SORELL COUNCIL

PO Box 126
47 Cole Street
SORELL TAS 7172
ABN 12 690 767 695

Telephone 03 6269 0000
Fax 03 6269 0014
sorell.council@sorell.tas.gov.au
www.sorell.tas.gov.au

24th August 2022

Ms S Smith
Chairperson
Local Government Board
LGBoard@dpac.tas.gov.au

Dear Madam,

FUTURE OF LOCAL GOVERNMENT REVIEW – INTERIM REPORT FEEDBACK

Thank you for the opportunity to provide feedback to the Board's Interim Report.

Council has discussed the matters contained in the Interim Report at a workshop and provides the following feedback for the Board's consideration.

Sorell Council supports the proposed role statement, the associated capability and outcome aspirations, the review themes and their future visions as a basis for local government in Tasmania. They articulately set out a view of how the industry should perform for their communities and stakeholders.

The fundamental challenge is achieving this consistently and in a financially sustainable manner for each organisation and their community.

We note that should the structure and delivery model of local government be retained, without increased revenue generated from rates, fees / charges, State and Federal grants, council property sales and / or combined with increased borrowings, are the public going to be content with current expenditure forecasts on asset maintenance, asset renewal, new / upgraded assets and services?

Further, if councils remain as they are, will they be in a position to meet the Board's local government role statement, capability and outcome aspirations and review theme visions? More particularly, the Board's identified shift from infrastructure provision and services to property toward supporting the wellbeing, resilience, connectedness, identity and culture of local communities. For many councils, it is likely that functions, services and FTE's would need to be reviewed to enable a council to affordably amend their operating and service delivery model that can be sustained by their communities socio-economic and demographic profile and forecasts.

Our experience is that it is the provision of new / upgraded assets that many Councils have the least capacity to deliver in a financially sustainable way that forms the majority view of an increasing number of ratepayers, residents and visitors who regard this as unacceptable.

Turning to the prior merger scenario between Sorell and Tasman, if implemented, this would have resulted in a comparatively large land area with dispersed assets and no change to current or medium term significant rate revenue generation (ie: commercial or industrial land) that would change this situation. Also, that the ability to create rate revenue through the strategic release of land for industrial and residential growth is severely limited by the Southern Tasmania Regional Land Use Strategy, no State Policies or associated processes with State Planning Agencies to pragmatically stage a 20 year land supply. To that end, a review of relevant State Government agency roles, operating focus and engagement with local government we submit is equally required as part of the reform program.

So what is the best structure and model to address the socio-economic, demographic, investment and visitation forecasts for the south-east region as expectations of Councils increase whilst State and Federal performance, accountability and accessibility decreases?

The optimum model needs to be capable of addressing the possibility of rate capping, reduced FAG funding, mergers without transition and infrastructure funding, risks to TasWater dividends, the increasing cost and complexity of audit compliance with an ever tightening legislative framework around asset and financial transparency, sustainability and accountability.

Is the generation of sufficient revenue to provide the requisite supply of assets and services only able to be created through a boundary adjustment that provides access to more rate dense commercial and industrial land?

Should an assessment be carried out across the south-east region that identifies actual economic activity, movement and generation by industry / land value category? This is with regard to the economic structure and inter-relationship of residential growth, investment in the rural sector, intrastate/interstate/international visitation, employment location and movement and services availability and access.

Without a fundamental change to revenue generation for non-metropolitan Councils, it is submitted the current environment with these Councils not being able to sustainably meet expectations will not improve and may worsen.

Is local government reform to achieve a more sustainable and equitable distribution of population, assets, land use and revenue generation a matter for assessment on a true regional basis rather than relying on the location of existing Councils and associated historic boundaries? This needs to be dealt with transparently, comprehensively and with conviction to provide improved regional outcomes.

Councillors have nominated further matters for consideration by the Board including:

- A ward system with localised advisory groups would strengthen local representation.
- A seconded professional staff model would establish a matrix relationship combining functional expertise with the varying needs of local councils. Like the Bendigo Bank Community Bank model, a single statewide professional service could maximise expertise and economies of scale whilst providing seconded staffing and just in time services to client councils who manage local strategy and priorities within an optimised framework - a best of both worlds structure that centralises much of the HR, finance, audit, asset management and other back

office systems while each local council accesses the services they need/choose according to essential KPI's and local priorities.

- Tasmania's redesigned local government structure must be accountable for measurable social impact through ESG (environment, social and governance) standards integrated with existing physical asset management and financial management standards and systems. The ultimate outcome is to strengthen social capital through place-based, community led governance that creates tangible wellbeing, however and wherever the services are managed and delivered.
- A strategically led and properly resourced LG Division and LGAT would provide critical leadership across the whole system, championing the user-led and statewide systems approach that achieves 'best of both worlds' outcomes.

[redacted]

Yours sincerely,

Robert Higgins
GENERAL MANAGER