

Future of Local Government Review

Stage 1 Interim Report - Council and Peak Organisation Submissions Analysis



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THE ROLE OF LOCAL GOVERNMENT IN THE 21ST CENTURY

In Stage 1 of the Review, the Local Government Board (the Board) identified the need to reach a clear community consensus on the future role of local government in Tasmania as the single most important task for the Review. Having a clear role will set the parameters for considering the changes necessary to deliver a system of local government that can successfully and sustainably deliver on that role.

To support that exercise, we developed a high-level role statement, capturing three key areas that we think could underpin the future role for local government in Tasmania. The statement is based on our research and engagement feedback in Stage 1. The role statement can be found [here](#).

Council and Peak Organisation Submission Findings

Of the 18 council submissions received by the Board, 16 provided their views on the proposed role statement. Two of the three peak organisation submissions also provided their thoughts on the role statement.

Differing views on defining councils' role

Broadly, the submissions expressed support for the concept of a role statement for local government, noting the need for a clear description of the contemporary role of local

government for the sector and the community.

While a majority of councils supported a role statement in principle, many did not support the specific statement developed by the Board. A majority considered it was too high level in its current form to provide practical guidance and noted they would prefer a role statement which more clearly defined and detailed the specific roles and functions of councils.

A number of councils noted that, in alignment with the role statement, they are taking on a greater role in supporting the health and wellbeing of their communities. Most councils, as well as the peak bodies, are pleased with this shift, believing local government is best placed to support wellbeing at the local level. However, it was noted that a lack of formal clarity around councils' role means that there is a clear gap in councils' capacity and funding.

We observe that there is a shift underway with councils' role having greater focus on providing for the wellbeing of their communities and that a clear role statement could help support capability building and new funding arrangements for local government.

A small number of councils did not believe a role statement was necessary, as councils' role under the existing *Local Government Act 1993* (the Act) is sufficient. One council noted that they believe councils should stick

to their traditional, core role as ‘asset manager’, and that they do not have a role in addressing climate change or other environmental and social issues. This view is based on what councils are currently doing under the existing capacity and resourcing constraints, but does not necessarily consider what councils’ role might be if they were given a broader mandate and resourced appropriately to deliver on it.

Tensions with formalising councils’ role

Many councils expressed reservations towards the idea of legislating a role Charter. The main reason for this is that councils are concerned that a legislated Charter might be too prescriptive, limiting councils’ ability to be nimble to respond to bespoke local needs.

It appears that there are tensions between councils wanting greater role clarity, and concern that legislation of a clearer role will remove councils’ ability to respond to local issues or fill service gaps. This reflects ongoing challenges with councils’ having to act as ‘providers of last resort’ – providing key community services where other levels of government or private markets have failed.

The Board observes that there are perceived risks that enshrining a Charter into the Act would constrain local councils, limiting their ability to respond to unique situations or issues at the local level and consequentially having services vanish from rural areas.

It has been noted by members of the community, the sector, and key stakeholders that any reform options regarding councils’ role must strike the right balance between providing much needed clarity and certainty, but not being overly prescriptive so as to

remove councils’ ability to respond effectively to local needs.

We note that if a Charter was developed and legislated, it would replace the existing definition of councils’ role, which we have widely heard is too ambiguous. The purpose of the Charter would be to establish a statement of local government’s role which more accurately describes council’s role in the 21st century moving forward. Any Charter would be developed in close collaboration with the local government sector and should not overly constrain the need for some elasticity in councils’ role.

Council perspectives on where ‘local’ matters most

A range of services were identified by councils as benefitting from ‘local’ design and delivery, including:

- recreational facilities (including playgrounds, sports grounds, and halls)
- cycle paths and footpaths
- animal management
- by laws
- emergency management and recovery
- street cleaning
- local strategic land use planning and development assessment
- asset management, planning and maintenance
- plumbing compliance
- childcare
- community policing – working in partnership with local police and community to identify and address local concerns and issues.

Some councils also noted that there are a range of existing council services which are more generic in delivery across the State and may benefit from being undertaken at a regional or statewide level. These include:

- waste management
- procurement
- climate mitigation
- IT
- corporate services
- managing bridges
- major project assessment
- regulatory functions including building permits and environmental health.

Most councils who provided submissions support the need for greater scale and service consolidation, at least for some services. However, there are differing views on the best ways to achieve this. There appears to be two main perspectives in the sector on the best approach to achieving economies of scale - the first is having fewer, larger councils and the second is having greater utilisation of centralised service sharing arrangements.

For example, one council noted it would be a poor outcome for the Review to create regional organisations while also maintaining the current number of councils. Similarly, reducing councils and creating more regional bodies would risk leaving the same number of bureaucracies, mitigating the potential for any efficiencies to be gained from the Review.

This view was supported by a number of councils who noted that structural reform to establish more regionally aligned councils should be considered before the creation of any regional service delivery bodies. Their contention is that this would provide councils with the capability and capacity to deliver a broader range of services more effectively and efficiently for their region, while still retaining sufficient local voice and representation.

Councils want to be supported to participate more in service design and delivery where they can add value

It was expressed by a number of councils that the Review needs to consider the potential reallocation of services between levels of government or other entities as a 'two-way street'. In considering where local matters most, it was identified by some councils that there are a number of services which could benefit from local design and/or delivery, contingent on funding and capability. These include Service Tasmania, libraries, or child and family centres.

Some councils also mentioned they are willing to expand their role into areas such as childcare and housing, where issues could be addressed by innovation at the local level. Both our councils and peak bodies identified that councils' strength in the 21st century will be in designing and delivering place-based services, delivering tailored outcomes to their communities. We agree that there is merit in determining what services might be delivered locally, to achieve better outcomes for Tasmanians.

CAPABILITY FOR THE FUTURE: SUCCESSFUL AND SUSTAINABLE COUNCILS

In Stage 1 of the Review we developed a set of five ‘capability and outcome aspirations’. In broad terms, these statements describe what we think should be the defining features of a successful and sustainable system of local government for Tasmania in the 21st century.

The aspiration statements, and how they will help the Review going forward, can be found [here](#).

Council and Peak Organisation Submission Findings

12 of the council submissions addressed the capability and outcome aspiration statements. These submissions all expressed support for the aspiration statements. This support varied from some councils supporting them in principle or at a high level, to other councils noting that they think the aspirations provide clear and valuable direction to underpin the development of reform models and monitor and benchmark future council performance.

It was also observed under the *Efficiency, Effectiveness, and Equity* capability aspiration that there will be natural differences in the services delivered in rural, regional areas and cities. It was noted that smaller councils must often step in to support essential services such as general practices and broader wellbeing services such as gymnasiums. We note the importance of ensuring that any model of consolidation must ensure equity of representation, investment and service provision across rural and city areas.

It was also noted by some councils that there are a range of structural issues which need to be considered for the aspirations to be realised, including:

- recruitment and retention of skilled employees (across local government nationally)
- deficiencies in educational pathways for professional roles needed to meet legislated requirements (environmental health officers)
- councils’ ability to pay competitive remuneration

We are pleased to see broad support for the aspiration statements as positive and meaningful descriptors of good outcomes for local government and communities. We also consider they should guide the changes that needs to be made to ensure these aspirations can be realised.

ISSUES, OPPORTUNITIES AND CHALLENGES

For each of its seven Review themes, we developed a 'Future Vision' statement. These statements have been designed using our understanding of the future role of local government and the Capability and Outcome Aspirations discussed above. The Future Visions can be found [here](#).

Council and Peak Organisation Submission Findings

A number of councils made detailed submissions on the future visions and the opportunities, issues and challenges under each of the Review themes more broadly. A summary of key comments and issues highlighted by councils are below. There are broader observations made by individual councils, which can be found in their individual submissions [here](#).

Infrastructure Provision and Management

Many councils suggested that Tasmania needs a best practice guide for asset management. It is observed that there is no consistency of asset lives and depreciation across Tasmania, leading to inconsistent practices between councils and a lack of transparency as to why this is the case.

Many councils also expressed a hesitancy to support the notion of regional or statewide infrastructure management bodies. It was often noted that councils are well placed to respond to immediate urgent infrastructure replacement and repairs, and that they believed existing centralised infrastructure management models were no more effective at managing major infrastructure such as state-owned roads and highways.

It was also regularly mentioned that funding models could be improved to help councils equitably fund the management of their infrastructure (such as the existing Roads to Recovery funding).

Finance and Administration

Several councils noted the Board's work on financial sustainability: examining councils' financial performance over the previous 10 years. These councils noted that council's Long-Term Financial Management Plans and associated Asset Management Strategies should be examined alongside historical data to project councils long-term financial positions.

We are considering the long-term strategic capability of councils as part of our Stage 2 research. This includes an analysis of councils' Financial Management Plans and associated Asset Management Strategies.

It was noted by two councils that our assertion that "smaller rural councils will continue to experience shrinking rate bases" needs to be examined on an individual council basis. It is noted that there is economic activity and population growth occurring in regional Tasmania which are likely to improve some councils' rate bases and attendant sustainability and that this needs to be factored into our analysis.

Some councils observed that the State Government has withdrawn funding or delivery of some key services to the extent communities expect (such as community health and wellbeing services), and local government has had to step in and assume funding or delivery due. What we have heard from councils is that they consider

themselves best placed to deliver these services. However, it is agreed across the sector that existing funding does not reflect or support the expansion of councils' role and functions.

More broadly, many councils also believe that the State Grants Commission's Financial Assistance Grants methodology must be reviewed to ensure more equal distribution of funding to support councils.

Planning and Other Regulatory Functions

There is general agreement across the submissions that land use planning benefits from input at the local level due to the important role of local knowledge and context required in preserving character and 'shaping places'. Some councils believe this role should see councils continue to assess development applications as a planning authority.

However, many councils noted some aspects of the current planning system which are problematic, including councils assessing:

- their own development applications
- larger scale applications of State or regional significance
- complex applications

It was noted that these types of applications would potentially benefit from delegation or transfer of decision making from councils. Alternatively, enhanced training or shared service agreements could also help build capacity and capability across the sector to manage these issues.

It was also widely accepted that there are skills shortages across the sector (and indeed at all levels of government and in the private sector) impacting the attracting and

retaining of skilled planning staff. This is causing a reliance on consultants which some councils can not necessarily afford.

Broadly, it is accepted that while some councils believe planning benefits from local knowledge and input, they are challenged by shortages of skilled planners.

It is noted that opportunities are needed for education and training to bring new staff into planning and other regulatory fields and build the capacity of existing staff.

Again, differing approaches to scale were identified as options to addressing skill shortages. These included building capacity through having larger councils with greater access to staff, and pooling staff into shared, central resources.

Economic Development and Local Promotion

There was general agreement from councils that economic development works better when planned and coordinated by regional and statewide bodies. However, many councils agreed that there is still a key role for councils to play in terms of tourism and economic development when done in partnership and alignment with these broader regional bodies.

It was also suggested that councils should look to develop coordinated/shared economic development plans. We note that we are undertaking an exploration of models of shared services and planning, including in the economic development space, to identify the barriers and successes to these kinds of shared approaches.

It was also observed that there are varying roles played by councils in economic

development based on their size and capability. One council noted that smaller councils tend to have a greater influence in the local economy because of smaller markets and isolation, including through directly supporting businesses and tourism organisations. Larger councils tend to have less direct impact on the economy and generally see themselves as enablers for growth and diversification rather than a major employer or economic driver.

Environment

A range of environmental issues and services were identified as being shifted to councils through legislation or growing expectation from communities for local action without proper recognition, support, or funding. These include:

- climate change response and mitigation.
- regulatory services such as weed management, feral and domestic animal control, litter control and conservation land management.

It is noted by some councils that funding and support is currently reactive, limiting their role in responding to key issues such as climate change adaptation and mitigation.

Many councils noted waste management as a service which could benefit from delivery at greater scale, due to the generic nature of waste services. However, one council noted examples of where they have adapted their waste services to local needs, issues and preferences by instituting fortnightly household waste collection and by making their waste transfer station free to limit illegal dumping.

Governance, Accountability and Representation

Councils overwhelmingly support our proposed work to enhance the standard of governance in the sector. In particular, councils want to see improved performance reporting models. However, it was observed that any metrics need to consider individual council circumstances to allow for meaningful comparison.

Councils were also pleased with the vision's emphasis on community consultation. It was noted that in any reform addressing this that a standard approach to community engagement should be established to enable greater consistency across the State.

Multiple councils also noted that they would support the consideration of ward systems as a reform option. This would ensure better coverage of representation and provide better clarity in terms of a point of contact for constituents.

Community Wellbeing

A majority of councils and peak organisations also noted the importance of community wellbeing as a key tenet for the future of local government. There is significant support for refocusing the role of local government in a way which places wellbeing at the centre of all councils' objectives and activities.

It is noted that due to a lack of formal recognition of councils' role, there is significant overlap and fragmentation of service provision, and a lack of funding provided to councils for the increasing roles and expectations they are facing. Clarification of the roles of all levels of government in this space is needed, and is being investigated by the Board as part of our Stage 2 process. We are also aware of work being undertaken by the State

Government to develop a Wellbeing Framework for Tasmania, and how this will help clarify the role of State and local governments in supporting the wellbeing of communities.

We also acknowledge, in alignment with what we have heard from councils, that wellbeing is a broad and often contested term. Developing a more defined role for councils (and others) can provide clarity on where they are best placed as a provider, advocate or enabler of wellbeing services. This will help to align collective efforts, and ideally allow for a review of funding streams for wellbeing services.

PRIORITY REFORM AREAS FOR STAGE 2

Drawing together findings from engagement, research and analysis undertaken in Stage 1, we have identified six Priority Reform Areas for further exploration in Stage 2.

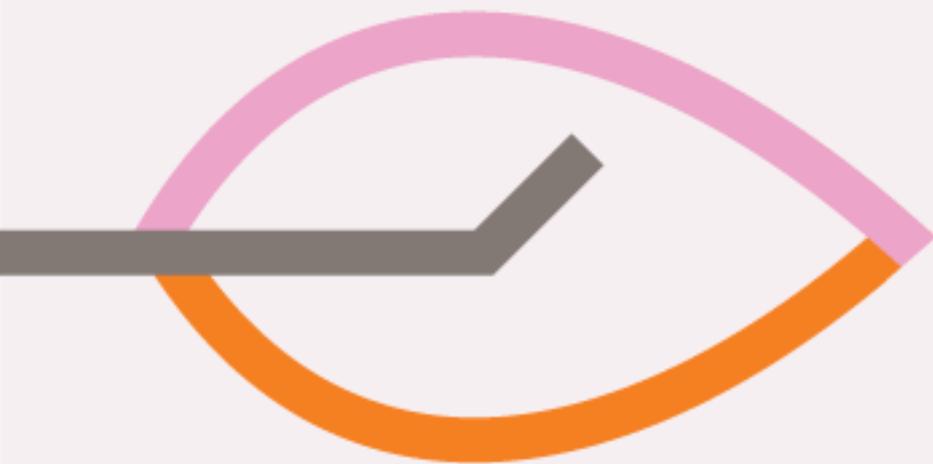
The six Priority Reform Areas are intentionally broad, because we want to remain open to a broad range of potential reform pathways, which will each need to comprise a range of possible funding, structural/administrative, legislative, and governance changes. Priority Reform Areas can be read [here](#).

Council and Peak Organisation Submission Findings

The sector and peak organisations expressed broad support for the Priority Reform Areas for investigation in Stage 2. A number of options for exploration were cited, including:

- developing and applying a framework underpinning major structural changes to local councils
- considering changes to funding models to support equity of services across the State, particularly for non-urban councils
- implementing a ward system to ensure equity in representation across LGAs, particularly where there are fewer, larger councils.
- a decentralised model of local government where councils provide regional shopfronts and service hubs – these could align with State Government services
- explicitly integrating climate change adaptation and mitigation and emergency response into councils' role
- greater partnership and collaboration between local and State governments
- the merits and challenges of shared services agreements, both in the form of new service delivery entities and sharing of resources between councils
- having fewer councillors and providing enhanced remuneration to attract more capable candidates
- reviewing services which councils should not be performing, but also ones which they could deliver which they currently do not.

We note that there is strong appetite for reform coming out of the sector, even though there are still a wide range of options for the us to explore and consider. It is generally accepted that the status quo is not sustainable and change must occur. Through Stage 2, we will be considering all the issues identified by the sector and peak organisations and investigating the wide range of options for reform.



More information?
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