. Regional Land Use Strategies are over restrictive and do not accommodate for local approaches to market demands, but rather provide the Planning Commission with rigid assessment process for supply and demand that is not always a rational approach to responsible land use planning. The northern collective of councils have progressed preparing amendments to the NRLUS as a result.

It should be noted that the existence of interim local planning schemes dating back to 2013 does not provide the sector with confidence that state governance or a state controlled regional planning body would be a more effective vehicle to administer the planning process. It should be noted that Major Projects Bill amended planning legislation for the state to oversee the planning process where projects are deemed of regional or of state significance. Council is aware this process has been enacted for a large wind farm proposal in the North-East and looks forward to learning how the process performs.

The following statement is being addressed by the development of a state-wide infrastructure guideline:

***‘Approval of new developments can impose costs on councils and their communities in terms of new infrastructure requirements (or impacting existing infrastructure). If not managed well, this can lead to unfair cost distribution and subsidies, and substandard infrastructure.’***

Well-functioning examples of council led collaboratively developed guidelines exist in other jurisdictions such as the Infrastructure Design Manual in Victoria.

***‘Funding mechanisms also play a role here. Local councils fund infrastructure through a combination of self-funding and capital grants from the State and Australian Governments (e.g., Roads to Recovery, the Local Roads and Community Infrastructure Program, and other Specific Purpose Payments). While over the last four years 75.8 per cent of councils’ capital spending was self-funded<sup>15</sup>, in general terms rural councils rely more heavily than urban councils on grants funding, as they have less capacity to raise own-source revenue.’***

While this statement may be true, it is the role of the State Grants Commission to employ a methodology for distribution of the Federal Assistance Grants to councils on a means basis to ensure rural councils get a fair share. A similar approach has been applied to the distribution of GST to the states. Again, lessons can be learnt from councils elsewhere in Australia that have large road networks with declining populations and declining rate bases resultant from the expansion of mega

farms. Ironically, mega farms are serviced by increasingly heavier machinery placing even further pressure on road networks.

***'There is disagreement over whether councillors' role as approvers of controversial development conflicts with their role as community representatives.'***

The role of council as Planning Authority is critical in ensuring local context is being considered, particularly with regard to local planning policies such as Special Area Plans, Precinct Structure Plans, requests to amend zones etc. The role of councillors sitting as a Planning Authority in a statutory capacity is clear. There already exists appropriate appeals processes should decisions of councils be challenged including if there is a perception of conflict. Removing this function from councils reduces local knowledge and application of the planning scheme and removes another step in the approval and appeals process.

***'Councils lack the expertise needed to assess and plan for complex developments and impacts.'***

The LUPPA includes provision for Major Projects to be assessed where the development is deemed to have regional and or state-wide impact, leaving development applications of local impact for councils to administer. It is the role of the general manager to ensure that qualified advice is obtained for councils to make an informed decision, including when council is sitting as a planning authority. This can include using internal and/or external resources. The same pool of resources will remain across the state regardless of the model considered for future planning assessments. There needs to be improved education opportunities, employment pathways and incentives to increase the resource pool, rather centralise the service.

It should be noted that it is incumbent on the applicant to source external expert advice to demonstrate adherence with the planning scheme upon application or request for further information. Applications are also referred to regulatory bodies for assessment including but not limited to the EPA, Taswater, and DSG etc. This collective of information ensures planners can adequately assess applications, including those of a complex nature.

### **Future Vision – Economic Development and Local Promotion**

George Town Council supports this vision statement, however, would add the capacity for councils to play a partner role in commercial opportunities, provide incubation and acceleration support to kickstart new business ventures where a community benefit can be identified.

***'There is often misalignment of economic development planning and activity between councils, regional development corporations and the State Government.'***

There exists in the north of the state successful examples of regional and place based collaborations for economic development, including the industry lead Bell Bay Advanced Manufacturing Zone which is financially supported by the Tamar Valley councils in addition to industry members.

The Northern Tasmania Development Corporation (NTDC) is another example of a regional economic development body which has brought success to the north through advocacy efforts and partnerships including the UNESCO City of Gastronomy. We know that both state and federal governments value regional bodies with regional priority investment plans.

Regional Development Australia (Tas) is a formal arrangement between federal, state and local government existing for the pursuit of economic, social and environment development of local communities.

There also exists bodies in other domains that have clear cross into economic development and investment, including Visit Northern Tas which has alignment with state plans such as T21 and Brand Tasmania. Others include the Office of the Coordinator General which facilitates largescale investment opportunities and has developed a number of state wide and place based investment prospectus.

There are various other localised bodies including chambers of commerce, business advisory groups, destination action groups etc.

Investments in economic development and local promotion may vary by council to council. However, it would appear the area for greatest impact on improvement is a statewide framework in which each region (and sub region) of the state can align and benefit. This work is already well underway through Tourism Tasmania, Brand Tasmania and others.

Opportunities for local government to participate in the care economy and early year's education economies should be explored further. Place based approaches tailored for communities may prove to also deliver a higher level of service and relieve pressures on the state.

***'Current models of grant funding can discourage collaboration on regional economic development'***

This statement perhaps reflects more on the grant criteria than the lack of will to collaborate at a regional level. The NTDC Regional Priority Projects is example of a collective plan.

**Vision Statement – Environment**

George Town Council supports this vision statement, however, would like genuine consideration to be given to redirecting state resources to councils to manage crown land within municipal boundaries especially with regard to regulatory functions, such as litter control, feral animal (and domestic) animal management, weed control, conservation land management.

**Councils need to respond to climate change across several competing fronts**

Council agrees with this statement, however it has to be acknowledged that all level of governments have a significant role to play in adaptation, building resilience and mitigation.

Effective planning will reduce the exposure and impact of future developments, however much investment is needed to upgrade existing infrastructure for adaptation and in some cases retreat strategies may be more cost effective.

**Vision Statement – governance**

George Town Council supports this vision statement.