

FUTURE OF TASMANIAN LOCAL GOVERNMENT REVIEW

By your side



Australian Services Union Submission
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Key Recommendations

1. The review should recognise the value of the localized nature of Tasmanian Local Government and not consider damaging council amalgamations.
2. Consideration should be given to expanding the responsibilities of Tasmanian Councils in line with other states, particularly concerning the delivery of library services.
3. The review should consider what mechanisms or support that Government could provide to encourage councils to bring services back in-house. This should include a transparent review of currently contracted out services before contracts are renewed.
4. Steps should be taken to improve transparency of Local Government decision making – both through mandatory recording and online transmission of council meetings, and regulations to prevent councils exploiting closed council meetings under the guise of “commercial-in-confidence” to evade requirements under workplace instruments.
5. Any use of shared services or consolidation of functions across councils should ensure that workers are in no way worse off and prevent the use of partnership arrangements to diminish wages or conditions for local government staff.

6. General Manager and council leadership salaries should be made fully available to the public, including non-salary benefits.
7. Councils should be required to collect and publish data around their use of outsourced staff and labour-hire agencies to deliver council services.
8. Councils should be required to consult their communities (including the council workforce) regarding budget planning, service delivery and service provision decisions in line with best value principles.
9. Training for Councillors must be both mandatory and ongoing, and should include more detailed education on governance, their obligations to provide a safe workplace (via the General Manager), legal liabilities, financial literacy, decision making in the community interest, and enacting policy change.
10. Further levels of intervention should be added to respond to code of conduct breaches or community concerns around council functioning – the ability for the appointment by the State Government of a municipal monitor to work with the council to address governance or cultural issues. Options should also be considered for community-initiated Board of Inquiry if requisite community support is achieved.
11. A Gender Equality Act for Local Government should be introduced, placing requirements on councils to take positive action towards achieving gender equality.

Background

The Australian Services Union (ASU) is one of Australia's largest unions representing over 135,000 members across a diverse range of industries. The Australian Services Union Victorian and Tasmanian Authorities and Services Branch represents workers in Tasmania's local government sector. We welcome the opportunity to provide feedback into the Future of Local Government Review and appreciate the effort that has been taken in the preparation of the research papers and the establishment of consultation plans.

Created in 1993, the ASU brought together three large unions - the Federated Clerks Union, the Municipal Officers Association, and the Municipal Employees Union, as well as several smaller organisations representing social welfare workers, information technology workers and transport employees.

Our approach to this submission has been to focus on ways in which Tasmanian Local Government should be reformed to better protect the local government workforce, and thus the delivery of quality local services. Our submission focuses on the scope of local government, improving transparency and accountability, and measures to address community concerns or cultural issues within councils.

Recommendations

Scope of Local Government

- 1. The review should recognise the value of the localised nature of Tasmanian Local Government and not consider damaging council amalgamations.**

Council amalgamations have been viewed as a cure all fix for council problems for a long time, despite all the evidence to the contrary. There is, however, evidence that Tasmanian councils already provide services efficiently, and that many of the stated benefits of amalgamation can be achieved simply through shared services like joint IT systems.

Amalgamation also means a loss of tailored services, that meet the needs of their specific community. Again, evidence shows that just amalgamating a group of smaller councils won't work if they don't share a population centre. What it has been shown to have done in Tasmania in previous amalgamation efforts, in fact, is remove jobs in some of our smaller regions, where councils are the largest employer, and replace them with more management roles.

Reviewing research¹²³ into council amalgamations and their purported benefits highlights the folly of this approach – council amalgamations in other regions have not returned the savings promised by commercial consultants, are rarely done in proper consultation with the community, risk service quality and local connection, and often result in an increase in staff expenses due to increases in middle management staff numbers.

2. Consideration should be given to expanding the responsibilities of Tasmanian Councils in line with other states, particularly concerning the delivery of library services.

As acknowledged directly in Research Paper 2 of this review, a key trend in local government services internationally, along with research and policy reviews, is the increasing role that local government can and should play in improving community wellbeing and delivering local services and education programs.

Expanding Council responsibilities to include library services is a natural starting point for further consideration of what community support services would be best delivered through Local Government. Further, consideration should be given to allocating local government the responsibility for local social and community services and outreach services, as opposed to the current council by council approach on delivery of services. Essential youth services, family violence outreach and education, maternal and child health and all examples of services best delivered by organisations with the local connections and local understanding of councils.

3. The review should consider what mechanisms or support that Government could provide to encourage councils to bring services back in-house. This should include a transparent review of currently contracted out services before contracts are renewed.

¹ Research Reveals True Cost of Amalgamation, *Judy Skatsoon, GovernmentNews.com.au, November 2020*

² A Cautionary Tale: Council Amalgamation in Tasmania and the Deloitte Access Economics Report, Joseph Drew, Michael A. Kortt & Brian Dollery, *Australian Journal of Public Administration*, March 2013

³ Do Municipal Mergers Improve Technical Efficiency? An Empirical Analysis of the 2008 Queensland Municipal Merger Program. Dana McQuestin, Joseph Drew & Brian Dollery, *Australian Journal of Public Administration*, October 2017

Local Government has a reputation for the delivery of high-quality services, particularly in comparison to the private sector. This reputation cannot be disconnected from the stability and depth of experience that has been a characteristic of the local government workforce.

We do not support the delivery of local services by the private sector; either by contracted out arrangements or by way of public-private partnerships however described. The private sector – operating on a ‘for profit’ basis – simply does not have the commitment to public service which has been demonstrated by the local government sector.

There have been a growing number of municipalities across Europe that have ‘re-municipalised’ previously outsourced services resulting in savings, better services, and better local employment outcomes. We believe any plan to improve council service delivery must include a requirement for the Council to, in the first instance, conduct an assessment on whether returning outsourced services to in-house control is a more effective way of delivering the service, and, secondly, allowing an in-house bid on any outsourced services. Prior to the expiration of any contracts between Councils and external suppliers, councils should be required as a matter of course to consider the option of internal service provision and/or the creation of an In-House team to tender for the provision of the service.

Council Transparency and Accountability

- 4. Steps should be taken to improve transparency of Local Government decision making – both through mandatory recording and online transmission of council meetings, and regulations to prevent councils exploiting closed council meetings under the guise of “commercial-in-confidence” to evade requirements under workplace instruments.**

True local democracy requires that the public have access and a line of sight over the decisions made by their elected representatives. In the same way that Federal and State Parliaments are streamed online

and fully recorded through Hansard, the ASU would like to see a requirement for all Tasmanian council meetings to be both streamed online and recorded and uploaded for viewing by the public.

Further, a particular concern for the council workforce is councils using Closed Council meetings, under the guise of “commercial-in-confidence” discussions, to prevent workers and their union representatives from being consulted to the level required by workplace instruments. The same applies to council reluctance to provide documents requested under of the Right to Information Act 2009 (Tas.).

Council Customer Service Charters and policies should have strict timelines for when council is to respond to information, clear timeframes on the release of information and should require clear reasons why requested information has been refused, including meaningful appeal processes. We also believe the definition of ‘public interest’ needs to be tight enough to ensure it is not wrongly invoked to keep information away from public hands.

5. Any use of shared services or consolidation of functions across councils should ensure that workers are in no way worse off, and should prevent the use of partnership or beneficial enterprise arrangements to diminish wages or conditions for local government staff.

As a union representing local government employees the ASU knows that services are best delivered by dedicated local government sector employees in an environment where skilled and compassionate service delivery is valued.

As such, the ASU does not support shared resource joint enterprises or shared services by agreements where this involves the participation of parties who are not local government bodies. Specifically, the ASU does not support shared resource arrangements which involve contracting out of local government functions or public-private partnerships involving the private sector in local government service provision.

Contracting out of such services on a shared service model inevitably leads to a lowest common denominator approach which results in poor levels of service provision, reductions in pay and conditions for

employees and the loss of skilled employees from a sector which is already under pressure from skill shortages and expertise in key areas.

To address these concerns, we believe measures must be developed that will prevent councils using Shared Services to evade their obligations under workplace instruments.

6. General Manager and council leadership salaries should be made fully available to the public, including non-salary benefits.

General Manager and council leadership salaries are currently published in an opaque manner, reported as the number of people in each salary bracket rather than in a fully transparent manner that includes non-salary benefits. This information should be made publicly available in annual reports, including non-salary benefits, for purposes of transparency and accountability.

7. Councils should be required to collect and publish data around their use of outsourced staff and labour-hire agencies to deliver council services.

The ASU believe that to improve service delivery there must be vastly improved transparency regarding the current state of council service provision. Councils should be required to obtain workforce information from their contractors and report same to the public, shedding some light on the quality of contractors they've engaged and allowing ratepayers the chance to see how their money has been spent.

This should include a requirement to:

- i. Provide data on numbers (headcount and EFT) of workers employed through labour hire or contract agencies, the spend per agency, length of engagement of workers, and the areas in which they are employed to the annual Know Your Council survey
- ii. Publish cost-benefit analyses to support any new or increased use of labour hire
- iii. Disclose the details of any labour hire contracts
- iv. Properly monitor and publicly report on contractor performance

v. Maintain a register of beneficial ownership.

8. Councils should be required to consult their communities (including the council workforce) regarding budget planning, service delivery and service provision decisions in line with best value principles.

We believe councils should be obliged to regularly consult their community regarding available services, including the extent to which services are provided, and seek to ascertain if council is not presently offering a service the community would like to see provided.

The council should be responsive to community needs, including around the provision of new services. Council should have regard to the implications for local employment creation and/or retention when determining its service delivery programme and its service delivery model, with a default position favouring the creation and retention of local jobs.

Consultation with the local community regarding this question should also be a requirement, with full justifications provided on why council (in situations where it has chosen to do so) decided on a course of action resulting in job losses due to cuts to services. We believe these points, especially regarding local employment, are significant issues for rural councils where local employment opportunities are scarce, and indeed, alternative service providers (whether public, private, or non-profit) simply do not exist.

Addressing Cultural Concerns

9. Training for Councillors must be both mandatory and ongoing, and should include more detailed education on governance, their obligations to provide a safe workplace (via the General Manager), legal liabilities, financial literacy, decision making in the community interest, and enacting policy change.

The ASU would like to see Councillors provided with a better understanding of their rights and obligations regarding the workplace – they should clearly understand the limits of a General Manager’s power and what factors to consider when appointing a General Manager, and should be provided with an understanding of Council budgets and how best to address the public interest in Council decision making. Councillors should further be advised of their obligations to provide a safe workplace.

Training provided to Councillors must be mandatory, should be ongoing throughout the Council term, and should include both practical skills in organisational governance and support in understanding how Councillors can achieve their policy goals, following the example of the McKinnon Institute for Political Leadership and the ALGWA Mentoring Program. This training should be established operated and funded by the State Government.

Key topics that the ASU believes should be addressed in Councillor training include – how to determine whether a decision is in the overall best interests of the community, rather than the short-term budgetary interest of the Council, decision making skills, governance skills, what to expect from budgets and contracts presented to them by Council officers, their legal liabilities, and best practices for hiring General Managers that will act in line with community interests.

10. Further levels of intervention should be added to respond to code of conduct breaches or community concerns around council functioning – the ability for the appointment by the State Government of a municipal monitor to work with the council to address governance or cultural issues. Options should also be considered for community-initiated Board of Inquiry if requisite community support is achieved.

The all or nothing approach to addressing disputes at Councils needs to stop, both for the good of staff and local democracy. Too often regulators fail to act on complaints by workers, Councillors or the community until the situation is entirely untenable, (or attracts the attention of media or the wider public.) At this point Councils are replaced with expensive administrators and duly elected Councillors sacked, while the community loses the right to choose their representatives.

Along with more prompt action when concerns are initially raised, there need to be more intermediate points of escalation before a Council is dismissed, given the impact this dismissal has on the community. The steps introduced in recent reforms of the Victorian Local Government Act should be considered here - a requirement for all council administrations to have an independent complaints mechanism; ministerial appointment of a Municipal Monitor to enable Government to monitor compliance, establishing a trigger for further intervention if required; establishment of provisions to suspend councillors who compromise their council's ability to deliver good governance.

Further, the ability for the community to initiate investigation into a council, or the appointment of a Board of Inquiry, so long as the requisite level of community concern can be demonstrated, should be considered.

11. A Gender Equality Act for Local Government should be introduced, placing requirements on councils to take positive action towards achieving gender equality.

Councils have a responsibility to lead on matters of gender equality and set an example for their communities and for private sector employers.

The establishment of a Gender Equality Act⁴, per the Victorian Gender Equality Act 2020, should be considered to require councils to develop and implement Gender Equality Plans, conduct, and publish, a workplace gender audit and public reports on their progress in relation to workplace gender equality, and complete gender impact assessments for council decisions.

We appreciate the opportunity to provide a submission to this state of the review. The ASU, and ASU members working in Local Government, are keen to participate further in the review and happy to

⁴ About the Gender Equality Act 2020, Commission for Gender Equality in the Public Sector, <https://www.genderequalitycommission.vic.gov.au/about-gender-equality-act-2020>

provide more feedback on matters raised in this submission. For any queries regarding matters raised in this submission please contact ASU Tasmanian Coordinator Aaron De La Torre via adelatorre@asuvictas.com.au.