

# *National and international trends in local government and their relevance to Tasmania*

## Board Reflections



May 2022

*“While Tasmania remains a unique and special place, we are also increasingly connected, economically and socially, to the rest of the country and to the broader global community. It is crucial that the Board understands how other places with similar institutional traditions and values to our own are re-shaping local governance to better meet their communities’ needs.”*

*“In taking a broader view, we want to encourage Tasmanians to think about how we could adopt or adapt some of these emerging, innovative approaches. As we move through the Review process, our hope is that this will help Tasmania to have a more informed conversation, and leave behind the pitched battles and conflict that has characterised local government reform discussions here and elsewhere over the past 30 years.”*

The Hon Sue Smith AM, Chair

As part of Stage 1 of the Future of Local Government Review (the Review), the Board has commissioned the University of Tasmania (UTAS) to prepare a series of research papers to provide important context to our work and support the public discussion about possible future directions for the local government sector.

*National and international trends in local government and their relevance to Tasmania* is the second in this series, and follows on from the first paper on the evolution of local government in Tasmania.

The paper outlines the varied approaches to local governance across multiple jurisdictions and contextualises them to Tasmania. Importantly, it considers the key reform trends emerging both nationally and internationally, offering pertinent lessons and insights for the Board as we move closer to identifying potential reform directions and opportunities to explore further in Stage 2.

While Tasmania is a unique place with its own needs and priorities, the Board recognises there is much to be gained from identifying common trends in local government at an international level and observing the strategies and supporting insitutional architecture being implemented by other jurisdictions to support local government to deliver for communities in a changing world.

With Stage 2 (commencing from July) focused on identifying and testing reform options, now is the time to look beyond Tasmania's own historic efforts and draw both comparison and inspiration from our national and international counterparts. By learning from their successes and challenges, the Board is better placed to identify opportunities that will strengthen and enhance the local government sector in Tasmania.

## LESSONS FROM THE MAINLAND (AND WELL BEYOND)

- The UTAS paper puts Tasmania's system of local government in the national context, noting that:
  - Tasmanian councils are, on average, smaller in terms of both population and land area terms than on the mainland.
  - Council spending on broad functions – such as roads and transport, health, recreation and culture – are broadly consistent with other Australian states. Tasmania also shares a trend for an increasing proportion of spending on health and community services.
  - Tasmanian councils spend less but also raise less revenue from rates on a per capita basis, with a higher than average reliance on financial assistance grants.
- Going beyond this, however, the Paper also looks at recent emerging global reform trends and practices.
- While the size and responsibilities of local government vary from place to place, structural reform has been on the agenda across a number of western democracies.
- UTAS analysed the recent efforts of France, New Zealand, Ireland and Canada (as well as those undertaken in other Australian jurisdictions) to identify the following as key global reform trends:
  - *Centralisation, efficiency and economies of scale*
  - *Governance, conduct, transparency and accountability*
  - *Community development, wellbeing and 'place-shaping' roles*
  - *Representation and regional governance*
  - *Sustainability, climate change and environmental stewardship*

- There are clear parallels between these global trends and the [Themes](#) outlined by the Board at the outset of the Review.
- Community and stakeholder feedback to date has also touched on a number of these trends and their potential implications for the future of local government in Tasmania.
- It is encouraging to note that our key areas of inquiry align with work being done internationally, ensuring that Tasmania is not left behind as community needs and expectations shift in response to the world around us.
- The Board is taking a particular interest in the local government review currently underway in New Zealand, which will serve as a unique opportunity for shared insights and learning between our jurisdictions.
- Tasmania is no exception, with the gradual shift creating challenges for local government in both infrastructure provision and service delivery.
- While there is no easy answer to dealing with these issues, UTAS notes that the assumed “constant tension” often cited between local democracy and enhancing efficiency may be an outdated school of thought as new and distinctive roles for local government are established.
- UTAS notes an emerging emphasis is being placed on the importance of understanding “where local matters” in terms of both local community preferences and the efficacy of services - and where it may be less important - and the various approaches that can support local government in delivering efficient and effective outcomes for their communities.

## CHALLENGING ISSUES REQUIRE CREATIVE SOLUTIONS

- Despite the varied efforts that have been made by our interstate and international counterparts, the success of local government reform has been mixed. This is particularly true for reform that seeks to achieve greater centralisation and economies of scale, where local-level political opposition has often made implementation of ambitious structural reform extremely difficult to deliver.
- Regardless, the issue of financial sustainability and the need for efficiency continues to feature in most reform agendas, and indeed represents a global trend informed in part by urbanisation.
- This is because the key pressures driving these trends – in particular certain demographic realities – persist in almost all advanced Western economies - in almost all OECD countries, metropolitan centres have experienced much stronger population growth relative to regional or remote communities.
- When viewed through this prism, innovative shared or centralised service models can potentially be pursued in parallel to, and in support of, structural and administrative changes that nonetheless preserve local influence over those services where it can be shown to add value and improve outcomes.
- The Board has a strong interest in exploring further the potential of these kinds of approaches, and has asked UTAS to focus on this topic in its forthcoming Research Paper 3.

## NAVIGATING EVOLVING EXPECTATIONS

- As the tier of government closest to the people, it is perhaps unsurprising that the paper cites the shift from ‘services to property’ to ‘services to people’ as a key trend in local government in Australia and around the world.
- Indeed, councils are uniquely attuned to the challenges and opportunities of their municipalities, playing an integral role in preserving and promoting community identity.
- UTAS notes that, as in other Australian jurisdictions, spending by Tasmanian councils on recreation and cultural services has increased significantly in recent years.
- With increasing expectations from communities in terms of community resilience and wellbeing comes the need for new and tailored responsibilities for local government that, naturally, present new funding and service delivery challenges.
- Community expectations are also changing in terms of the accessibility, responsiveness, and effectiveness of local elected members and the processes through which local government engages with its community.
- Additionally, for communities to be effectively represented and their interests supported, factors like councillor conduct and accountability all need to be carefully considered.
- Across Australia in particular, there has been a clear emphasis on good governance at the council level, and ensuring that communities can have confidence in the capacity, competency and integrity of their local elected members.
- The UTAS paper highlights developments such as compulsory training for elected officials and sophisticated ongoing public facing performance

reporting mechanisms like Victoria’s ‘Know Your Council’, among others.

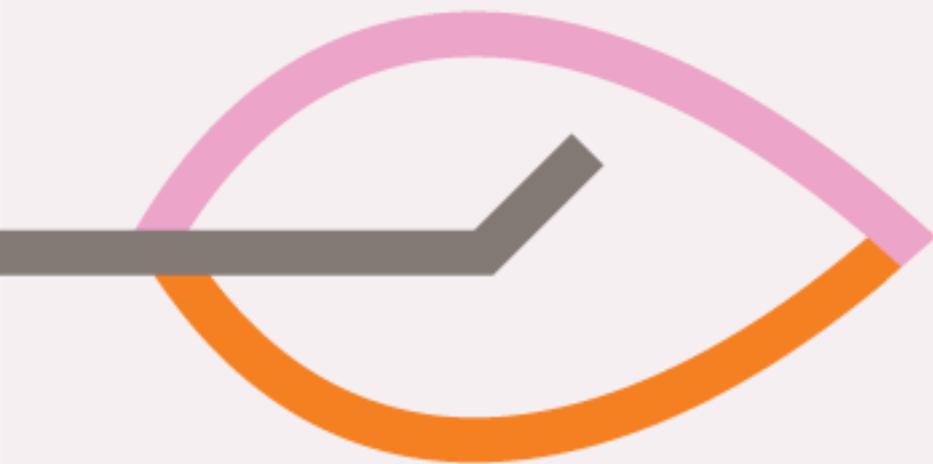
- The Board will consider the approaches outlined in the paper and their relevance to Tasmania to consider what further reforms might be required to ensure Tasmania’s local government sector is transparent, accountable and capable of meeting the evolving needs and expectations of their communities.

## ONE SIZE DOES NOT (AND CANNOT) FIT ALL

- While the case studies presented in the paper offer useful insights into the reform efforts of other jurisdictions, what works (or does not) will differ from place to place.
- The Board is keenly aware that Tasmania possesses its own characteristics and priorities that will ultimately shape the outcomes of this Review.

To read the full report, go to

<https://www.futurelocal.tas.gov.au/publications/>.



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