# Functional and Capability Analysis of Tasmanian Local Council Report

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# Executive summary

The Tasmanian Government is reviewing local councils to understand how they are functioning and what opportunities there are for improvement. The objective of the review is to create a more robust and capable system of local council, for the benefit of all Tasmanians.

This report supports this process by providing an understanding of the current status of local councils across core functional service areas. It includes an analysis of key performance indicators and how economies of scale, urbanisation, social economic status, and population growth rates impact cost efficiencies of councils' core service functions. In addition, the report considers councils' strategic capacities and capabilities in delivering services, with a specific focus on workforce, systems and processes, and assets and infrastructure.

## Methodology for analysis

The analysis focused on the following 10 core functional service areas:

- Waste collection, transfer, and management
- Road and bridge construction and maintenance
- Stormwater construction and maintenance
- Development application assessment and approval
- Building and plumbing permitting and compliance
- Environmental health regulation
- Arts and cultural services
- Open space and recreation
- Health and community services
- Corporate/business services.

Both quantitative and qualitative analysis techniques were used across three areas:

- cost efficiency via a **functional activity and cost efficiency analysis**
- council outputs via a **key performance indicators (KPIs) analysis**
- councils' capability and capacity to deliver services via a **strategic capability and capacity analysis.**

The key steps for undertaking this analysis were:

1. Data collection: data was collected through data surveys, qualitative surveys, and gathering existing data via the Consolidated Data Collection and previous financial reports.
2. Data validation and cleansing: sense checking was undertaken by comparing data with previous financial reports, consulting with councils, holding council focus groups, and identifying any outliers.
3. Data analysis: the functional analysis and the KPI analysis were based on descriptive statistics using cross tabulations of unit costs by the four lenses (scale, urbanisation, population growth, and socio-economic status). All four lenses were applied across the services separately. The report includes the lens that had the strongest level of correlation. FTE was also used to control for complexity of services.

   The strategic capability and capacity analysis was based on qualitative thematic analysis and consultation sessions with council representatives.
4. Findings: the outcomes of the analysis across the three areas were summarised and the main findings highlighted by functional service area. As many of the themes in the strategic capability and capacity analysis cut across functional service areas, these findings were also summarised across workforce, regulatory and technical services, systems and processes, and assets and infrastructure.

## Findings

### Summary

The key outcome from this research is that generally the more urbanised or higher financial budget scale the councils are, the more expensive the service. When unpacking this further however it was found that this is largely due to the level of complexity and breadth of service by these councils compared with smaller more rural councils and councils with a small financial budget.

The conclusion from this project is that while urban councils and higher financial scale council services generally cost more, they are able to provide a greater breath of service to community members.

### Insights

A significant finding across all the functional service areas was the level of variation in the breadth of service delivery. For example, in waste management, some councils provide food and organics services as well as rubbish and recycling. Across community infrastructure, some provide aquatic facilities and a range of performing arts facilities; in contrast, others have limited infrastructure (potentially resulting in service gaps).

Those councils in areas with higher levels of disadvantage generally also provide a higher level of community services. This is very common among councils and indicates how councils respond to community and regional needs and, for some, how services are adapted to respond to sustainability and best practice.

The findings also indicated that more urbanised councils and councils with a larger budget scale could provide a more complex service. This is also in alignment with research which indicates that urbanised councils are able to deliver a higher and more complex level of service delivery compared to regional and rural councils. This is due to higher population and financial scale. In addition, larger urban councils provide some infrastructure at a regional scale, such as aquatic centres, cultural venues, and recreation infrastructure. The service demand on infrastructure such as roads, footpaths and bridges are also higher in urban areas, which is the likely cause of higher per unit maintenance and operating costs. As expected, this service complexity delivered by urban and higher scale councils however increases service delivery costs. This is a key finding across the report, with higher financial scale (budget) and urbanisation having the highest service costs.

When services were controlled for FTE – which is a strong indicator of service complexity due to FTE increasing as service complexity increases – the findings indicated that higher scale or more urbanised councils either levelled out with other councils or had a lower service cost. This means that urbanised councils and higher scale councils, while they are spending more on service costs, they can provide greater service levels to communities.

When comparing the KPIs across the services at an individual council level there are marked differences. Generally, the urban small and urban medium councils had the highest KPI outcomes; however, rural small councils also had several KPIs within the top one or two outcomes.

The strategic capability analysis was based on councils rating their own services. While this brings in subjectivity, this process provided a broader understanding of what councils see their strengths and weaknesses are. Follow-up consultation workshops provided further insights.

Based on this analysis there are several services that councils recommend be considered at a regional or state level. These include:

- regional planning for waste management infrastructure
- regional stormwater planning and climate impact assessments
- legislative changes across planning, building and plumbing
- statewide integrated statutory planning and building IT systems
- outsourcing of building and plumbing services to a statewide service via Consumer, Building and Occupational Services (CBOS)
- standardisation of process, systems, data collection and data storage to further support sharing of services.

Councils also reported workforce capacity constraints across the majority of services. This included recruitment and retention of workers with the appropriate skill and technical expertise. Councils expressed a range of potential opportunities to help strengthen this, including local training, sharing of services, and a central pool of staff.

In relation to capability, the largest capability gap across the services is in relation to asset management. While some councils indicate that they have strong knowledge, systems, and processes, it was clear that others do not. This is of concern across all asset classes but particularly prominent in relation to stormwater. Councils manage a wide variety of assets. Having a good understanding of asset condition, future asset supply and demand, and strategic financial plans is critical. Many councils

indicate that they have assets that they potentially no longer require, while others have limited strategic direction to guide forward planning. The lack of capability and capacity across asset management (especially stormwater) is a significant risk. Given this, it is recommended that the state invest in asset management planning and asset benchmarking between councils to build capacity and capability.

Throughout this project, access to quality data has been critical. While some councils managed to respond to all questions, it was clear that access to quality data was limited. In responding to data requests, some councils were unable to provide data on certain services they provide, either due to lack of record keeping, or the inability to collect data. To further support the monitoring of councils' progress and outputs, it is recommended that the State develops service standards and benchmarks. These should be transparently monitored with findings shared across all local councils.

A summary of the main findings across the functional services areas is provided in Table 1.

## Data limitations

- This project is missing data from Flinders and King Island councils. In addition, some councils were not able to provide a full set of data within the timeframes. Despite not all councils providing data, the data collected was sufficient and statistically robust to conduct the functional analysis at the scale that it was undertaken.
- It should be noted that some of the data used is unaudited. The financial data collected relates to the 2021-22 financial year that, at the time of analysis, had not been audited by the Tasmanian Audit Office. Given this, SGS used the audited financials by functional area from the previous financial years (via the KPMG report) to 'sense check' the data at a high level for accuracy. The KPMG financials were at the functional level (some of which did not align with the SGS functional areas), and therefore they only provided an indicative check for irregularities. No notable irregularities were discovered through this process.
- The capability assessment was an individual council assessment of their service capability and capacity therefore subjective and should only be used as a guide to support further investigation.
- Not all councils were represented at the capability and capacity focus groups, therefore there is the potential to have missed validating data and outcomes with some councils.

**TABLE 1: SUMMARY OF KEY FINDINGS**

| Functional Service Area | KPI | Functional Analysis Key Findings | Capability and Capacity Analysis |
|---|---|---|---|
| **Waste collection, transfer and management** | Average waste diverted from landfill KPI is well below the similar KPI used in Victoria (21.7% vs 43%). | Contracted services for garbage and recycling are more cost effective than in-house delivery.<br>Garbage services are more cost effective in more urbanised areas.<br>Recycling is relatively similar across all urbanisation levels, with rural large councils significantly higher service costs. | Workforce capacity concerns.<br>Regional infrastructure planning required. |
| **Road and bridge construction and maintenance** | Concerns with reliability of asset sustainability ratio data. | As expected, higher urbanised councils have higher service costs for roads, bridges, footpaths, and street lights (expect urban medium for street lights).<br>When controlled for complexity, urban medium councils have slightly lower costs than urban small and rural very large councils. This indicates that they have a higher service cost due to delivering a more complex service. | Workforce capacity concerns (engineers, asset condition surveyors, project management staff).<br>Increasing cost of infrastructure and the need to review/introduce development contributions.<br>Capability and capacity concerns in understanding existing assets and undertaking strategic planning.<br>System improvements required across GIS data and field staff with digital devices. |
| **Stormwater construction and maintenance** | Concerns with reliability of asset sustainability ratio data. | Large scale councils have increased service costs. When controlled for complexity, the costs for the larger scale councils decreased. This indicates that larger scale councils deliver a more complex service which is driving up service costs. In addition to this, rural small and medium councils' service costs were significantly higher. Locational circumstances and council size challenges may be impacting the increased service costs. | Workforce capacity concerns (engineers, asset condition surveyors, project management staff).<br>Increasing cost of infrastructure and the need to review/introduce development contributions.<br>Capability and capacity concerns in understanding existing assets and undertaking strategic planning.<br>Regional stormwater planning and climate impact analysis required.<br>System improvements required across GIS data and field staff with digital devices. |

| Functional Service Area | KPI | Functional Analysis Key Findings | Capability and Capacity Analysis |
|---|---|---|---|
| **Development application assessment and approvals** | Majority of councils have strong outputs across all KPIs. Councils of higher financial scale generally performed slightly better. | Urbanisation and scale increased service costs. When controlling for complexity, the service costs generally levelled out, except for urban medium. This is likely due to the additional complexity and demand this service has within these councils, however this should be further investigated. | Workforce capability is strong, but availability of staff was low.<br>Process and system improvements could be made across legislative constraints, development contributions, and sharing/integrated data systems. |
| **Building and plumbing permitting and compliance** | N/A | Contract and shared services models are associated with decreased service costs.<br>Urban councils have higher service costs across building and plumbing. When this was controlled for complexity the service costs are still higher in urbanised areas.<br>As indicated in the Future of Local Government Options Paper 2022, rural and remote councils are experiencing acute issues pertaining to permit compliance. This includes having limited staff which is likely to be impacting this analysis. | Workforce capacity concerns.<br>Process and system improvements through review of building levy, cost of prosecution to council, deterrence penalties.<br>Suggestion that this service could be outsourced and led by State Government and CBOS. |
| **Environmental health regulation** | KPIs slightly low across food premises, but strong for percentage of dogs reclaimed. | There were significant data gaps within this service and given this, the full analysis was not able to be undertaken. | No key themes. Service heavily impacted by COVID. Review in 12 months |
| **Arts and cultural services** | N/A | There was limited data within this service due to the variation and diversity of services provided. As a result, the full analysis was not able to be undertaken.<br>When looking at larger scale councils however, as expected they have higher annual costs – likely due to councils servicing a wider region (regional scale facilities) and the increased complexity/diversity of the services delivered. | Arts cultural workforce capacity was the weakest among all functional areas from the councils' self-assessment. Councils indicated that this is likely due to the nuances within this service. Arts and cultural services are unique to each council and community, requiring a range of different skill sets which might not be available in the workforce at the time.<br>Low level of fit for purpose among arts and cultural facilities with some assets potentially not required. |

| Functional Service Area | KPI | Functional Analysis Key Findings | Capability and Capacity Analysis |
|---|---|---|---|
| | | | Low level of effective systems and processes to manage services. |
| Open space and recreation | Higher aquatic cost for Tasmanian councils than Victorian councils ($20.46 vs $12.66); however, a challenging data set to collect, therefore review in 12 months. | There was limited data within this service due to the variation and diversity of services provided. Given this the full analysis was not able to be undertaken.<br>As to be expected, the cost of aquatic services increased by financial scale. This is likely due to complexity of service delivery and the delivery of regional facilities (e.g. large aquatic centres in Hobart and Launceston that service wider region).<br>The cost of open space and recreation services increased by urbanisation. Again, this is likely due to complexity of service delivery and the delivery of regional facilities. | Strong workforce capability. However, challenges with capacity and access to workforce.<br>Some assets are not fit for purpose and may not be required therefore could potentially be consolidated, reducing asset maintenance and servicing costs.<br>Systems and process improvements were noted in relation to GIS, databases improvements, and stronger paper-less processes. |
| Health and community services | N/A | There was limited data within this service due to the variation and diversity of services provided. As a result, the full analysis was not able to be undertaken.<br>The level of service provision increased with urbanisation. Indicating that the more urbanised a community is, the higher the ability to deliver more services.<br>The service also increased in areas with higher levels of community disadvantage. | No key themes. Service heavily impacted by COVID. Review in 12 months. |
| Corporate and business services | N/A | Councillor service costs increased with scale.<br>Based on actual unit costs, communications, corporate services, customer service costs all decrease with level of urbanisation, but increased with the rate of population growth. | Opportunities for system and process improvements across IT, including joint procurement process and standardisation of databases and record keeping. |

# 1. Introduction

## 1.1 Background

There are 29 local council areas in Tasmania that range between rural small, rural large, rural very large, urban small and urban medium (Figure 1Figure 1).

As per the *Local Government Act 1993* (the Act), local councils are responsible for:

- providing for the health, safety and welfare of the community
- representing and promoting the interests of the community
- providing for the peace, order and good government of the municipal area.

Due to the variation in land size, population, demographics, financial capacity, and capability across the 29 councils, they provide varying levels of services and infrastructure to meet community needs.

To understand how local councils are functioning in Tasmania and any opportunities for improvement, the Tasmanian Government has commissioned the Local Government Board to undertake a review. It is considering the future role, function, and design of local councils in Tasmania. The objective of the Review is to create a more robust and capable system of local councils, for the benefit of all Tasmanians.

The Board's Terms of Reference require it to provide recommendations to the Tasmanian Government on a range of matters, including the range of functions performed by local councils, physical boundaries, and service delivery arrangements. The Review is being undertaken in three, six-month stages, with a final report to be provided to the Minister for Local Government by 30 June 2023.

## 1.2 Purpose and scope of report

The purpose of this report is to provide analysis for Stage 2 of the Local Government Review. This includes an analysis and understanding of how economies of scale along with other factors might affect cost efficiencies of core functions. In addition, this report considers councils' strategic capacities and capabilities in delivering services, with a specific focus on workforce, systems and processes, and assets and infrastructure (strategic capacity and capability analysis).

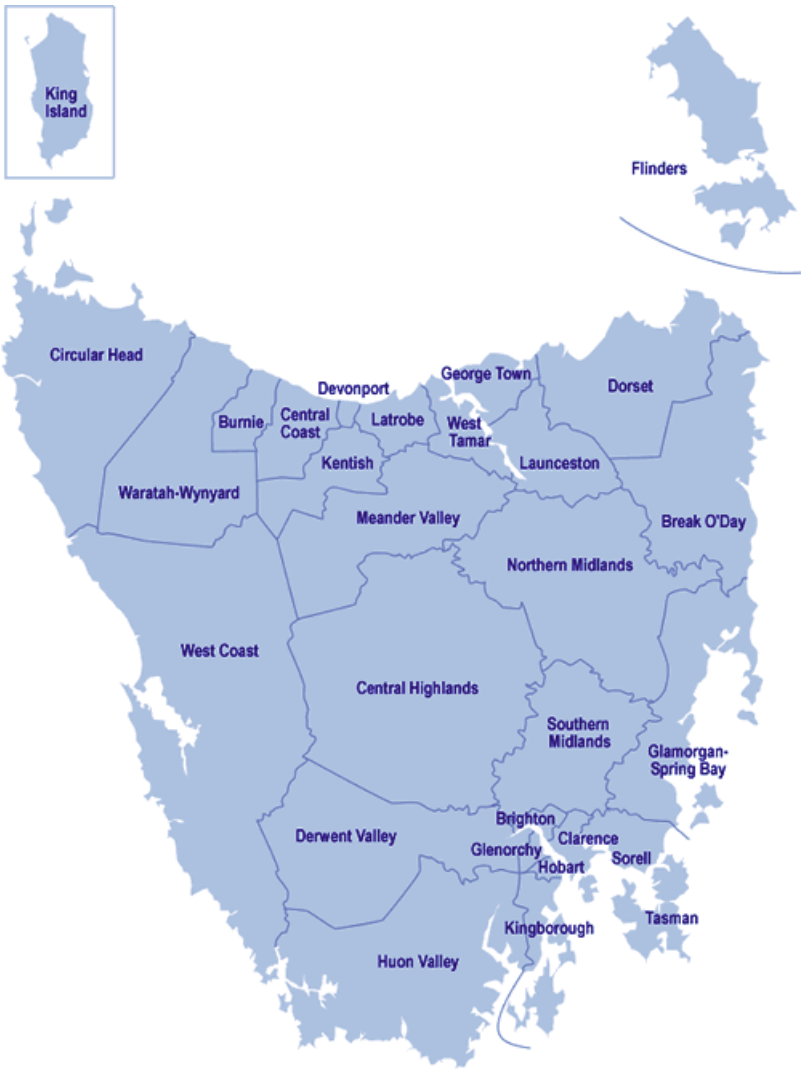
In doing so this report includes:

- data gathering through desktop, survey, and focus groups,
- an analysis of key performance indicators (KPIs) and cost efficiency across a range of variables including scale for each of the 10 functional areas:
  - Waste collection, transfer, and management
  - Road and bridge construction and maintenance
  - Stormwater construction and maintenance

- Development application assessment and approvals
- Building and plumbing permitting and compliance
- Environmental health regulation
- Health and community services
- Arts and cultural services
- Open space and recreation
- Corporate/business services (information technology, HR/payroll, legal services, compliance and risk management, purchasing and procurement)

- analysis of strategic capacity and capability analysis across councils, and;
- potential opportunities for further consideration.

**FIGURE 1: MAP OF LOCAL COUNCILS IN TASMANIA**




Source: Department of Premier and Cabinet

# 2. Methodology

Given the complexities and nuances of service delivery across each of the councils, to get a deep understanding of each of the functional areas both quantitative and qualitative analysis were used. The following section outlines the methodology for our:

- functional activity and cost efficiency analysis
- KPI analysis
- strategic capacity and capability analysis

## 2.1 Functional activity and cost efficiency analysis methodology

### Overview

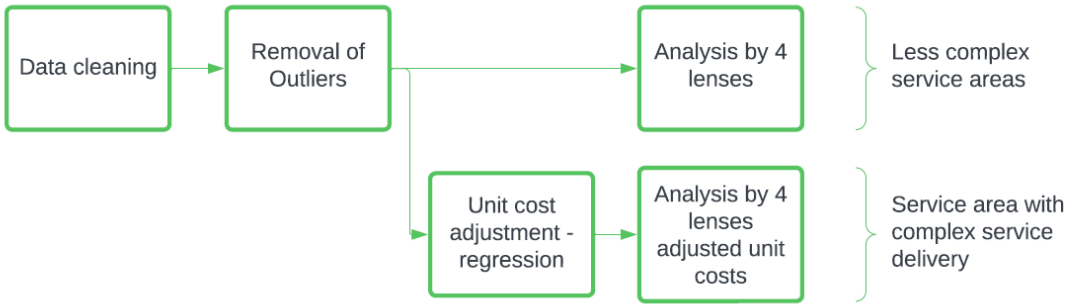
The aim of the analysis is to understand what drives cost efficiencies. The initial focus of this analysis was on economies of scale in the service delivery of councils. However, through our experience in working with local council, including local council reform processes, we understand that other factors may also drive the cost of providing services. Given this, the functional activity and cost efficiency analysis included the following variables or 'lenses':

- scale of council operating budget
- level of urbanisation
- socio-economic characteristics of the community
- rate of population growth.

A method was designed to explore the core functional services delivered by councils, the costs involved in delivery, the scope of services and the service levels. A combination of data was used, including annual performance data (Consolidated Data Collection[1]) and data collected from councils via a survey.

1 https://www.dpac.tas.gov.au/divisions/local_government/measuring_tasmanian_local_government_performance/tasmanian_consolidated_data_collection_cdc

**FIGURE 2: ANALYSIS METHODOLOGY**




Source: SGS Economics and Planning

### Data gathering

This was done in two stages:

1. **Dataset design** – design of the dataset for relevant benchmarking that is based on the best possible evidence available. The approach ensures involvement of the councils, so the benchmarking occurs on the basis of an agreed set of data.
2. **Data collection** – this process involved data collection and data verification. The key was to ensure the data was correct and had a consistent basis for comparability. Councils were provided drop-in sessions and online/phone support to aid in the collection and validation process.

Data was collected for 53 service areas across the 10 core functional activity areas (Table 2). The following information was collected for each service area:

- If council provides the service (yes/no)
- Description of what is provided (for example, regional facility)
- Service provision level (for example, how much is provided such as number of inspections or permits, kilometres of roads)
- How the service is provided (for example, contract, shared, in-house)
- Number of full-time equivalent staff (FTEs) engaged in delivering the service
- Annual cost of service in 2021-22
- Annual revenue in 2021-22, if applicable
- Community feedback, if available
- Other comments specific to this service.

**TABLE 2: COUNCIL SERVICE AREAS BY FUNCTIONAL ACTIVITY**

| Functional activity | Service area |
|---|---|
| Waste collection, transfer and management | FOGO<br>Garbage collection<br>Green waste<br>Hard rubbish<br>Landfill management (tips and transfer stations)<br>Public bins<br>Recycling collection |
| Road and bridge construction and maintenance | Asset renewal ratio for roads<br>Bridge construction and maintenance<br>Footpath maintenance<br>Paid on-street and off-street parking<br>Sealed roads construction and maintenance<br>Street lighting<br>Unpaid managed parking<br>Unsealed roads construction and maintenance |
| Stormwater construction and maintenance | Stormwater construction and maintenance<br>Stormwater open drains |
| Development application assessment and approval | Statutory planning enforcement<br>Statutory planning<br>Strategic planning |
| Building and plumbing permitting and compliance | Building permits and compliance<br>Plumbing permits and compliance |
| Environmental health regulation | Animal management<br>Emergency and disaster management & recovery<br>Environmental health infringement notices<br>EPA 'Level 1' activities/ abatement notices<br>Food safety<br>Immunisation<br>Public health inspections (piercing, tattooing etc - not including food) |
| Arts and cultural services | Community centres and halls |

| | |
|---|---|
| | Cultural or arts facilities<br>Performing arts<br>Visitor centres |
| Open space and recreation | Active recreation reserves, pavilions, indoor sports centres<br>Aquatic facilities<br>Active cemeteries<br>Passive open spaces (excl. bushland reserves)<br>Provision and management of inactive cemeteries |
| Health and community services | Childcare services<br>Community development programs<br>Community events<br>Community transport<br>Seniors' services<br>Youth services |
| Corporate/business services | Communications<br>Corporate services (governance, finance, legal, rates and risk)<br>Customer service<br>Economic development / performance and innovation<br>Human resources<br>Information technology<br>Number of Councillors (admin support, wages and expenses)<br>Records management |

Source: SGS Economics and Planning

The dataset design and collection process was developed by SGS and tested with four councils, Launceston City, Devonport City, Waratah-Wynyard and Clarence City. Some amendments were made, and the data collection process was rolled out to the other 25 councils.

The councils were provided approximately two weeks to provide the data. Two drop-in sessions were scheduled to enable councils to ask questions and provide feedback to update the tool. The data collection template was provided to the general managers to coordinate the collection process in their council.

The initial data collected from councils was varied, with some service areas having significant gaps. Given this, a second round of data collection was undertaken. The second round of data collection was focused on 17 service areas across all 29 councils. The service areas were:

- Garbage collection
- Recycling collection
- Landfill management
- Stormwater construction and maintenance
- Sealed roads construction and maintenance
- Unsealed roads construction and maintenance
- Bridge construction and maintenance
- Building permits and compliance
- Plumbing permits and compliance
- Statutory planning (DA assessment and approvals)
- EPA level 1 activities
- Food safety
- Active recreation reserves etc
- Corporate services (including support for elected members/machinery of council)
- Customer services ('front desk')
- Human resources/payroll
- IT

For the service areas not included in the Round 2 data collection, the Round 1 data was used in the analysis. Among the service areas that were only collected in Round 1, the following had high levels of missing data, which limited the ability to conduct effective analysis:

- Children's services
- Community development programs*
- Community transport
- Seniors' services
- Youth services
- Street lighting
- Unpaid managed parking
- Footpath maintenance
- Paid on-street and off-street parking

As a result, the findings in relation to these service areas will be less reliable.

### *Missing data and drivers*

Two councils – Flinders and King Island – were not able to provide any data within the timeframe for the study. Furthermore, Northern Midlands were unable to provide Round 2 data within the timeframes required. Given this, their secondary data has not been included in this analysis. Despite not all councils providing data, the data collected was sufficient to conduct the analysis. In particular, the Round 2 data collection improved the sample available to a completion rate of 90 per cent. Some service areas had 100 per cent response (that is, without Flinders and King Island).

The principal reasons the response was not 100 per cent for all the Round 2 service area data collection were:

- Data for some specific services was difficult to collect, as councils bundled service areas into one service or cost centre. For example, environmental health services such as food safety and EPA level 1 abatement are bundled as one service and the associated expenditure is not tracked separately.
- FTEs were at times approximations, as a person or group of people would work across several service areas. The time spent on each service area was not actively tracked. If possible, councils provided an approximation of the FTE amount in this scenario.

### *Data validation*

It should be noted that some of the data used is unaudited. The financial data collected relates to the 2021-22 financial year that, at the time of analysis, had not been audited by the Tasmanian Audit Office. Given this, SGS used the audited financials by functional area from the previous financial years (via the KPMG report) to 'sense check' the data at a high level for accuracy. The KPMG financials were at the functional level (some of which did not align with the SGS functional areas), and therefore they only provided an indicative check for irregularities. No notable irregularities were discovered through this process.

Before analysing individual service data, outliers in the data were identified, noted and removed (councils were then put back into the data before analysing another service). Unit costs (defined in the subsection below) three times smaller or larger than standardised mean for the service area were filtered out of the analysis. SGS tested whether exclusion or inclusion of outliers biased the results. Overall, the tests showed inclusion biased the results. The councils with outliers in a particular service area are noted in the report.

### *Definitions*

*Service levels* refers to the frequency or intensity of a service delivered. Service levels can be measured in a variety of ways and the most appropriate measure depends on the service. Service levels were measured as unit costs (Appendix B), which are annual costs divided by the appropriate metric. For example, the unit cost for garbage collection is measured as annual cost divided by number of bin pickups.

*Service quality* is complex to measure and was out of scope for this analysis. There is limited objective data available through this project to do this. Rather it would need to be undertaken via a service review. It should therefore be noted that cost (in)efficiencies in councils could be driven by variability in

service quality, rather than scale, level of urbanisation, socio-economic characteristics or population growth. For example, councils might be delivering a lot of the service and low service costs, however the service may still be poor.

SGS has however accounted for service complexity. This has been done through controlling for FTE across councils. FTE is a useful measure for service complexity. The more complex and diverse a service generally results in an increase in FTE.

In future, there may be an opportunity to further develop a consistent set of service metrics based on community feedback that is collected regularly across all councils using the Consolidated Data Collection tool.

### Data analysis

Data analysis was based on descriptive statistics in turn based on cross tabulations of unit costs by the four lenses (scale, urbanisation, population growth and socio-economic status). This classified councils (described in section 0) and was used to identify patterns/trends and drivers of cost. Each service lens was analysis separately to understand any correlations. This also avoided any overlap in potential variables. Based on the outcome of the analysis, the strongest correlations were included in the body of the report. The remaining analysis are included in Appendix B.

The unit costs are defined as annual costs divided by level of service provision. Lower unit costs reflect relative cost-efficiency compared to another council type. For services that are fairly homogeneous, such as garbage collection and recycling collection, this approach provides useful insights. In other cases, where the delivery of a service is diverse and potentially more complex e.g., different scale of aquatics facilities, level of assets delivered etc, a level of complexity needs to be analysed. This has been achieved through controlling for FTE levels. This is further described below.

Our approach eschews the data envelopment analysis (DEA) method to look at factors other than scale that may influence cost of service delivery such as urbanisation, population growth and socio-economic status. A more rigorous approach that maps expenditure to service delivery would be needed in order to untangle legacy costs and costs that should be attributed to future service provision yet to be provided by council.

### Controlling for service complexity

For services where delivery is complex, a regression approach was used to adjust the unit costs. For example, councils that need to assess complex development projects will likely face higher costs. The unadjusted costs would likely bias the results in favour of councils who provide a less complex service. A regression approach adjusts the unit costs to account for complexity of service delivery by using additional information to provide a weighted unit cost. The services that were adjusted using the regression approach are listed in Table 3.

Table 3 also details the information used to produce adjusted unit costs. The variables used are not perfect measures of complexity. A key measure used to account for service delivery complexity was FTEs. Higher FTEs can signal a more complex outfit used to deliver a service. Low FTEs to an extent may reflect councils' inability to recruit staff; however, councils who are facing recruitment issues may streamline service delivery to be less sophisticated. Though the variables used to adjust for service

delivery complexity are not perfect, they do address some of the differences in service delivery complexity.

Ordinary Least Squares was used as the regression model. Unit costs was the dependent variable. Outliers were removed from the analysis to minimise the impact of outliers on the size of the coefficients produced by the regression model. The coefficients from the regression model were then used to create the adjusted unit costs.

**TABLE 3: REGRESSION INPUTS BY FUNCTIONAL ACTIVITY**

| Service area | Regression inputs |
|---|---|
| Stormwater construction and maintenance | ▪ FTEs – a proxy measure for service quality and complexity with higher FTEs suggesting a more sophisticated outfit |
| Corporate services | ▪ FTEs – a proxy measure for service quality and complexity with higher FTEs suggesting a more sophisticated outfit |
| Bridge construction and maintenance | ▪ FTEs – a proxy measure for service quality and complexity with higher FTEs suggesting a more sophisticated outfit |
| Sealed roads construction and maintenance | ▪ FTEs – a proxy measure for service quality and complexity with higher FTEs suggesting a more sophisticated outfit |
| Statutory planning | ▪ FTEs – a proxy measure for service quality and complexity with higher FTEs suggesting a more sophisticated outfit<br>▪ Value of development applications – a proxy for the complexity of developments handled by councils |
| Active recreation reserves, pavilions, indoor sports centres | ▪ FTEs – a proxy measure for service quality and complexity with higher FTEs suggesting a more sophisticated outfit |
| Building & plumbing permits and compliance | ▪ Compliant with CBOS standards – a measure of service quality<br>▪ FTEs |
| Human resources | ▪ FTEs |
| IT | ▪ FTEs |

## 2.2 Categorisation of local council areas

As noted earlier, councils' functional activities and cost efficiency are analysed across four lenses or variables:

- scale (operating budget of the council)
- urbanisation
- levels of socio-economic advantage and disadvantage
- population growth rate.

The councils were categorised according to these four lenses, which is demonstrated in the following tables.

### *Scale*

Scale reflected councils' annual operating budget. The data was derived from the councils' annual reports 2021-2022. Circular Head and Northern Midlands had not released their 2021-22 annual report at the time we collected the data; therefore, previous annual reports were used to classify these councils.

The 29 councils were categorised across five groups ranging from '1. Smallest' to '5. Largest' based on quintile cut points driven by the data. The categories and their operating budget ranges are provided below (Table 4).

**TABLE 4: SCALE CATEGORIES ACCORDING TO OPERATING BUDGETS**

| | Smallest<br><br>Bottom 20th percentile | Small<br><br>20th to 40th percentile | Medium<br><br>40th to 60th percentile | Large<br><br>60th to 90th percentile | Largest<br><br>90th percentile and over |
|---|---|---|---|---|---|
| **Budget range** | **Up to $11,713,312** | **$11,713,313 to $15,670,282** | **$15,670,282 to $19,830,875 to** | **$19,830,875 to $62,885,599** | **$62,855,600 and above** |
| LGA | Central Highlands; Flinders; Kentish; King Island; Latrobe; Southern Midlands; Tasman; West Coast | Break O'Day; Circular Head; Derwent Valley; Dorset; Glamorgan-Spring Bay; George Town; Waratah-Wynyard | Burnie; Brighton; Central Coast; Huon Valley; Meander Valley; Northern Midlands; Sorell; West Tamar | Devonport; Glenorchy; Kingborough | Clarence; Hobart; Launceston |

### *Urbanisation*

The categories of urbanisation align with the *Australian Classification of Local Governments* created by ABS.[2] These categories consider population size and density. Table 5Table 5 shows the distribution of the councils across the urbanisation categories.

**TABLE 5: CATEGORISATION OF LGAS BY URBANISATION CATEGORY**

| | Rural small | Rural large | Rural very large | Urban small | Urban medium |
|---|---|---|---|---|---|
| LGAs | Central Highlands; West Coast; Flinders; Glamorgan-Spring Bay; King Island; Tasman | Break O'Day; Circular Head; Dorset; George Town; Kentish; Southern Midlands | Latrobe; Northern Midlands; Huon Valley; Sorell; Waratah-Wynyard; Derwent Valley; Meander Valley | Brighton; Burnie; Central Coast; Devonport; West Tamar; | Clarence; Glenorchy; Hobart; Kingborough; Launceston |

Source: SGS Economics and Planning

### *Socio-economic community characteristics*

Differences in community characteristics may affect the type and level of services councils provide. Therefore, councils were categorised according to their relative level of socio-economic advantage or disadvantage. The SEIFA (Socio-Economic Indexes for Areas) is developed by the ABS[3], and ranks areas in Australia according to relative socio-economic advantage and disadvantage. The indexes used are based on the 2016 Census as 2021 scores are yet to be released.[4]

The ranking is a standardised distribution with an average of 1,000 and a standard deviation of 100. This means that the average LGA in Australia will have a SEIFA score of 1,000, and any score below 1,000 indicates relative disadvantage compared to the average. A score above 1,000 similarly indicates relative advantage compared to the representative LGA. The **most disadvantaged** category refers to the councils with a SEIFA score of below 900, that is, more than one standard deviation below average. **Relatively disadvantaged** are those that are more than half a standard deviation below the mean; that is between 900 and 949, while **slightly disadvantaged** are those between 950 and 999, less than half a standard deviation below the average. **Relatively advantaged** refers to those councils with a SEIFA score of above 1,000. Only Hobart, Kingborough, West Tamar and Clarence are above the national average of socio-economic advantage. Table 6Table 6 shows the distribution of the councils across the SEIFA categories.

[2] https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/Finding+data+for+Local+Government+areas
[3] https://www.abs.gov.au/websitedbs/censushome.nsf/home/seifa
[4] According to the ABS release calendar, the 2021 Census SEIFA scores will be released in mid to late 2023

**TABLE 6: CATEGORISATION OF LGAS BY SEIFA**

| | Most disadvantaged | Relatively disadvantaged | Slightly disadvantaged | Relatively advantaged |
|---|---|---|---|---|
| LGAs | Break O'Day; Brighton; Central Highlands; Derwent Valley; George Town; Waratah-Wynyard; West Coast | Burnie; Circular Head; Devonport; Dorset; Glamorgan-Spring Bay; Glenorchy; Kentish; Launceston; Southern Midlands; Tasman | Central Coast; Flinders; Huon Valley; King Island; Latrobe; Meander Valley; Northern Midlands; Sorell | Hobart; Kingborough; West Tamar; Clarence |

Source: SGS Economics and Planning

### *Growth rate*

Population growth is another factor that may drive costs and functions in councils. Table 7Table 7 shows the distribution of the councils across three population growth rate categories: low, medium, and high.

The LGA growth rate categorisations take the average annual growth rate of each council. This was calculated by taking the change in population from 2017 to 2021 using ABS Census data and indexing the change by the number of years that had passed. The categories represent a third of councils each ranging to represent low, medium, and high population growth rates. Low relates to LGAs with a population growth rate of 1.08 per cent or lower over the past five years. Medium relates to LGAs with a growth rate between 1.08 per cent and 1.77 per cent. High relates to those LGAs with a growth rate higher than 1.77 per cent.

**TABLE 7: CATEGORISATION OF LGAS BY POPULATION GROWTH RATE**

| | Low | Medium | High |
|---|---|---|---|
| LGAs | Burnie; Hobart; Central Coast; Circular Head; Dorset; Waratah-Wynyard; George Town; West Coast; Flinders; King Island | Glenorchy; Kingborough; Launceston; West Tamar; Devonport; Northern Midlands; Derwent Valley; Kentish; Meander Valley | Break O'Day; Brighton; Central Highlands; Clarence; Glamorgan-Spring Bay; Huon Valley; Latrobe; Sorell; Southern Midlands; Tasman |

Source: SGS Economics and Planning

## 2.3 KPIs methodology

The purpose of the KPIs analysis was to provide an additional lens to both the functional analysis and capability and capacity analysis. Currently across Tasmanian councils, while a range of data is collected, there are no clear benchmarks or KPIs for services. Given this, to understand what councils' outputs are and how they compare to others, 13 KPIs were developed across six functional areas:

- Waste collection, transfer and management
- Road and bridge construction and maintenance
- Stormwater construction and maintenance
- Development application assessment and approvals
- Environmental health regulation
- Open space and recreation.

The KPI data was collected via the councils using the same survey to collect the Functional Analysis data. The data was based on the 2021-22 financial year and it is unaudited. For many councils, this was also the first time that they had collected data of this type. Given this, there are potentially some limitations in the quality of the data.

The KPIs were adapted from the Victorian Local Government Performance Reporting Framework, which was established in 2014. Given the differences in functions delivered in Victoria and Tasmania, the indicators were tested with the four test councils before being finalised. The final indicators are provided in Table 8.

The results of the KPIs were analysed against the same variables used in the functional analysis: scale of council operating budget, level of urbanisation, socio-economic disadvantage, and rate of population growth.

While the outcomes of the KPI analysis will provide some insights, it should be noted that the KPIs are measuring a point in time. KPIs are best used to measure trends. While this data only focused on 2021-22 service outputs, it still provides insights into councils' performance over that year and areas to further investigate. To achieve a more rigorous understanding of KPIs, it is recommended that the KPIs be further embedded over future financial years and broadened to cover all functional areas.

**TABLE 8: KEY PERFORMANCE INDICATORS ACROSS FUNCTIONAL AREAS**

| Functional area | KPI | Measure |
|---|---|---|
| Waste collection, transfer and management | Percentage of waste diverted from landfill | percentage |
| Road and bridge construction and maintenance & Stormwater construction and maintenance | Asset renewal ratio for roads | ratio |
| Development application assessment and approvals | Median number of days taken between receipt of planning application and decision on the application | number of days |
| | Percentage of planning application decisions made within statutory timeframes | percentage |
| | Percentage of planning applications that were upheld by the Tasmanian Civil and Administrative Tribunal (TasCAT) | total applications/percentage of number that were upheld |
| | Value of development applications | dollar value |
| Environmental health regulation | Average number of days it has taken council to action a food complaint from the public about safety or handling of food for sale | number of days |
| | Percentage of food premises that received an annual food safety assessment | percentage |
| | Average number of days it has taken council to action an animal management request from the first day the request can be actioned | number of days |
| | Percentage of all collected dogs that have been reclaimed | percentage |
| Open space and recreation | Number of inspections by an authorised officer carried out per council aquatic facility | number of inspections |
| | Number of visits to aquatic facilities per head of municipal population | number of visits |
| | Direct cost to council (less any income received) of providing aquatic facilities per visit | cost to council per visit |

## 2.4 Strategic capacity and capability analysis methodology

### Overview

The purpose of the strategic capacity and capability analysis was to analyse the current strategic capacity and capability of councils to deliver their statutory and non-statutory functions efficiently and effectively. The analysis was largely qualitative. It was undertaken across the 10 functional services with councils providing their own reporting an assessment on their level of capability. The outcomes where then analysed via the following three areas:

*Workforce*

- Profile of in-house FTEs, including number, tenure and relevant experience and qualifications (identifying, where possible, where employees are utilised across multiple functions)
- Outsourcing, and service sharing arrangements – contract value, key contractual terms etc
- Identified skills and workforce strengths, gaps, and shortages – considering both in-house and outsourced workforce

*Assets, plant and equipment*

- Council-owned physical assets, including property, plant and equipment (type, age, remaining useful lives etc)
- Outsourcing, and service sharing arrangements – contract value, key contractual terms etc

*Information, systems and processes*

- Policies, practices, controls – governance and accountability, performance monitoring and reporting, risk management, financial management and reporting
- Data – repositories, utilisation, and associated systems

### Data tools and analysis

Two data tools were developed for the strategic capacity and capability analysis. A survey was designed to understand councils' strengths, constraints, opportunities, and fitness for purpose across the delivery of the 10 functional services. The survey design was tested with the four test councils, Launceston City, Devonport City, Waratah-Wynyard, and Clarence City Council, before it was rolled out to the other 25 councils via SurveyMonkey.

A total of 26 councils responded to the survey. The findings were analysed based on themes across the 10 service areas and impacts in relation to workforce; assets, plant, and equipment; and information, systems and processes.

As the survey relied on self-reporting and was potentially subjective, five focus groups were designed to further test and interrogate key themes that resulted from the surveys. The focus groups were based around:

- workforce
- regulatory and technical skills
- assets, plant, and equipment

- systems and processes
- shared services and amalgamation.

The focus groups were held online and open to all 29 councils. The duration of the sessions was 1.5 hrs. Across the five sessions, 19 of the 29 local councils attended, with approximately nine councils represented at each session. The Local Government Association of Tasmania (LGAT) was also present at three of the sessions.

A summary of the survey and functional analysis data was presented to focus group participants, with key themes being further unpacked and explored via the use of MURAL (an online platform that provides a virtual whiteboard for participants to brainstorm and document their ideas).

### Data limitations

There are several potential limitations with the data used in this analysis. These include:

- The capability assessment was an individual council assessment of their service capability and capacity therefore subjective and should only be used as a guide to support further investigation.
- The self-ratings for the fit-for-purpose assessment are subjective and therefore should only be used as an initial guide for further exploration.
- Not all councils were represented at the focus groups, therefore there is the potential to have missed validating data and outcomes with some councils.

# 3. High level KPIs and service costs

### Summary of KPIs

Thirteen KPIs were assessed across five functional areas. Table 9 provides a summary of results based on councils' level of urbanisation. As can be seen in the table, generally the urban small and urban medium councils had the best KPI outcomes; however, rural small councils also had several KPIs within the top one or two outcomes.

The open space and recreation function outcomes are not included in the summary below, as insufficient councils provide this service. Further analysis of the KPIs is included in the functional service area sections of this report.

**TABLE 9: SUMMARY OF KEY PERFORMANCE INDICATORS BY COUNCIL URBANISATION**

| | | Type of council | | | | |
|---|---|---|---|---|---|---|
| Functional area | Benchmark | Rural small | Rural large | Rural very large | Urban small | Urban medium |
| Waste collection, transfer and management | Percentage of waste diverted from landfill | 17.20 | 25.37 | 23.93 | 22.0 | 21.40 |
| Road and bridge construction and maintenance & Stormwater construction and maintenance | Asset sustainability ratio | 94 | 88.75 | 88.86 | 99.67 | 83.31 |
| Development application assessment and approvals | Days to approve planning application | 34.7 | 32 | 49.71 | 30.28 | 35.38 |
| | % Planning decisions made within statutory timeframes | 91 | 90.56 | 85.66 | 97.7 | 95.39 |
| | % Planning applications upheld by TasCAT | 0 | 75 | 68.33 | 92 | 87.8 |
| | Value of planning applications ($m) | 22.99 | 23.49 | 77.12 | 67.09 | 241.93 |
| Environmental health regulation | Days to action food complaint | 3.33 | 2.38 | 3.5 | 2.17 | 3.27 |

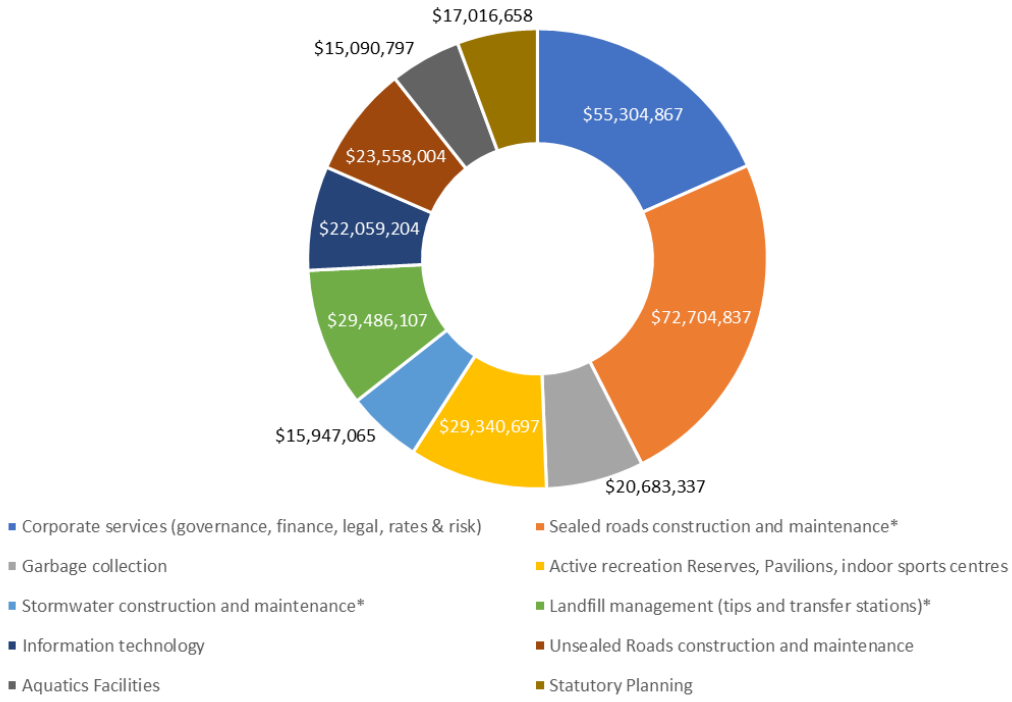
| | | | | | | |
|---|---|---|---|---|---|---|
| | % Food premises that received annual food safety assessment | 75.26 | 61.68 | 72.71 | 66.63 | 91.78 |
| | % Collected dogs reclaimed | 68.78 | 85.4 | 88.08 | 91.25 | 90.34 |

## Functional analysis cost summary

The functional analysis considers cost efficiencies across the services areas. Each of these service areas has a different level of financial investment within council. As shown in the chart below (Figure 3) the majority of councils annual budgets are spent on sealed road construction and maintenance followed by corporate services, landfill management, and active recreation. This is useful to understand when considering potential future changes in these service areas and what financial impacts this might have across the organisations.

Further analysis of each of the functional areas across the four lenses is provided in the subsequent service areas in this report.

**FIGURE 3: TOTAL LOCAL COUNCIL EXPENDITURE BY TOP 10 SERVICE AREAS, 2021-22***




* Cost data from some councils for some service areas were not provided.

Source: SGS Economics & Planning (2022)

# 4. Waste collection, transfer and management

## 4.1 Summary

Waste management is significantly changing, with the drive to create a more sustainable service across landfill management, equipment, and the amount of waste diverted from landfill. There is also a range of services that can be included in waste collection. The core services include garbage and recycling while the newer services include food organics garden organics (FOGO) services and green waste services.

When looking at the services across the Tasmanian councils, the majority of waste services are contracted out. All councils (27) are providing garbage and recycling, with eight also providing FOGO and 13 providing green waste services. The newer services are likely to continue to increase as community demand increases and service delivery options become available.

In relation to performance, when compared to similar KPIs for Victoria, as well as based on averages across the Tasmanian councils, the majority of councils are performing below average – diverting less than 21.7 per cent of waste from landfill.

In relation to cost efficiencies generally, the contracted services for garbage and recycling are more financially viable. When considering garbage collection across urbanisation, the more urbanised the council the more cost effective the service is.

In contrast, when considering recycling across urbanisation, generally councils were all relatively similar; however, rural large councils had significantly higher costs than others. Some of these councils were experiencing high population growth, as well as having a large, geographically spread population across the municipality, which may be contributing to higher costs. When considering recycling across financial scale of councils, medium and large councils were most cost effective.

## 4.2 Key findings from functional analysis and KPIs

### KPIs

*Waste diverted from landfill*

A total of 18 councils provided data in relation to the percentage of waste (garbage, recycling and green waste) that was diverted from landfill in 2021-22. The average percentage of diverted waste for Tasmania is 21.7 per cent. In comparison to Victoria, across all Victorian councils in 2021-22 the average waste diverted from landfill is 43 per cent. It should be noted, however, that many councils in Victoria are implementing a four-bin waste system, resulting in the opportunity to divert additional waste from landfill.

The majority of the 18 Tasmanian councils are achieving well under the Tasmanian average. However, there are several councils that are preforming well above, including Hobart (49 per cent), Meander

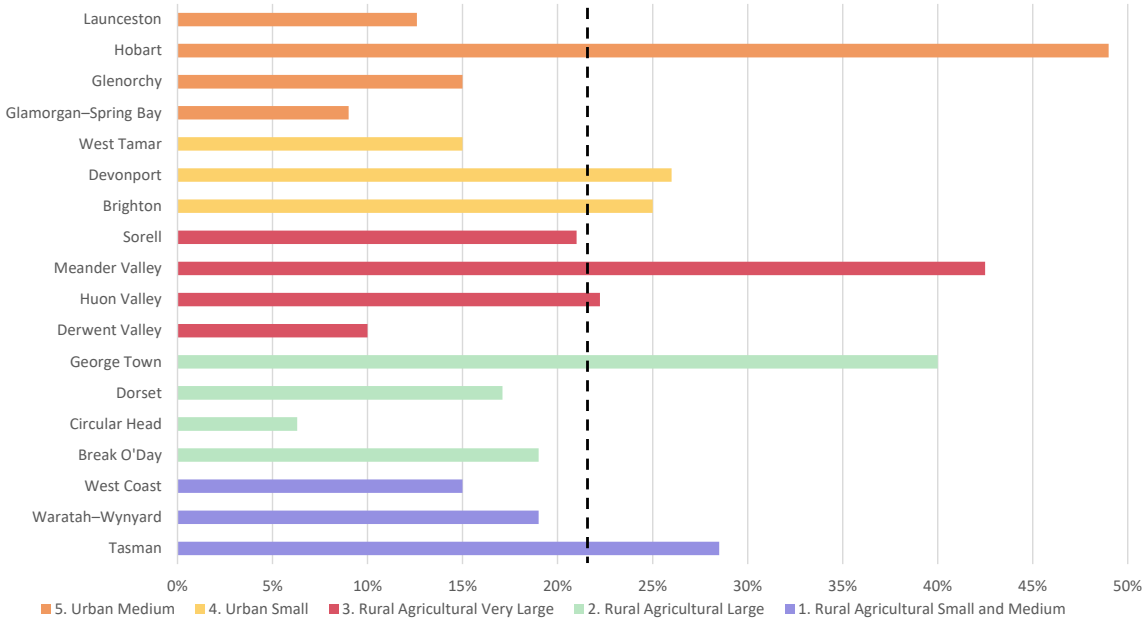
Valley (42.5 per cent), George Town (40 per cent), and Tasman (38.5 per cent) (Figure 4). The majority of councils contract out their waste management services, including George Town and Tasman; however, Hobart provides this service in-house. Hobart and Meander Valley are the only ones within the four top performers that provide FOGO services.

The lowest performing councils were Circular Head (6.3 per cent), Glamorgan-Spring Bay (9 per cent), and Derwent Valley (10 per cent). None of these councils provide a FOGO service.

In relation to size of the service, Launceston had the highest number of bin pickups (31,327). The next highest was Clarence (27,500) and Glenorchy (22,040). Tasman Council was in the lowest 10 in relation to bin pickups with 1,123. George Town is in the middle with 3,730 and Hobart high with 21,000 bins (Meander did not provide bin pickup information).

Given FOGO and green waste services are still relatively new in Tasmania, this will be an important KPI to measure over time. The findings for Launceston should also be reviewed. Given they have a large budget and provide FOGO, generally this would result in strong service outcomes. If this KPI does not improve over time, a service review might be required.

**FIGURE 4: PERCENTAGE OF WASTE DIVERTED FROM LANDFILL**




Source: SGS Economics and Planning, 2022

## Functional analysis

The functional analysis looks further at each of the waste sub-services.

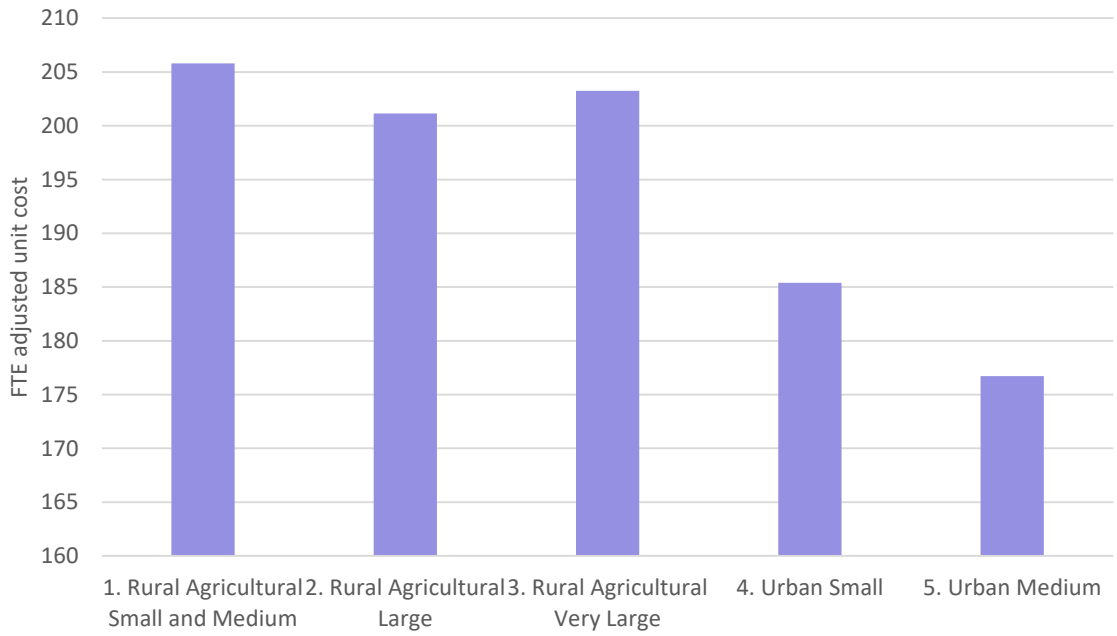
### *Garbage collection*

When undertaking the analysis for garbage collection, the results indicated that the following factors appear to drive cost efficiency:

- Economies of scale, with unit costs trending downwards. The pattern is clearer when using adjusted unit costs as shown in **Error! Reference source not found.**
- Urbanisation: the most urbanised areas are the most cost efficient. The average adjusted unit costs are approximately $175, while all the other categories have costs over $200 (Table 10).
- Socio-economic characteristics: the most advantaged councils are also the most cost efficient.

In terms of costs, there is one outlier and that is West Coast Council. The Council was excluded from the service analysis as the cost per pickup for West Coast was three times larger than the next highest. This may be due to the sheer size of the municipality and its sparse population.

**FIGURE 5: GARBAGE ADJUSTED UNIT COST BY URBANISATION (2021-22)**




Source: SGS Economics and Planning

The majority of councils contract out garbage collection (18 out of 26) or run the service in-house. There are no shared service arrangements in place for garbage collection; however, as noted in the strategic capabilities and capacity section, councils do undertake joint procurement of contracts.

When considering the cost per bin pickup across contract and in-house service delivery, contracted services are generally resulting in operational cost efficiencies, except for small councils. Contracting

out this service is likely resulting in the contractor providing the service at greater scale and more efficiency. In addition, it results in councils not having to fund staff and equipment (both of which can be costly) to manage this service in-house.

**TABLE 10: COST PER PICKUP BY URBANISATION AND METHOD OF DELIVERY (2021-22)**

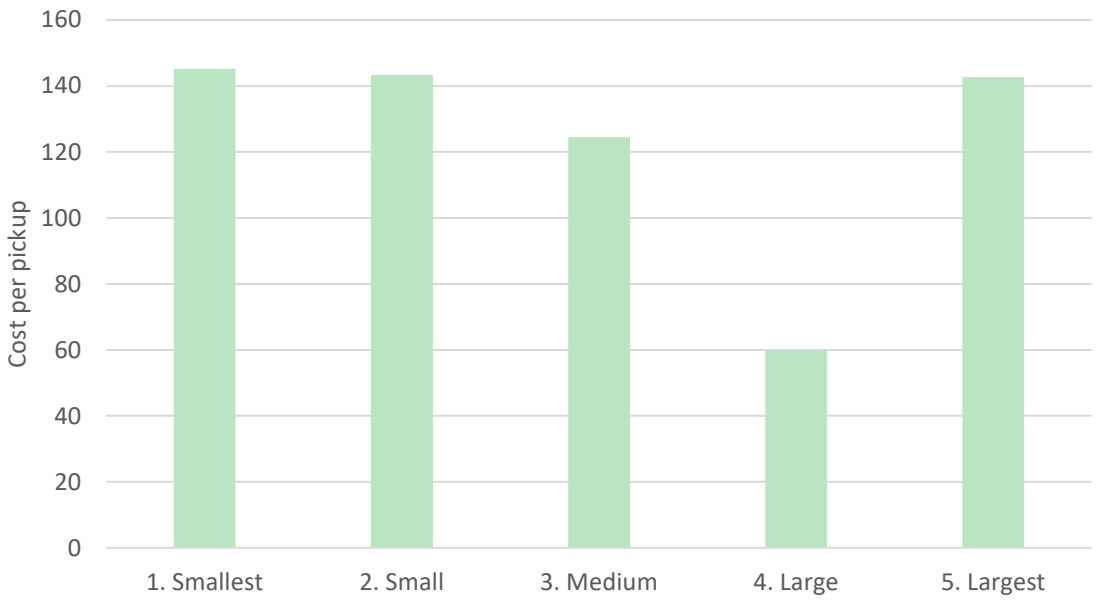
| Council type | Both | Contract | In-house |
|---|---|---|---|
| 1. Smallest | | $200 | |
| 2. Small | | $94 | $55 |
| 3. Medium | | $135 | $255 |
| 4. Large | $64 | $67 | $188 |
| 5. Largest | | $103 | $147 |

Source: SGS Economics and Planning

### *Recycling*

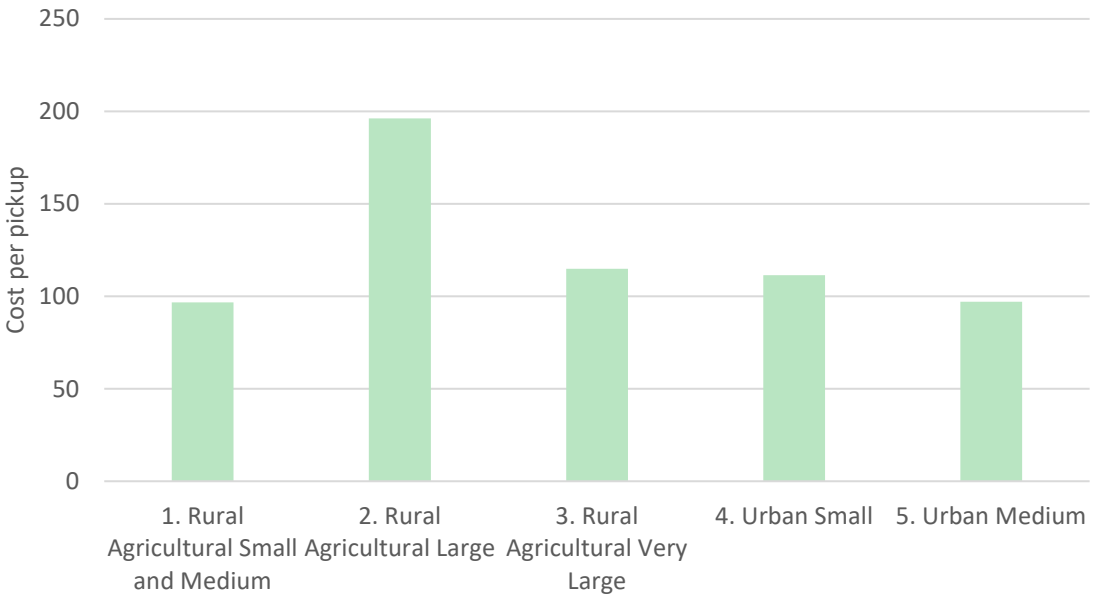
When looking at recycling, the unit costs vary considerably across councils. The analysis showed that scale of councils was an important driver for cost efficiencies (Figure 6). The unit costs decrease substantially as council scale increases, up to the scale of large councils. The largest councils have much higher unit costs. This is likely due to a more complex service being delivered such as substantial commercial (offices, retail and commercial) uses that need to be serviced as well as increased daily visitors (workers, tourists, and other visitors) that generate waste, and education and awareness raising campaigns.

**FIGURE 6: RECYCLING COLLECTION UNIT COSTS BY SCALE OF COUNCILS**



The analysis does show that rural large councils are least cost efficient when it comes to recycling as shown in Figure 7. There are no outliers that change the patterns significantly. The council with the highest reported unit cost was Southern Midlands at $313, followed by Break O'Day. Both of these councils contract out the service, are experiencing increased population growth, and have quite a dispersed population across the municipality.

**FIGURE 7: RECYCLING COLLECTION UNIT COSTS BY URBANISATION LEVEL OF COUNCILS**




The majority of the councils (22 of the 26 respondents) contract recycling collection out. There are no reported shared service arrangements among recycling services; however, similar to garbage collection, joint procurement of services does occur were relevant.

Given the high number of contracted services, it is challenging to draw strong conclusions in relation to cost effectiveness. However, as indicated in Table 11, the contract service model is generally more cost effective regardless of scale, expect for the smallest councils.

**TABLE 11: AVERAGE UNIT COST RECYCLING SERVICE AREA BY DELIVERY METHOD AND SCALE ($)**

| | Both | Contract | Inhouse | Overall average |
|---|---|---|---|---|
| 1. Smallest | | $150 | $115 | $145 |
| 2. Small | | $115 | $115 | $115 |
| 3. Medium | | $124 | | $124 |
| 4. Large | $60 | $45 | | $48 |
| 5. Largest | | $79 | $206 | $143 |

Source: SGS Economics and Planning

There was limited data on service levels and costs for FOGO, green waste, hard rubbish, and public bins; therefore, these sub-services were not further analysed.

### Strategic capability and capacity analysis

The findings of the strategic capability and capacity analysis indicated that, for some councils, workforce was a challenge in this area, including local roles such as recruitment and retention of rubbish truck drivers. This is likely to be more of a concern for those councils that run this service in-house.

For those that have local staff, they are seen as a key asset, with the ability to understand the local area. An example of this was truck drivers identifying other council responses required, such as maintenance and repairs, while undertaking the bin pickup rounds.

Generally, councils indicated that they had effective systems to deliver this service. Regional planning for waste facilities, however, was seen as important for improving capability and capacity across the waste service. It was noted that generally this service was planned at a local level; however, with landfills reaching capacity and alternative waste management sources needing to be created, a regional approach is required.

# 5. Road and bridge construction and maintenance

## 5.1 Summary

Sealed roads construction and maintenance is one of the highest expenditures for Tasmanian councils ($72 million in 2021-22). The Tasmanian Government has been working with councils to understand and measure asset sustainability. In doing so, they have introduced a benchmark for all councils to have a 100 per cent asset sustainability ratio. The KPI analysis and the strategic capacity and capability analysis highlighted some validity concerns with the reporting on the asset ratio as well as a considerable variation between councils' skills and capability in managing, reporting and forward planning for assets. This is a key capacity area that should be further investigated across both roads and stormwater.

In relation to the functional analysis, the findings found that across both roads and bridges councils were doing a mix of service delivery (contract and in-house), with in-house largely focused on maintenance. When looking at this service across the four lenses, the outcomes were varied.

When services were controlled for complexity, it generally resulted in similar service costs across scale and urbanisation of councils. This is due to urban areas having more complex local roads and bridges, whereas in rural areas complex structures are more likely to be on state-owned and operated roads.

When considering the cost efficiencies with unsealed roads and accounting for complexity, there were limited differences across the different scales.

Other sub-services were only analysed based on cost level therefore as expected generally more urbanised councils had higher costs. This was the case for footpath maintenance, with costs generally increasing with level of urbanisation. This is likely due to higher standards and increased usage resulting in higher maintenance levels.

Street lighting costs, similar to footpaths, also increased with urbanisation, except for urban medium councils, which had a much lower cost. This is likely due to the implementation of the sustainable street light programs in urban medium councils, which are moving to more efficient LED lighting and reducing costs.

Paid parking was also considered in this analysis; however, due to only seven councils delivering this service and large data gaps, the findings were unable to be further interrogated.

## 5.2 Key findings from functional analysis and KPIs

### KPIs

*Asset sustainability ratio*

The KPI used for this functional service area was the asset sustainability ratio. The asset sustainability ratio indicates whether councils are renewing or replacing existing non-financial assets at the same rate the assets are wearing out. All councils in Tasmania have a benchmark of achieving 100 per cent. Those that are not meeting 100 per cent are potentially having challenges in planning, delivery and or funding of asset renewals. This is a similar KPI used in Victoria; however, Victoria's KPI is specific to roads[5] and therefore was not used as a comparison.

A total of 17 councils provided a response to this KPI. The average asset sustainability ratio across these councils was 90.38 per cent. Of the 17 councils, 10 responded with their asset sustainable ratio being 100 per cent or more, with Northern Midlands having the strongest ratio (118 per cent), followed by Sorell (105 per cent). The lowest ratios were reported from Derwent Valley (36 per cent), Break O'Day (55 per cent), and Hobart (72 per cent).

When asset management was discussed in the strategic capability and capacity focus groups, some council representatives were sceptical about the reported numbers for the asset sustainability ratio and the efficacy of the data. When analysing the KPI data across the four lenses, there were also no significant trends. Given this and the concerns with quality of the data, this KPI was not further analysed.

Nevertheless, this is an important KPI for understanding how councils are performing with asset renewal. It should continue to be reported against over future financial years. The strategic capability and capacity analysis discussed later in this report indicates that councils' level of asset management (specifically data, forward planning and strategic direction) varies across councils. This potentially puts some councils at risk of asset failure in the future, with significant impacts on long-term budgets, if assets are not effectively managed throughout their life cycle.

### Functional analysis

The functional analysis considered bridge and road construction and maintenance across the four lenses.

*Bridge construction and maintenance* is generally delivered through a mixture of contracting out and in-house services, regardless of scale (Table 12). Typically, construction is contracted out while maintenance is undertaken in-house. This would be a common approach across most councils given the skills, equipment and frequency required in constructing bridges. Rather than having these resources sitting idle in council when not required, a contractor can be appointed to deliver a short-term project.

[5] Victorian Know Your Council relevant asset KPI: percentage of sealed local roads that are below the renewal intervention level set by council and therefore do not require renewal

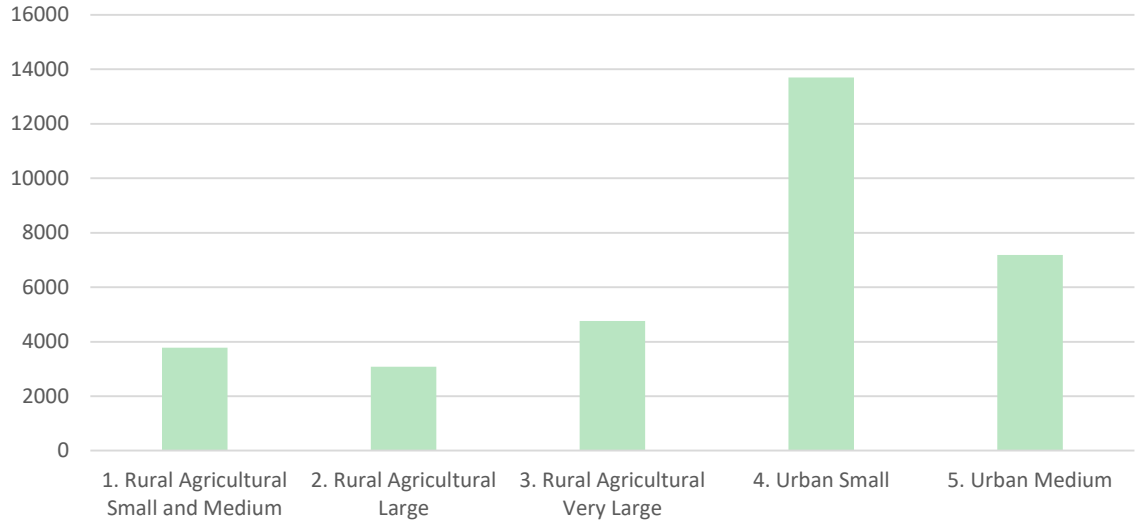
**TABLE 12: BRIDGES CONSTRUCTION AND MAINTENANCE DELIVERY METHOD BY SCALE (2021-22)**

| Scale | Both contract and in-house | Contract only | In-house only | Maintenance in-house, construction contracted |
|---|---|---|---|---|
| 1. Smallest | 1 | 2 | 1 | 2 |
| 2. Small | 3 | | | 1 |
| 3. Medium | 3 | 1 | | 3 |
| 4. Large | 2 | 3 | | |
| 5. Largest | 1 | 1 | | |

When considering cost efficiencies through the four lenses, the following was found[6]:

Urbanisation: As to be expected, generally rural councils had a lower service cost than urban councils, with urban small councils having the highest service costs (Figure 8). Urban councils are likely to have more complex local bridge structures with higher usage, requiring a higher level of maintenance spend. In addition, rural councils are likely to have less complex structures on local roads, with the more complex bridges likely falling on state-owned roads. Figure 8 below shows the unit costs of bridge construction and maintenance by the level of urbanisation, without controlling for the complexity required to complete these tasks. Figure 9 makes this adjustment by controlling for the number of FTE engaged in this service, as a proxy for the complexity of the task required, which levels out the wide variation seen in the unadjusted unit costs.

**FIGURE 8: BRIDGES COST EFFICIENCY BY LEVEL OF URBANISATION, COSTS PER UNIT (2021-22)**

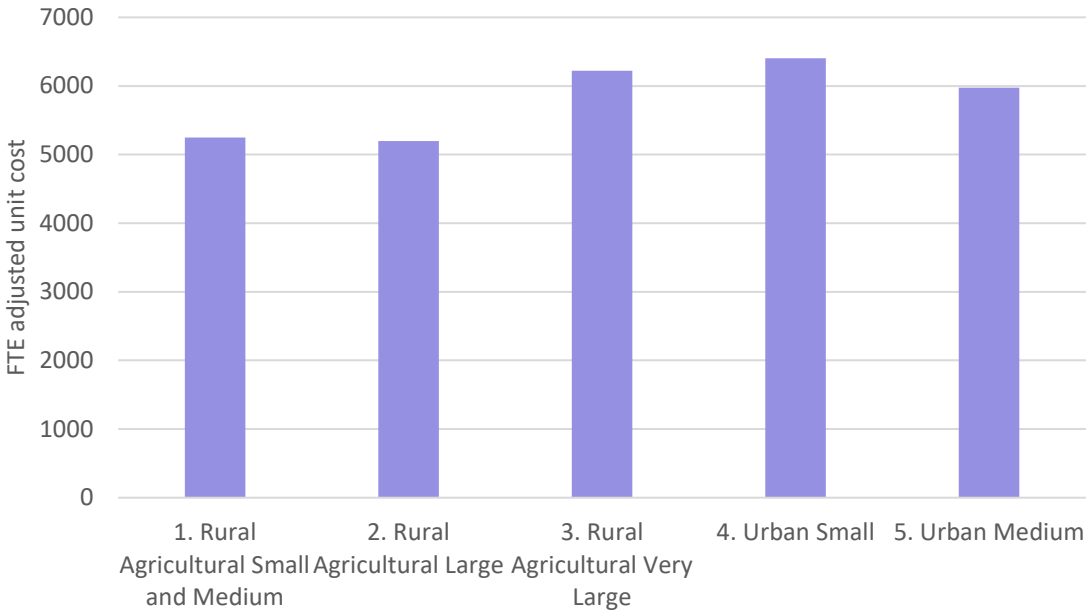



Source: SGS Economics and Planning

[6]George Town, Meander Valley and Southern Midlands were excluded from the analysis due to missing data.

When accounting for service delivery complexity (through FTE) the analysis showed that the urban areas still had a slightly higher service cost however, the findings for rural very large councils were similar to urban councils (Figure 9).

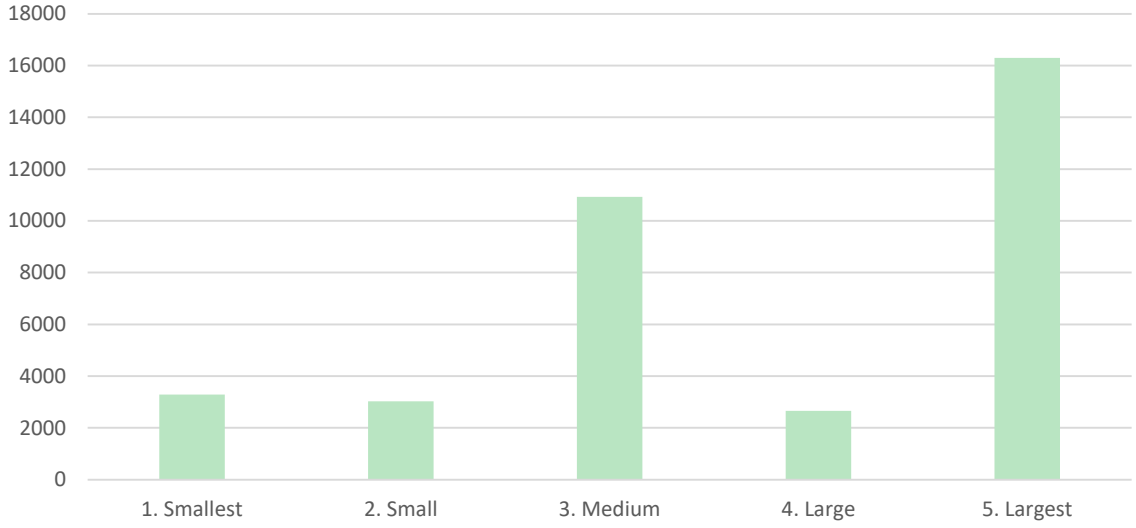
**FIGURE 9: BRIDGES COST EFFICIENCY BY LEVEL OF URBANISATION, ADJUSTED COSTS PER UNIT (2021-22)**




Source: SGS Economics and Planning

Scale: There were no clear trends when considering financial scale and cost efficiency of bridges (Figure 10). As expected, the largest scale councils had significantly higher costs than others, followed by medium-scale councils. As indicated for roads, this is likely due to complexity.

**FIGURE 10: BRIDGES COST EFFICIENCY BY SCALE, COSTS PER UNIT (2021-22)**

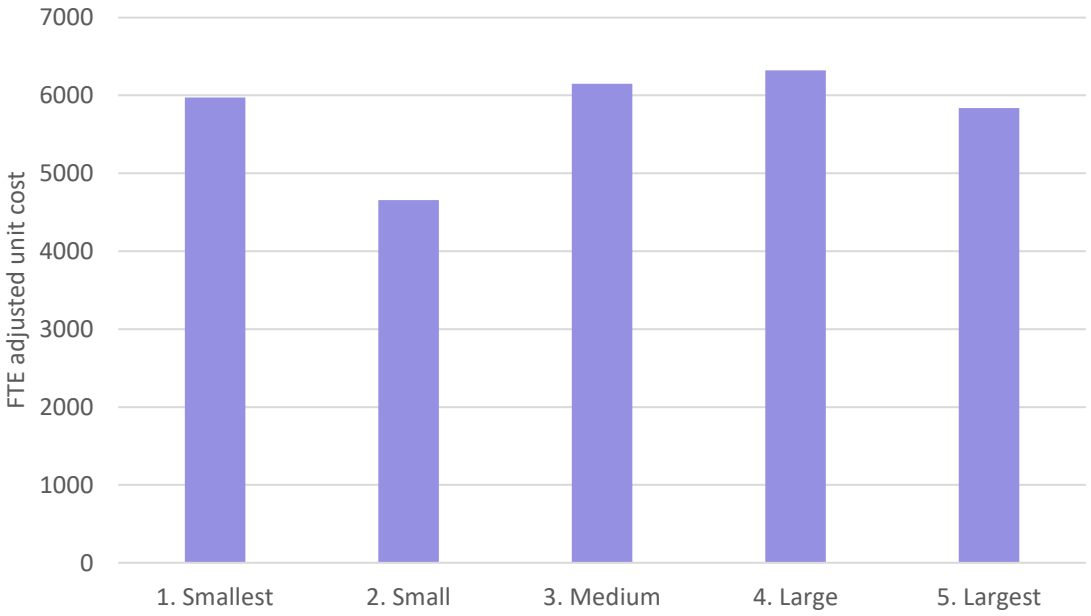



Source: SGS Economics and Planning

When service delivery complexity is accounted for, the cost of the service across the different scales is relatively similar (Figure 11).

As construction and maintenance costs were collected as one, further investigation is needed to establish whether there are differences between construction and maintenance when not combined.

**FIGURE 11: BRIDGES COST EFFICIENCY BY LEVEL OF SCALE, ADJUSTED COSTS PER UNIT (2021-22)**

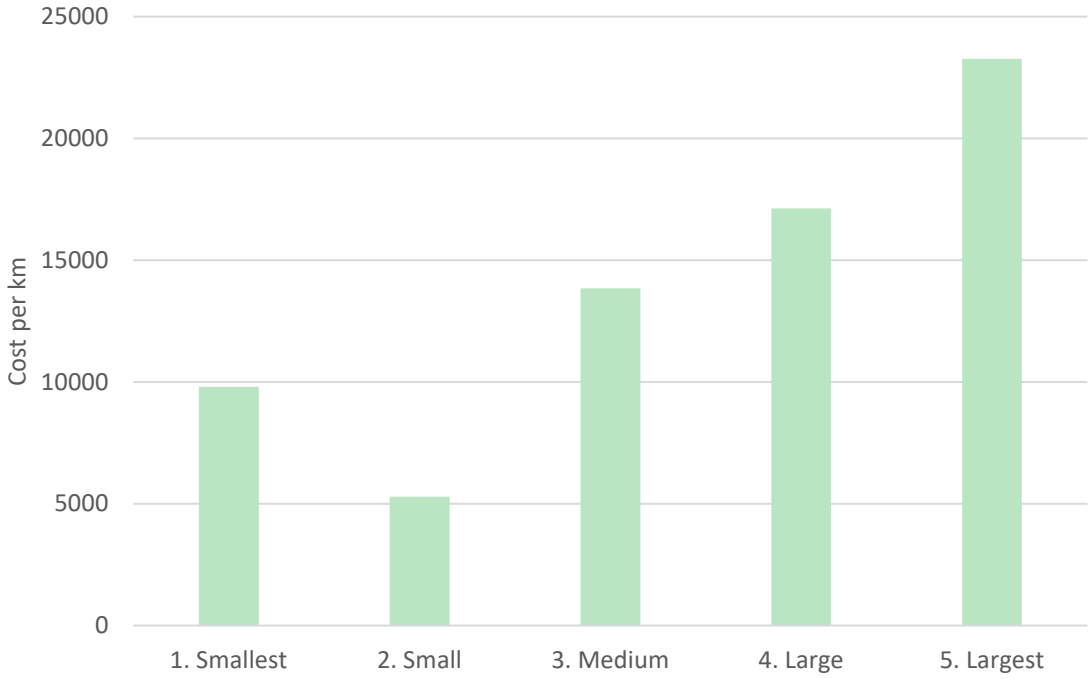



Source: SGS Economics and Planning

*Road construction and maintenance cost* analysis indicated that with increased council scale came increased service costs (Figure 12[7]). As with earlier infrastructure this is likely due to urban areas having a higher more complex services and higher usage rate, resulting in increased maintenance services and costs. In comparison, the rural main roads are likely state owned and managed, with the local network having much lower usage rates, reducing overall costs.

[7] Due to missing data, Clarence City and Glamorgan-Spring Bay councils were excluded from the analysis.

**FIGURE 12: COST EFFICIENCY SEALED ROADS BY SCALE (2021-22)**




Source: SGS Economics and Planning

As with bridge construction and maintenance, this service is generally provided through a combination of in-house and contracted arrangements, with maintenance often undertaken in-house. There were two councils reporting shared service arrangements. The unit costs for the shared service councils were the lowest of all delivery modes, suggesting potentially some cost efficiencies can be achieved through shared service arrangements and increased scale; however, the sample size was too small to make any strong conclusions (Table 13).

**TABLE 13: UNIT COSTS BY METHOD OF DELIVERY FOR ROADS (2021-22)**

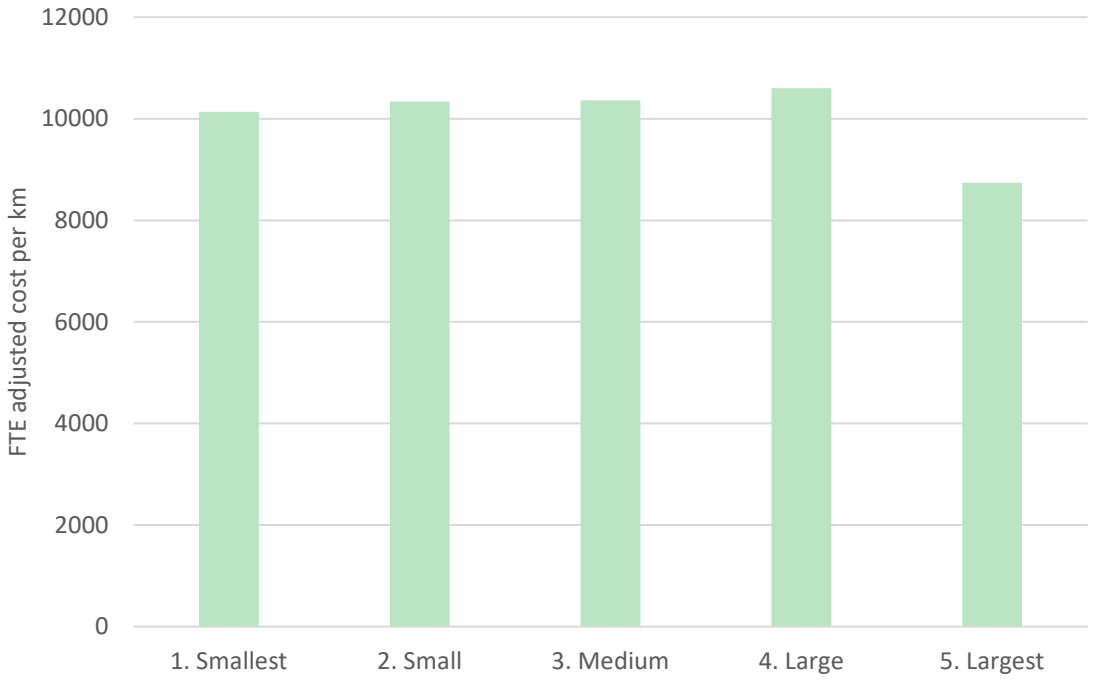
| Delivery method | Average unit cost ($) |
|---|---|
| Both | 13,442 |
| In-house | 11,648 |
| Maintenance in-house, construction contracted | 15,513 |
| Shared service/In-house and contract | 9,998 |
| Overall | 13,276 |

Source: SGS Economics and Planning

*Unsealed roads* analysis indicated that, when accounting for complexity, smaller scale councils and large councils are delivering this service at a similar cost (Figure 13). This could be due to rural areas having more unsealed roads and therefore having strong processes, systems and schedules in place to support construction and maintenance.

The largest scale councils had the strongest cost efficiency, but this only included two councils (Hobart and Launceston), with Hobart having a unit cost of $44,000 and Launceston $2,200. Given the significant variance between the two councils, there is likely to be some data quality issues in the reporting of the largest scale.

**FIGURE 13: ADJUSTED COST EFFICIENCY UNSEALED ROADS BY SCALE (2021-22)**




Source: SGS Economics and Planning

The remaining sub-services for roads are shown in Table 14. These have been categorised by urbanisation. The other lenses of SEIFA, population growth and scale did not show any clear trends.

As shown in Table 14, footpath maintenance costs trend upwards with urbanisation. This is likely due to higher standards (for example, increased width, recycled materials and supporting infrastructure such as seats) and increased usage resulting in increased maintenance.

Street lighting costs generally also increased by urbanisation, other than for urban medium councils, which had a much lower cost. TasNetworks generally owns, installs, and maintains most streetlights; however, councils pay usage costs. There has been a push to make streetlights more efficient through the upgrade to LED lights. This change is providing significant savings to councils. It is likely that urban medium councils have already initiated this program and are receiving the benefits, resulting in a lower service cost.

Not all councils provide paid on and off-street parking. Therefore, there was limited data available to analyse. It should be noted that this service can also provide council with a revenue to offset service delivery. This was not considered in this analysis due to sample size.

**TABLE 14: AVERAGE UNIT COST ($) ROAD AND BRIDGE CONSTRUCTION SUB-SERVICE AREAS BY URBANISATION (2021-22)**

| Roads sub-service | 1. Rural Agricultural Small and Medium | 2. Rural Agricultural Large | 3. Rural Agricultural Very Large | 4. Urban Small | 5. Urban Medium | Overall |
|---|---|---|---|---|---|---|
| Footpath maintenance | 1,167 | 2,715 | 1,830 | 3,127 | 9,756 | 3,807 |
| Paid on and off-street parking | 144 | - | - | 870 | 982 | 805 |
| Street lighting* | 80 | 157 | 167 | 191 | 129 | 154 |

Source: SGS Economics and Planning

Note *West Coast is removed as an outlier as the unit cost was $1,648, significantly higher than all other councils.

### Strategic capability and capacity analysis

The findings of the strategic capability and capacity analysis indicated that there were staffing concerns across this service area. This included access to engineers, asset condition surveyors and project management staff. To support the delivery of this service, councils are already undertaking joint procurement of services and sharing plant such as graders. Councils suggested that further options could be to have a centralised pool of specialist staff who could support access to these resources; alternatively, sharing staff between councils could be beneficial.

In relation to assets and infrastructure, it was noted that the cost of delivery and maintenance of infrastructure is continuing to rise. This is being further affected by increasing natural disasters and community expectations. It was noted that the review of development contributions could go some way towards supporting the delivery of new essential infrastructure in development areas (roads, drainage and community infrastructure).

It was noted that some councils have limited understanding of their assets and are lacking strong asset management plans. Councils suggested that financial assistance to undertake asset condition assessments, benchmarking with other councils, and development of 10-year financial asset plans would be beneficial.

While digital technology was seen as a potential future opportunity, it was noted that understanding asset conditions and what data needs to be collected are critical first steps. Understanding climate change impact to inform infrastructure planning, however, was seen as a priority.

In relation to systems and processes, there was recognition of the need to improve GIS systems to capture all assets, and to ensure field staff have digital devices to improve processes and systems.

# 6. Stormwater construction and maintenance

## 6.1 Summary

Stormwater construction and maintenance is a significant asset for councils and one that is becoming more critical with increased rain events. As the infrastructure is underground, it can often become a low priority. This can result in poor asset data including asset condition data.

The KPI used to measure stormwater was the same as roads and bridges (asset sustainability ratio). As indicated in roads and bridges, when asset management was discussed in the strategic capability and capacity focus groups, some council representatives were sceptical about the reported numbers for the asset sustainability ratio and the efficacy of the data. Given the concerns with the validity of this data, it was not able to be used.

As with the roads and bridges, feedback from councils via the strategic capability and capacity analysis indicated significant concerns with the quality of stormwater assets and level of strategic forward planning. This is an asset that has a catchment impact, rather than just a local impact. Given this, in order to build capability across the network, councils saw regional catchment planning as a priority as well as further investment in building capacity in delivery strong asset management.

In relation to cost efficiency in the service delivery of stormwater, the data indicated that councils are delivering this service through a mix of in-house, contract and shared service models. Given the variation in service delivery, it was challenging to understand which was more effective, but there was potentially some benefit through an in-house model. Given concerns about capability, however, this should be taken with a level of caution.

Similar to roads and bridges, the analysis found that those councils that had higher financial capacity (scale) also had higher stormwater service costs. This is likely due to level of complexity of the service they are providing. The exception to service costs were the smallest scale councils. Some of the smaller scale councils are also experiencing high population growth, therefore likely to be delivering a high level of new infrastructure, impacting overall costs. When costs were adjusted for complexity larger scale council costs levelled out. In addition to this rural small and medium service costs were significantly higher. Locational and council size challenges may be impacting the increased service costs within these councils.

## 6.2 Key findings from functional analysis and KPIs

### KPIs

The KPI used for this functional service area was the asset sustainability ratio, which was also used in roads and bridges (see above section). As indicated in the previous section, while this KPI is useful, there are concerns about the quality of the data provided by councils.

Similar to roads and bridges, some councils indicated that they had a good understanding of their stormwater assets and future delivery needs, whereas others had very limited data and future asset plans.

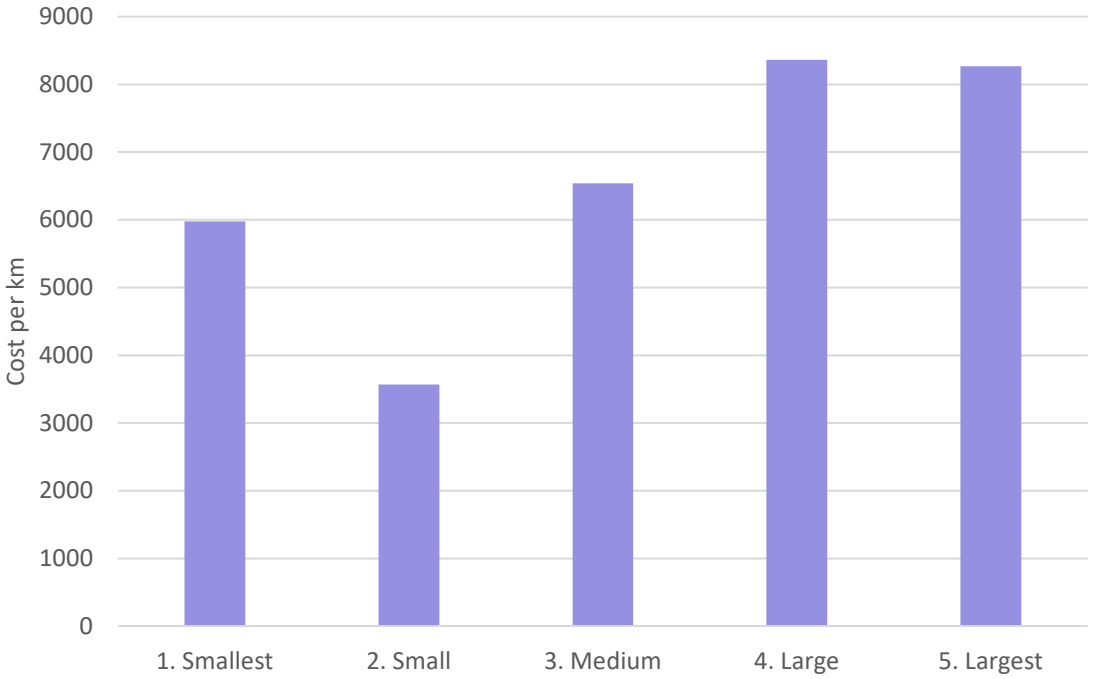
Stormwater is typically a more challenging asset for councils. Given it is not as visible, it requires strong GIS and locational data to track assets, and specialised skills and equipment to undertake maintenance schedules. Given stormwater infrastructure is a key asset in relation to population growth and managing increasing climate events, those councils that have limited capacity in this service are potentially at risk of asset failure now and into the future.

It should also be noted that stormwater management impacts not only the council responsible for delivering this service, but also councils that are within the stormwater catchment downstream. It was noted in the strategic capability and capacity analysis that stronger regional catchment planning and mapping was required in order to support the delivery of effective and appropriate local level stormwater infrastructure.

### Functional analysis

The functional analysis looked at closed stormwater drainage assets. The analysis found that those councils that had larger budgets (scale) had higher stormwater service costs, except for the smallest scale councils (Figure 14). Similar to roads, it is likely that within larger scale councils (and more urban councils) the size and complexity of infrastructure is larger (for example larger pipes and pits) to manage the impacts of bigger population. Some of these smallest scale councils are also experiencing increased population growth (Central Highlands, Southern Midlands and Tasman). Increased population will drive up the need for this infrastructure, which with the current costs of infrastructure, may be resulting in higher delivery prices. This is something that should be monitored over time.

**FIGURE 14: AVERAGE UNIT COST STORMWATER CLOSED DRAINS BY SCALE (2021-22)**

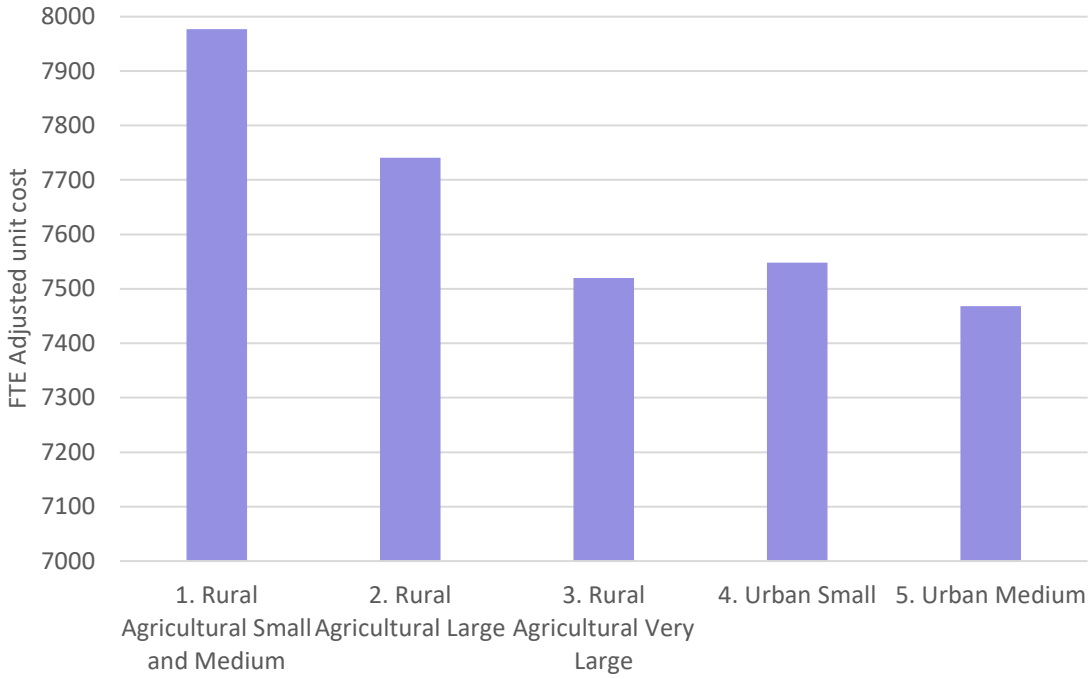



Source: SGS Economics and Planning

**Note: West Coast is a key outlier with a unit cost of $41,972. It was therefore removed from the analysis.*

When adjusted for complexity (FTE), as indicated in Figure 15 the service costs for urban councils and rural very large are relatively similar. On the other hand, rural small and large cost are significantly higher. This indicates that they are paying higher service costs which may be due to locational and size challenges increasing service delivery costs.

**FIGURE 15: ADJUSTED UNIT COST STORMWATER CLOSED DRAINS BY SCALE (2021-22)**

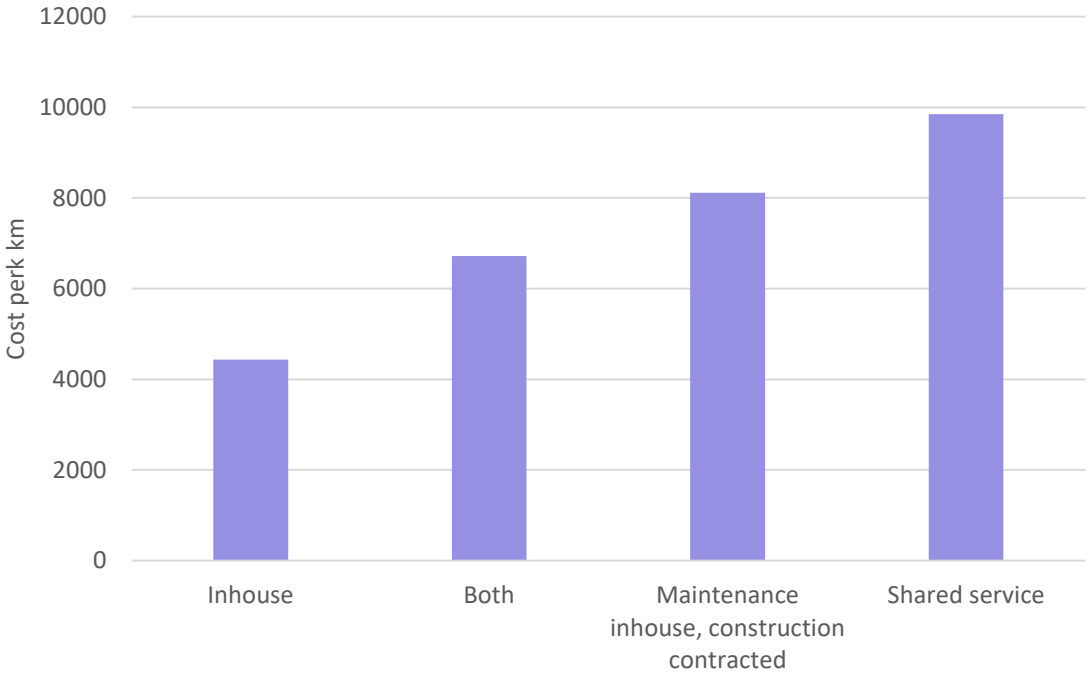



Source: SGS Economics & Planning

Similar to roads and bridges, the majority of councils deliver this service through a mix of in-house and contract (14), with three councils also involved in a shared service arrangement (Break O'Day, Kentish and Latrobe). Through conversations with councils during the strategic capability and capacity analysis, it was suggested that outsourcing the asset condition assessments for stormwater was critical given the specialist skills required. It was also noted that these asset conditions could be delivered via joint procurement.

Given the various service arrangements that councils have for this service, it is difficult to analyse cost efficiency. As shown in Figure 16, there could be some efficiency through in-house delivery. Given the skills required to adequately deliver this service, however, it is likely that external expertise will be required, particularly for the smallest councils.

**FIGURE 16: STORMWATER CLOSED DRAINS COST EFFICIENCY BY DELIVERY METHOD**




Source: SGS Economics and Planning

## Strategic capability and capacity analysis

Similar to roads and bridges, the main findings of the strategic capability and capacity analysis indicated there were asset management staffing concerns. This included access to engineers, asset condition surveyors, and project management staff. To support the delivery of this service, councils are already undertaking joint procurement of services. Councils suggested that further options could be to have a centralised pool of specialist staff who could support access to these resources; alternatively sharing staff between councils could be beneficial.

In relation to assets and infrastructure, it was noted that the cost of delivery and maintenance of infrastructure is continuing to rise. This is being further impacted by increasing natural disasters and community expectations. It was noted that the review of development contributions could go some way towards supporting the delivery of new essential infrastructure in development areas (roads, drainage, and community infrastructure).

It was noted that some councils have limited understanding of their assets and are lacking strong asset management plans; this was seen as critical within stormwater management. Councils suggested that financial assistance to undertake asset condition assessments, benchmarking with other councils, and development of 10-year financial asset plans would be beneficial.

In addition, councils noted that regional stormwater management planning needed to be undertaken, including flood mapping and strategic planning. Currently this service is being managed at a local level, however water catchments are regional. This should also be undertaken alongside assessment of

climate change impacts. This information would not only inform further development planning, but it would inform asset management and renewal planning.

While digital technology was seen as a potential future opportunity for asset management, it was noted that understanding asset conditions and what data needs to be collected are critical first steps.

In relation to systems and processes, there was recognition of the need to improve GIS systems to capture all assets and to ensure field staff have digital devices to improve processes and systems.

# 7. Development application assessment and approvals

## 7.1 Summary

Statutory and strategic planning is a core function for local councils. In order for this service to be running efficiently, councils need to have strong systems, processes and skilled staff. The KPIs measured in this service generally indicate that councils in Tasmania are delivering good outcomes. This includes the majority of councils assessing applications within statutory timeframes for 90 per cent of the time. Those councils with larger financial capacity (scale) performed slightly better than those of the smallest scale.

In relation to cost effectiveness, the functional analysis found that urban councils had higher statutory planning costs than rural. Similarly with scale – those with higher financial capacity spent more on statutory planning service delivery. When controlling for complexity, the service costs generally levelled out, except for urban medium. This would be useful to further unpack with these councils, however this is likely due to the additional complexity and demand this service has within these councils.

In relation to strategic planning, the higher the financial scale of councils, the greater the costs of the service. This is expected and likely due to these councils undertaking more strategic planning work, including involvement in regional strategic planning projects.

The strategic capability and capacity analysis indicated that key risks for this service area were resources and processes/systems. Councils indicated that the staff they have are well skilled in this area, but councils are unable to get enough staff and or to retain staff. In addition, they noted that systems could be improved to further support efficient delivery. It was noted that the State is currently implementing a system to support this, which will go some of the way; however, further integration between systems is likely to be required.

## 7.2 Key findings from functional analysis and KPIs

### KPIs

This functional area has four KPIs, which reflects the importance and complexity of this service area across local council.

*Median number of days to approve a planning application*

There were 25 councils that responded to this KPI. Across these councils, the average number of days to approve a planning application was 37.5 days. Discretionary planning applications must be assessed within the statutory timeframe of 42 days (green line in Figure 17). As shown in the Figure 17, the majority of councils are delivering this service within statutory timeframes. CDC 2020-21 data was used to gather this information. This was the latest available as at the time of writing this report.

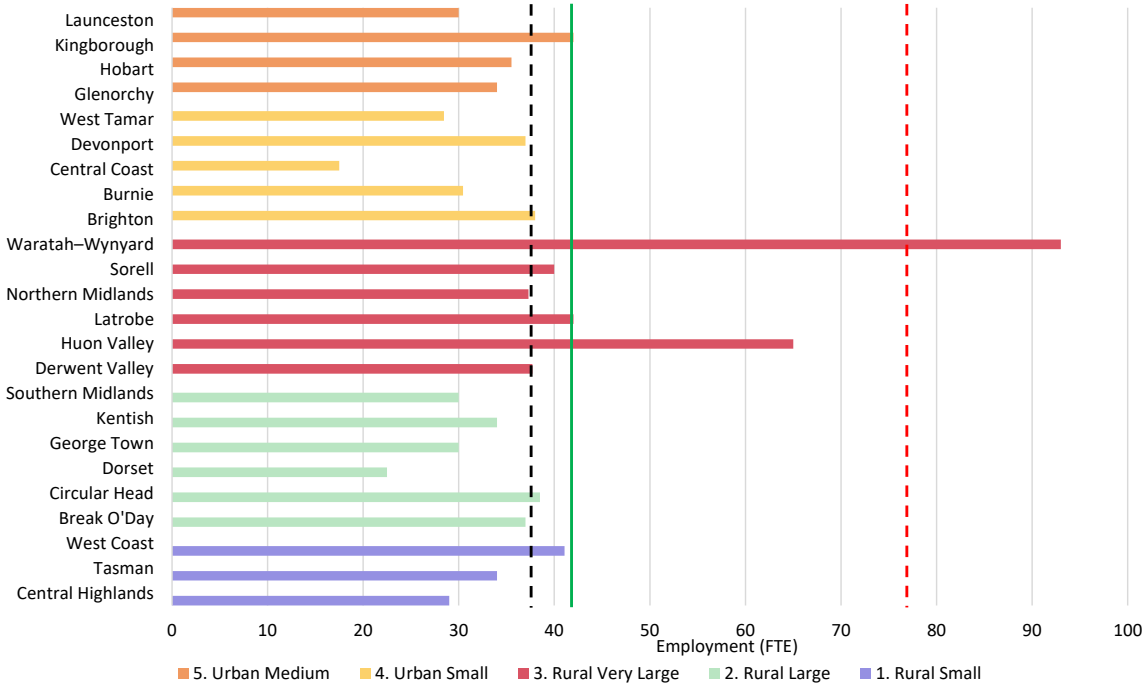
Victorian councils measure a similar KPI. While they cannot be directly compared due to differences in application processes, in Victoria during 2021-22, the average number of days taken to make a decision on a planning application was 76.8 days. In Victoria the statutory requirement is 60 days.

When assessing this KPI across urbanisation of councils, as shown in Figure 17 most councils are either at or below 42 days, with only two councils above 42 days (Waratah-Wynyard, 93 days and Huon Valley, 65 days).

Huon Valley had the fifth highest number of planning applications in 2021-22 (470) and has high population growth. Compared to other councils, it has a strong FTE for this service (7 FTE); however, due to high growth and application numbers the Council may be struggling to keep up with demand.

Waratah-Wynyard is a low population growth area, had eight FTE, and only 219 applications in 2021-22. There is a potential review required into why this council is unable to meet statutory timeframes to understand whether this was a once off for 2021-22 or whether they are facing more structural/ complexity or process issues.

**FIGURE 17: MEDIAN NUMBER OF DAYS TO APPROVE A PLANNING APPLICATION**




Source: SGS Economics and Planning, 2022

**The black dotted line refers to the Tasmanian state average number of days to approve a planning application. The red dotted line indicates the Victorian equivalent measure. The green line specifies the Tasmanian statutory timeframe of 42 days.*

*Percentage of planning applications determined within statutory timeframes*

While it is useful to understand the average number of days taken to assess a planning application, to understand how often the statutory timeframes are being met, a KPI sought to understand the percentage of applications that were assessed within timeframes.

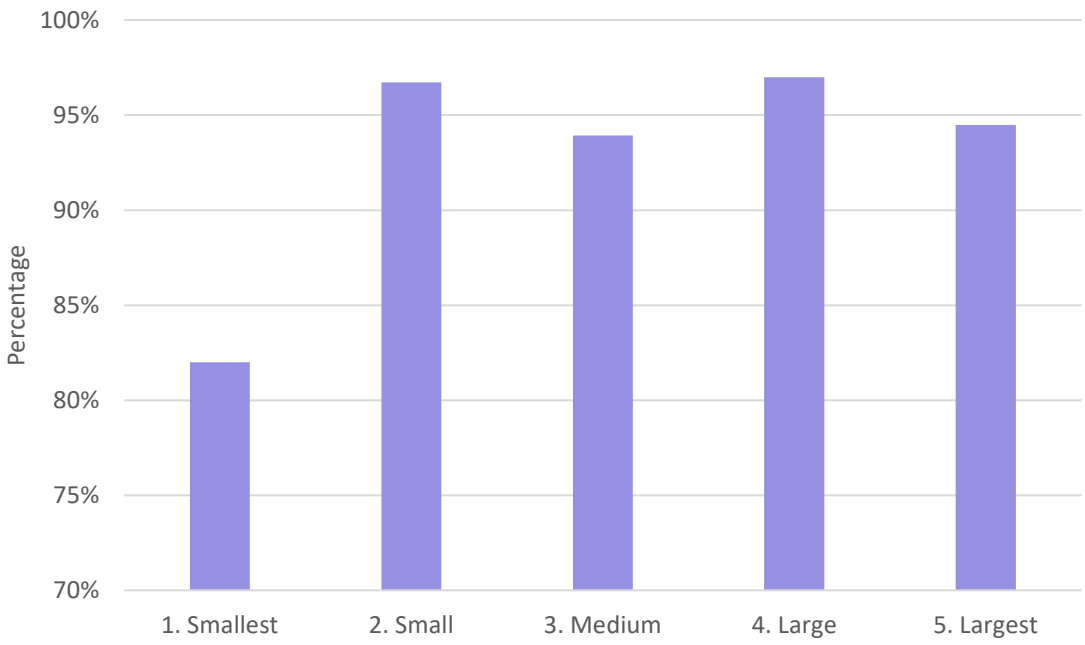
Overall, of the 25 councils that provided a response to this KPI, 92.8 per cent of applications were determined within statutory timeframes.

The scale of council provided the greatest correlation in relation to councils' performance in this service area. As noted in Figure 18, generally councils across all scales assessed 95 per cent of applications or more within timeframes. Those councils of the smallest financial scale, however, were significantly lower, assessing 82 per cent within statutory timeframes.

Latrobe (60 per cent), Kentish (61 per cent) and Tasman (71 per cent) were the three worst performers in this service area, all of which fall into the smallest scale. Among those three councils they assessed between 131 (Kentish) and 335 (Latrobe) planning applications and had between 1.9 FTEs (Kentish) and 3.5 FTEs (Latrobe). In addition, Tasman and Latrobe are experiencing high population growth and Kentish medium population growth. Given this, the level of population growth may be impacting their ability to maintain statutory timeframes.

The strongest councils in this KPI area were Southern Midlands (98 per cent) and West Coast (96 per cent). Southern Midlands is also a high growth area; its 5 FTE assessed 155 applications. West Coast, on the other hand, is a low growth council; its 1.5 FTE only assessed 75 applications.

**FIGURE 18: PERCENTAGE OF PLANNING DECISIONS MADE WITHIN STATUTORY TIMEFRAMES BY SCALE**



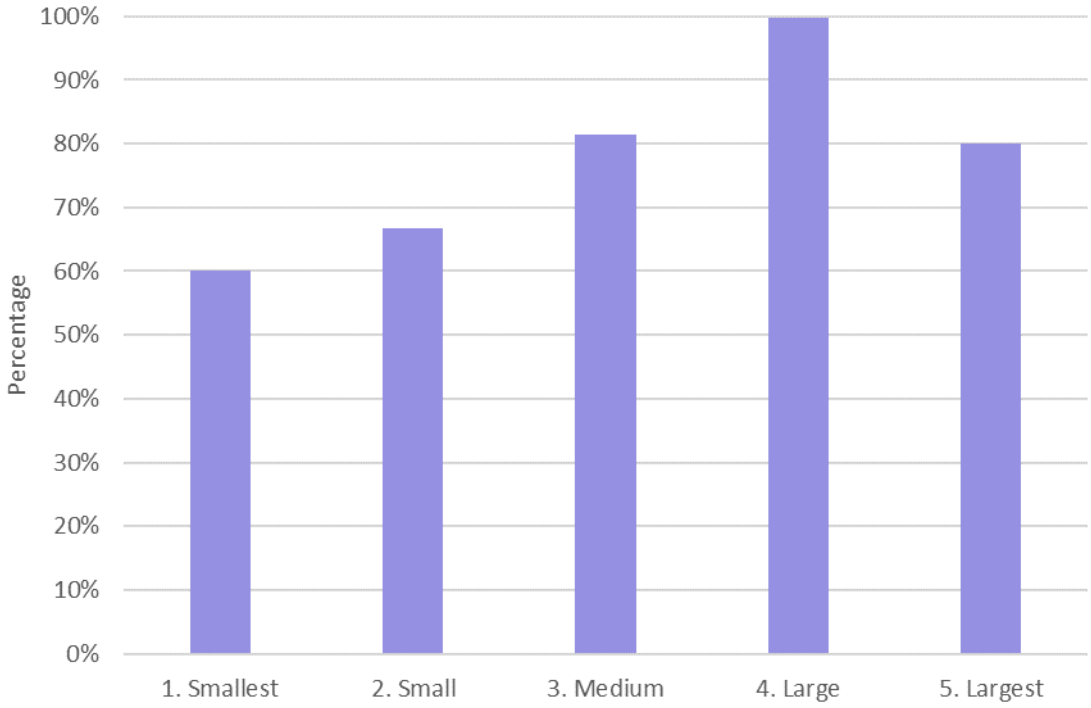

Source: SGS Economics and Planning, 2022

### *Percentage of planning applications upheld at TasCAT*

Intuitively, one would anticipate that the larger and better resourced councils would have more time and resources to engage in TasCAT hearings. It is not surprising then that the smallest scale councils do not perform as well as those with larger budgets. As noted in Figure 19, the larger scale councils generally performed better, expect for the largest category. This may have been due to the complexity of cases and number of cases.

It should be noted that only 22 councils provided a response for this KPI. This may be because councils are not collecting this data, and/or they had not been to TasCAT within the last 12 months.

**FIGURE 19: PERCENTAGE OF PLANNING APPLICATIONS UPHELD AT TASCAT BY SCALE**



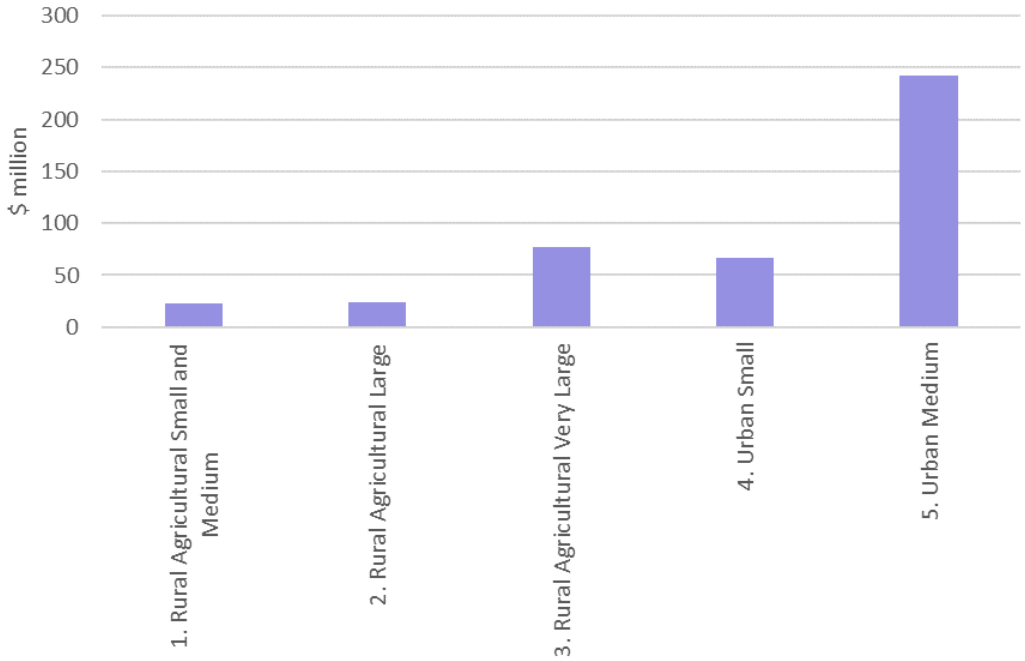

Source: SGS Economics and Planning, 2022

### *Value of planning applications*

This KPI is more representative of the cost of development than councils' individual performance. Given this, it is unsurprising that Hobart and Launceston reported the highest value of planning applications, $316 million and $238 million respectively. Interestingly, the lowest development cost recorded for 2021-22 was from West Tamar, an urban small council with a value of planning applications of $8.4 million. A summary by urbanisation and value is provided in Figure 20.

The higher cost of planning applications can also be an indicator for planning complexity; however, this is not always the case, as rural and regional councils can also face challenges across land use type, drainage, flooding, fire etc within a low cost development.

**FIGURE 20: VALUE OF PLANNING APPLICATIONS ($M) BY COUNCIL URBANISATION**




Source: SGS Economics and Planning, 2022

## Functional analysis

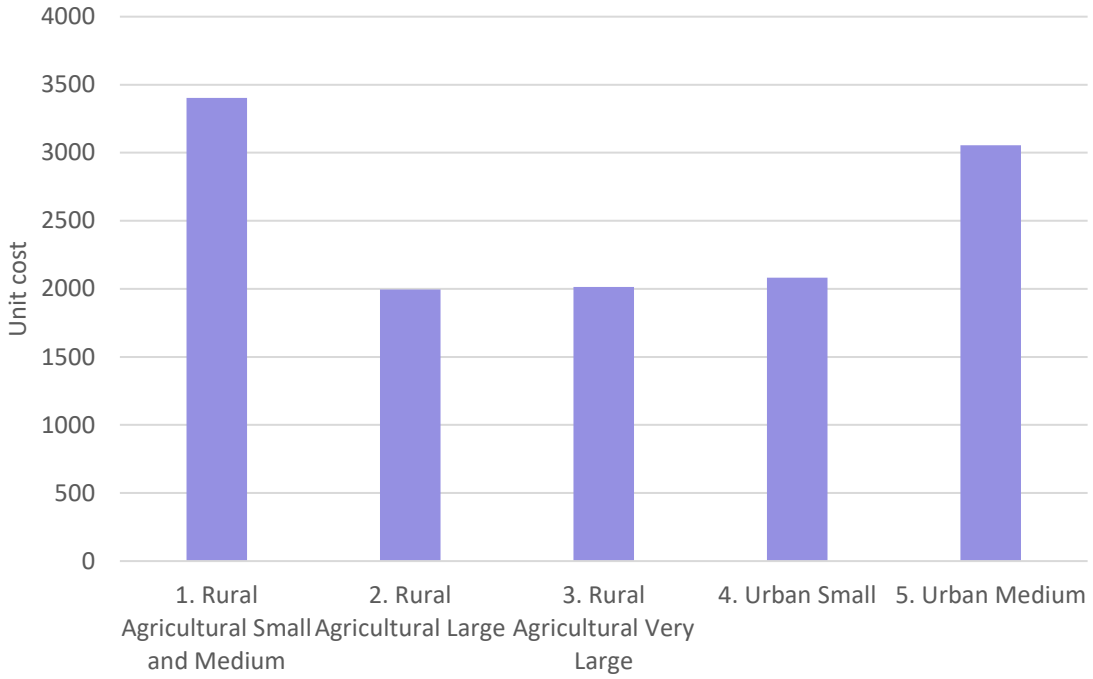
The functional analysis for this service area analysed statutory planning and strategic planning.

### *Statutory planning*

For statutory planning, the analysis indicated that high urbanisation and high rural areas had higher service costs (Figure 21). When this was adjusted for complexity through FTE (Figure 22) most of the councils levelled out except for urban medium.

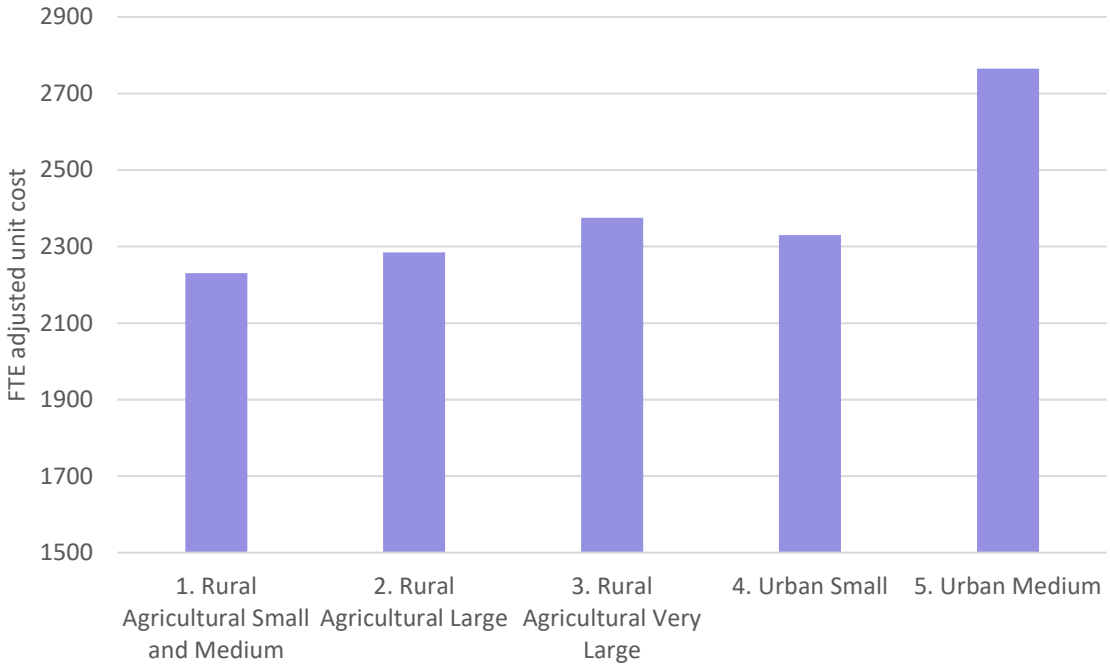
It would be useful to further unpack this with the urban medium councils, however it is likely due to having a much more complex service than other areas. Including TasCAT applications, increased referrals needed, and potentially higher objections. This would require additional resources, systems, processes and time to assess and respond to applications.

**FIGURE 21: STATUTORY PLANNING UNADJUSTED COST EFFICIENCY BY LEVEL OF URBANISATION (2021-22)**




Source: SGS Economics & Planning

**FIGURE 22: STATUTORY PLANNING ADJUSTED COST EFFICIENCY BY LEVEL OF URBANISATION (2021-22)**




Source: SGS Economics and Planning

When looking at scale, it is also not surprising that the greater the financial scale of councils, the higher the unit costs (Table 15). This is after accounting for complexity of application through value of applications, volume of applications, and time taken to process applications.[8] This could be due to increased FTE as well as increased resources required for TasCAT hearings.

**TABLE 15: STATUTORY PLANNING UNIT COSTS BY LEVEL OF COUNCIL SCALE (2021-22)**

| Councils by scale category | Average unit cost ($) |
|---|---|
| 1. Smallest | 1,930 |
| 2. Small | 1,930 |
| 3. Medium | 2,392 |
| 4. Large | 2,892 |
| 5. Largest | 3,518 |

### *Strategic planning*

The level and maturity of strategic planning undertaken by a council is likely to result in it having a stronger planning scheme and best practice land use. When assessing strategic planning across the four lenses, there did not appear to be any strong drivers of cost efficiency.

Unit costs trend upwards for larger councils as measured by scale or urbanisation. Table 16 shows the pattern by scale as an example. This is likely due to those councils that have higher financial capacity being involved in more local and regional strategic planning projects. As indicated in the strategic capability and capacity analysis, however, strategic planning was a key area that councils felt needed further resources, as they were unable to attract and retain strategic planners to undertake the work required. Limited resources could potentially result in councils only doing basic strategic planning. This could put future developments at risk through being developed in areas that have not had sufficient strategic planning undertaken (for example, flood mapping and housing capacity analysis). Concerns were also raised about the delays in statewide planning, impacting both local strategic and statutory planning.

[8] The adjustment of the per unit cost measure was done using a linear regression to estimate the adjusted annual cost.

**TABLE 16: STRATEGIC PLANNING UNIT COSTS BY LEVEL OF COUNCIL SCALE (2021-22)**

| Type of councils by scale | Average unit cost ($) |
|---|---|
| 1. Smallest | 3,822 |
| 2. Small | 10,750 |
| 3. Medium | 15,196 |
| 4. Large | 12,011 |
| 5. Largest | 215,568 |
| Overall | 34,339 |

Source: SGS Economics and Planning

### Strategic capability and capacity analysis

The strategic capability and capability analysis indicated that councils' workforce capability in the area of development applications and assessments was strong. This was due to councils having worked in this space for many years. In relation to quantity of staff, however, there remained concerns. Councils noted that this was a challenging area to recruit and retain staff, which at times was affecting service outputs. Councils noted that there is a lack of strategic planning occurring due to workforce shortages and delays with statewide planning reforms.

Councils had several suggestions to improve workforce capacity, including training administrative staff to undertake technical work and support senior planners; seeking local graduates to fill placements; and providing further educational and growth opportunities through the Tasmanian Planning Institute and UTAS.

Some councils are already sharing this service and having good results; therefore, there is also an opportunity to extend sharing arrangements across other councils. It was noted, however, that some councils may struggle with this, as they do not have enough staff in their own teams and therefore lack the ability to share personnel.

Some councils also suggested a centralisation of services may work for some regions, but noted that the lack of available staff would first need to be addressed.

Councils suggested some process and systems improvements that could be made to increase quality of outputs. These included legislative changes to extend statutory timeframes, outdated processes (for example advertising in the local paper), and delegations. There was also a recommendation to review development contributions and councils' ability to raise funds through development for critical essential infrastructure.

There were also suggestions that a statewide planning system where councils could share information could be beneficial (not only for sharing staff but also for understanding applications on the boundary). It was noted that the State are already building one section of this; however, there is potential need for this to go further.

# 8. Building and plumbing permitting and compliance

## 8.1 Summary

Through the strategic capability and capability analysis, councils advised that due to increased development across Tasmania they have seen an increase in building and plumbing permitting and compliance. They also noted that this is an area were recruitment and retention of staff can be challenging.

The analysis of this service area showed that urban medium councils are doing almost four times the permits as rural and urban small councils. The majority of councils deliver both building and plumbing services in-house. There were also several councils that had a shared service arrangement in place. For plumbing services, the councils undertaking contract and share service arrangements were achieving lower service costs than those delivering an in-house service.

The urban councils were delivering both services at a higher cost. This likely due to service complexity within urban areas such as permit and building types. In addition, based on limited staff available for this service across Tasmania, there is a potential that urban councils are also paying higher wages. In relation to building, the high population growth councils were delivering a more cost effective service. This could be due to having strong systems and processes in place due to regularity of service delivery.

There have been broader concerns raised in relation to permits and compliance. As noted in the Future of Local Government Review 2022, councils are lacking the capability and/or resources to meet their statutory obligations. The options paper also identified that smaller, and particularly more rural and remote councils, are experiencing acute issues in failure to comply with regulations. The location and sparse population of these areas means that worker shortages are common, and given the expert knowledge required for these services, a shortage of labour can be dire in delivering these critical health and safety functions for Tasmanians.

## 8.2 Key findings from functional analysis and KPIs

### KPIs

There were no specific KPIs for building and plumbing permitting and compliance; however, this analysis did look at outputs by urbanisation. As indicated in Table 17, the average number of building and plumbing permits for rural small to large councils is relatively similar. This is the same for rural very large and urban small. As to be expected, urban medium are processing a significantly higher number of permits, which is linked to the higher level of development activity in these areas.

**TABLE 17: AVERAGE NUMBER OF BUILDING AND PLUMBING PERMITS ISSUED BY URBANISATION**

| Council type | Average building permits | Average plumbing permits |
|---|---|---|
| Rural small and medium | 109 | 91 |
| Rural large | 120 | 87 |
| Rural very large | 195 | 158 |
| Urban small | 205 | 134 |
| Urban medium | 441 | 415 |

Through the strategic capability and capacity analysis councils noted that there has been an increase in permit activity as a result of increased development across Tasmania. Councils also noted that it is challenging to attract and retain staff that are qualified to undertake the permit application process, therefore councils' ability to respond to demand has been challenging.

It was also noted that, due to resourcing, compliance has largely become a reactive service. Councils noted that there are challenges with the prosecution process. This includes the significant costs on council and limited outcomes following prosecution.

## Functional analysis

### *Building applications and compliance*

Of the councils that provided service delivery information (24), all provided this service in-house, with one also providing a shared service (Circular Head) and one using a contractor to supplement service delivery (Sorell).

In should be noted that within the broader function analysis, Circular Head was an outlier, as it reported significantly higher unit costs compared to every other council.[9] This council's data was therefore excluded from further analysis.

When assessing building applications by population growth, an interesting finding was evident. As shown in Figure 18, as population growth increases the cost per building permit decreases. This may be due to high growth councils having more efficient processes, systems, and experience with building applications.

[9] This may also be a data error by the Council

**TABLE 18: COST PER BUILDING APPLICATION BY POPULATION GROWTH (2021-22)**

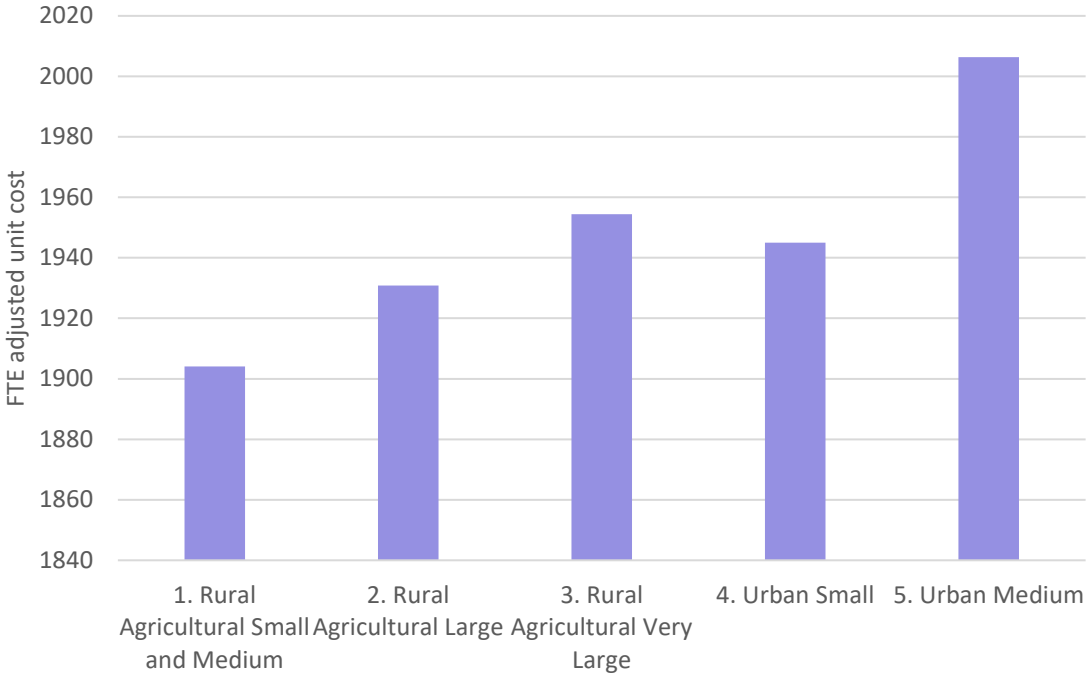
| Level of population growth | Average unit cost ($) |
|---|---|
| 1. Low | 3,221 |
| 2. Medium | 1,741 |
| 3. High | 859 |

Source: SGS Economics and Planning

When adjusting the unit cost of delivery of this service, urban medium councils have a higher service cost. This is potentially due to higher costs of FTE to undertake more permits, and more complex permit applications (Figure 23).

As highlighted earlier, the options paper identified smaller, rural councils as having issues pertaining to permit compliance. As Figure 23 shows, while there is a trend of more urban councils spending more per permit, this should be considered in relation to level of statutory obligations being fulfilled, which may be obscured by only looking at the adjusted unit cost.

**FIGURE 23: ADJUSTED UNIT COST OF BUILDING PERMITS BY URBANISATION**




Source: SGS Economics & Planning

### *Plumbing permitting and compliance*

Similarly, with plumbing permits and compliance, of those councils that responded about their service delivery method, the majority deliver this service in-house (20), and five indicated that they also share this service (Dorset, Meander, Tasman, Circular Head and George Town).

The functional analysis further indicated that, overall, urban councils (both small and medium) have higher unit costs than rural areas (Table 19).

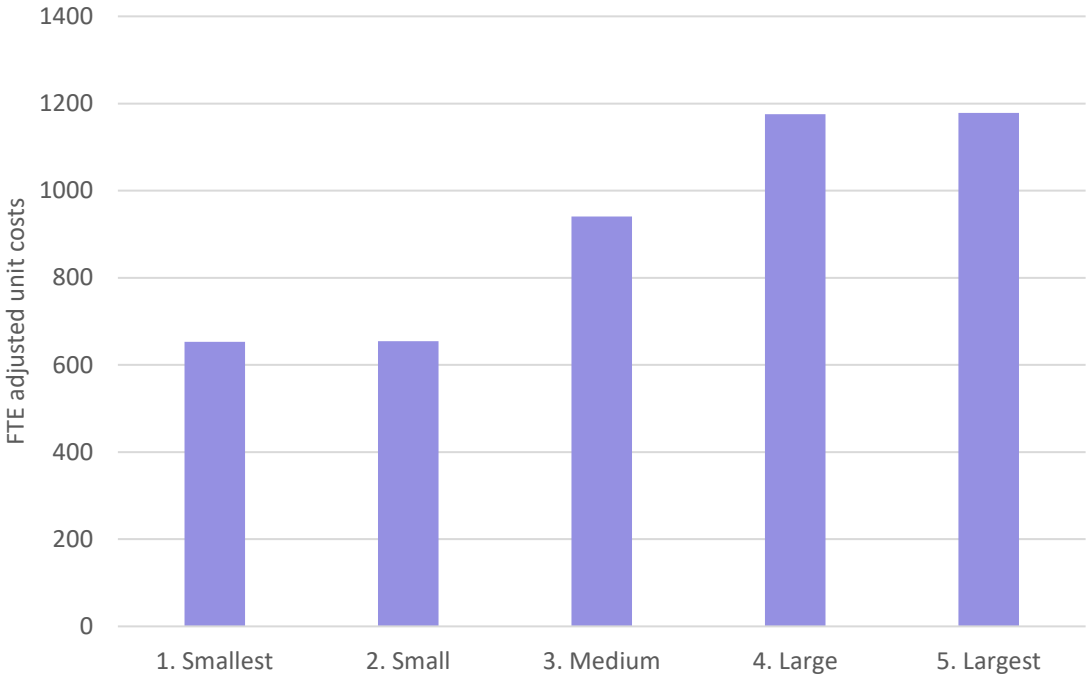
**TABLE 19: COST PER PLUMBING PERMIT AND COMPLIANCE BY URBANISATION (2021-22)**

| Level of urbanisation | Average unit cost ($) |
|---|---|
| 1. Rural small and medium | 481 |
| 2. Rural agricultural large | 219 |
| 3. Rural agricultural very large | 928 |
| 4. Urban small | 1,448 |
| 5. Urban medium | 1,324 |

Source: SGS Economics and Planning

When these costs were adjusted based on FTE and considered across the financial scale of councils, larger councils still had higher service costs. As indicated in Figure 24 there is an upward trend in unit cost when applied across scale and adjusted for complexity. Again, aligning with the options paper's identification of smaller councils' issues with compliance. An explanation for this trend may not simply be that smaller councils are more efficient at issuing plumbing permits, but that they are potentially failing to meet all their statutory obligations, due to a lack of resources and/or labour.

**FIGURE 24: ADJUSTED UNIT COST OF PLUMBING PERMITS BY SCALE**

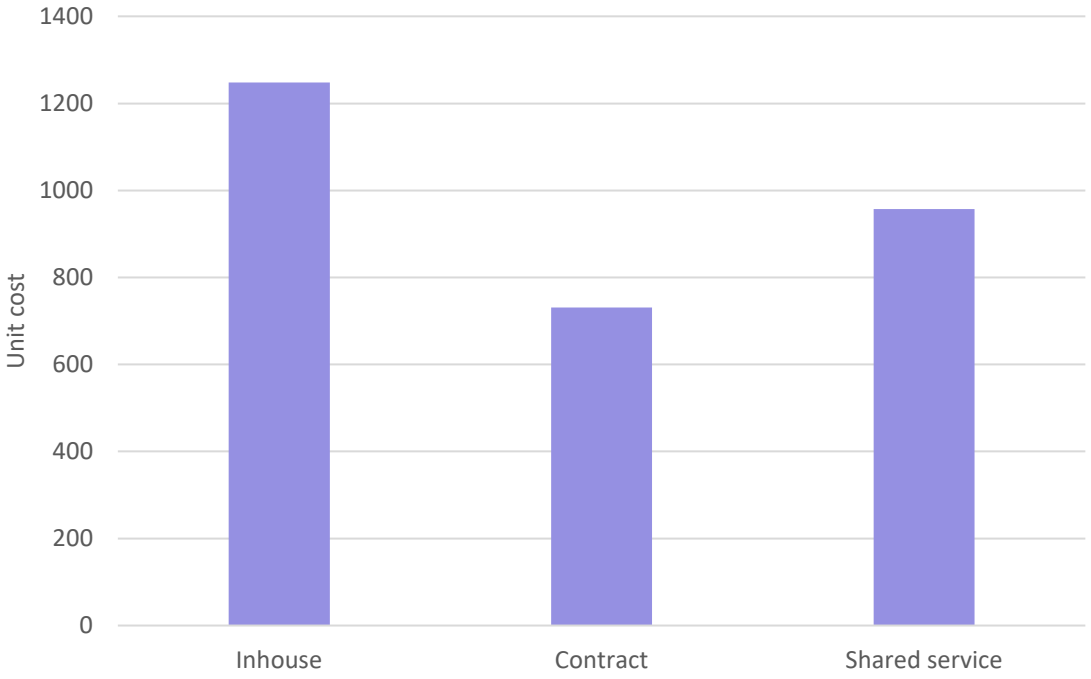



Source: SGS Economics and Planning

Unlike with building permits, there was not a strong connection between the level of population growth and cost, with medium population growth councils having the highest costs. However, like building permits, smaller, less urbanised councils seemed to perform this task more efficiently. It suggests that the less-resourced councils are finding efficiencies in order to deliver permits at a lower cost than the larger councils.

The mode of delivery, however, did indicate a potential trend in cost efficiencies. Shared services in combination with in-house delivery produced the lowest unit costs in plumbing permitting and compliance, as shown in Figure 25. In-house delivery indicated the highest cost. This could be a result of councils being unable to effectively resource this service (FTE), therefore resulting in high staff vacancies, loss of skills and knowledge internally, and challenges in delivering effective and efficient service delivery processes and systems.

**FIGURE 25: AVERAGE UNIT COST BY DELIVERY METHOD, PLUMBING PERMITTING AND COMPLIANCE (2021-22)**




Source: SGS Economics and Planning

### Strategic capability and capacity analysis

The strategic capability and capacity analysis indicated that councils' workforce capacity in this area was of concern, with challenges recruiting and retaining staff. It was noted that there is a lack of formal and informal training and development opportunities for staff across all regulatory areas.

Councils had several suggestions to improve workforce capacity including additional local training. In addition, there was a suggestion that this service could be outsourced and led by the State Government and CBOS.

As with planning, councils suggested some process and system improvements that could be made to increase the quality of outputs. These included legislative changes such as removing the building levy, reducing the cost of prosecution to councils, and deterrence for those found to be breaching permits. It was also noted that integrating the statutory planning and building systems would improve outputs.

# 9. Environmental health regulation

## 9.1 Summary

Environmental health regulation includes a range of sub-services: animal management, food safety, environment health infringements, EPA notices, immunisations and public health inspections. The strongest level of data received from councils in this area was in food safety and animal management; therefore, they were the focus for the analysis.

The KPIs for food safety indicated that on average councils were responding to food complaints within 2.93 days. There were four councils that took over three days to respond, with Meander Valley taking 10 days.

When looking at the number of venues that had received an annual food safety assessment, on average, 72.4 per cent of venues had an assessment. Eight councils indicated that 100 per cent of venues had received an assessment and nine councils were under the average level of assessment, with Huon Valley indicating that no venues had been assessed.

The number of food premises across the Tasmanian councils differ greatly. In addition, councils advised that during COVID this service was disrupted. Given this, it would be a useful KPI to measure over time.

In relation to animal management, the average number of days to respond to a request was 2.4 days. Urban medium councils were taking the longest time, followed by rural very large councils. When looking at the percentage of dogs that have been reclaimed, the average for all councils was 85.9. In Victoria (which also includes cats), the average was 45 per cent.

In relation to straight service costs, across animal management, food safety and immunisation, as expected, service costs generally increased with urbanisation, SEIFA, and scale. This is likely due to the complexity and breadth of service delivered in urban areas.

## 9.2 Key findings from functional analysis and KPIs

### KPIs

This functional area had four KPIs, which were considered across the different lenses. They included KPIs across both food compliance and animal management.

*Average number of days taken to action a food complaint*

Across the 17 Tasmanian councils that responded to this KPI, the average number of days taken to action a food compliant was 2.93 days. In Victorian councils that measure a very similar KPI, the average response time to a food compliant in 2021-22 was 1.9 days.

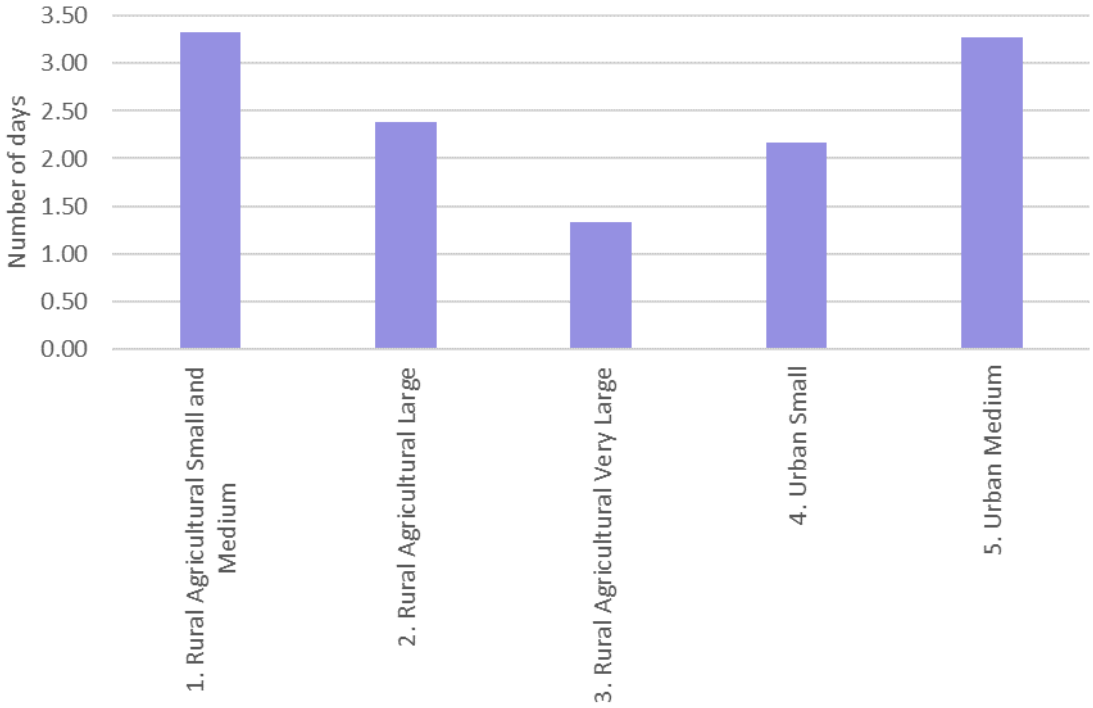
There was no clear predictor of service efficiency across urbanisation, scale, population, or SEIFA for this KPI. As noted in Figure 26, both urban medium and rural small to medium councils had the highest overall number of days. It should be noted, however, across all council types the variance is small, with rural very large councils having an average 1.3 days and urban medium 3.3 days.

There were four councils that took longer than three days to respond to food complaints. Meander Valley Council (rural very large) was the worst performer against this KPI, taking 10 days, followed by Tasman Council (rural small and medium) taking seven days. Most other councils fell within one to three days to action a food complaint.

Meander Valley Council is placed in the top 10 highest number of food premises (216 premises). They also deliver this service in-house; however, so do the majority of councils, with the two councils with the lowest number of food premises the only councils contracting out the service (Tasman (55) and Southern Midlands (52)).

Through the strategic capability and capacity analysis councils advised that this service was significantly impacted by COIVD. Given this, this KPI would be useful to track over the next couple of years to see if the 2021-22 results were impacted by COVID and/or if further investigation is required.

**FIGURE 26: AVERAGE NUMBER OF DAYS TAKEN TO ACTION A FOOD COMPLAINT BY URBANISATION**




Source: SGS Economics and Planning, 2022

*Percentage of food premises that have received an annual food safety assessment*

Across the 24 Tasmanian councils that responded to this KPI, the average percentage of food premises that received an annual food safety assessment was 72.4 per cent. An overview of score for each council by type is provided in Figure 27. In Victorian councils that measure a similar KPI, the average percentage of food premises to receive an annual assessment was 80 per cent.

Similar to the number of days to action a food compliant, there were no strong correlations across the different types of lenses for this KPI.

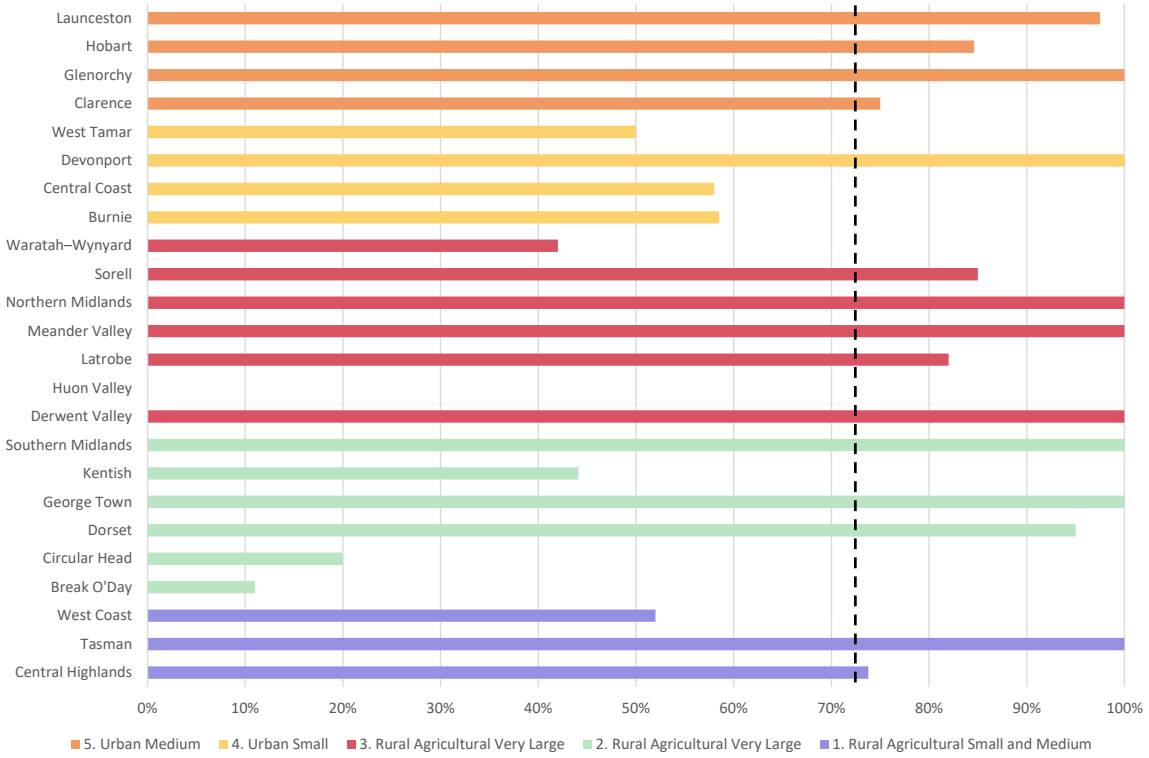
Huon Valley was an outlier in this dataset, reporting that zero per cent of their food premises received a safety assessment in the last reporting year. Break O'Day, Circular Head and Waratah-Wynyard also

scored low on this KPI (11 per cent, 20 per cent, 42 per cent respectively). These four councils all have a similar number of food premises (the smallest being Break O'Day (111) and largest Huon Valley (224)) and all deliver this service in-house.

Eight councils reported that 100 per cent of food premises received an annual food safety assessment. These eight councils were spread across all urbanisation classifications, all financial capacity classifications, and all population growth levels.

As with the number of days to respond to a food compliant, given the variances across the service, this KPI would be useful to track over the next couple of years to see if the 2021-22 results were impacted by COVID and/or if further investigation is required.

**FIGURE 27: PERCENTAGE OF FOOD PREMISES THAT RECEIVED AN ANNUAL FOOD SAFETY ASSESSMENT**




Source: SGS Economics and Planning, 2022

### *Average number of days to action an animal management request*

Nineteen councils responded with information to this KPI. The average number of days taken to action an animal management request across all councils in Tasmania was 2.4 days. For Victorian councils that measure a similar KPI, in 2021-22 the average number of days to action a request was 1.9 days.

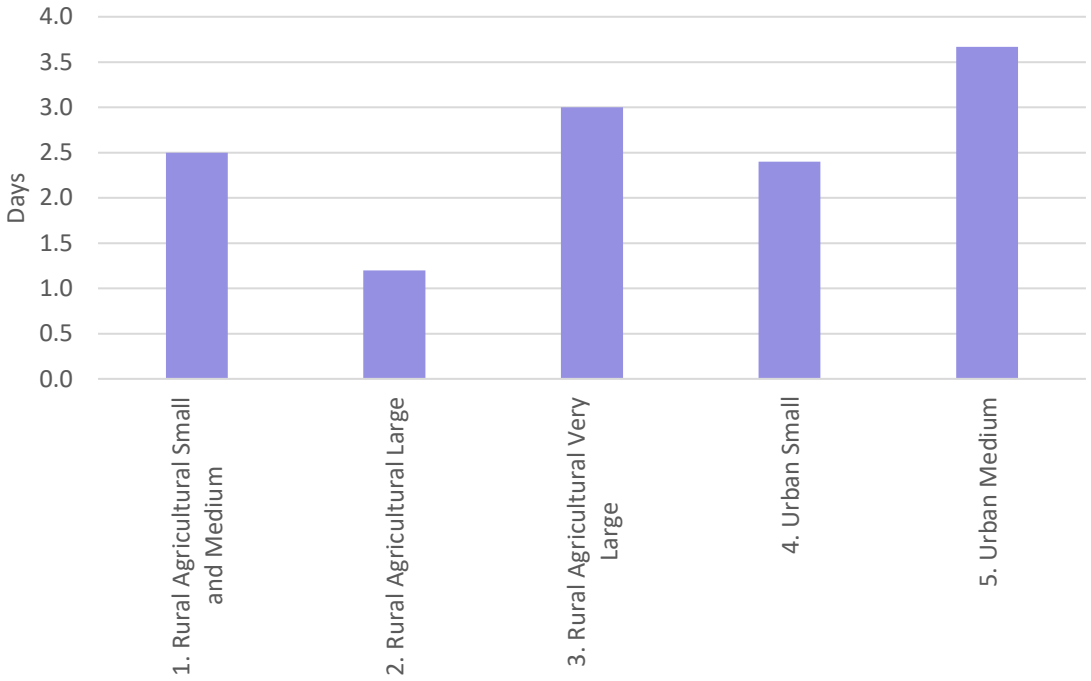
Across this KPI, based on urbanisation, urban medium councils were taking the most time to respond, followed by rural very large (Figure 28). This may be due to the number of animal management requests in urban settings.

Glenorchy (urban medium) was the poorest performer for this KPI with nine days. This was followed by Meander Valley with eight days (rural very large), Devonport with five days (urban small), and West Coast with four days (rural small medium). All other councils took two days or under, with the majority reporting one day.

When looking at the number of registered dogs in the lowest performing councils, Glenorchy had the third highest number of registered dogs (8,326). Meander Valley (3,262) and Devonport (3,839) were in the top 10 highest registration of dogs. West Coast was in the bottom three with only 927 registered dogs, but the Council indicated it only had .5FTE allocated to this service.

The average FTE across councils that responded was 1.8 FTE. All councils delivered this service in-house, expect for Central Highlands that contracted the service and Burnie that did a mix of in-house and contract. While dog registration does not include all dogs within the council areas, it is likely that those with more dogs have more requests, which then take longer to action.

**FIGURE 28: AVERAGE NUMBER OF DAYS TAKEN TO ACTION AN ANIMAL MANAGEMENT REQUEST BY URBANISATION**




*Percentage of all collected dogs that have been reclaimed*

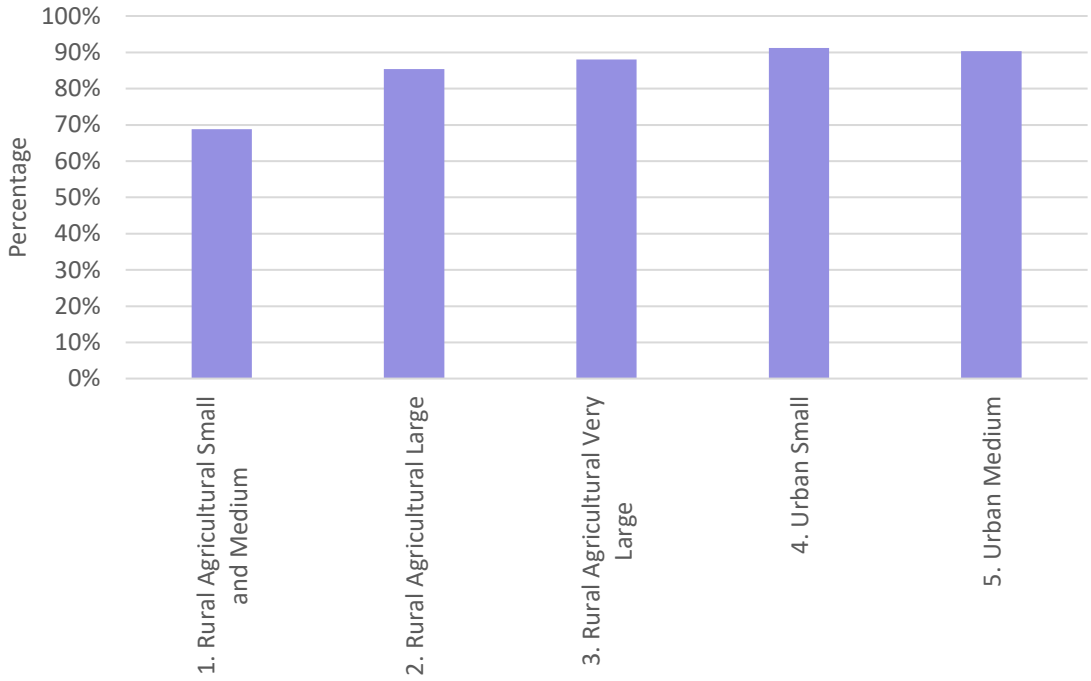
Of the 23 councils that responded to this KPI, the average percentage of dogs that have been reclaimed across councils in Tasmania was 85.9 per cent. In comparison, across all Victorian councils in 2021-22 the percentage of dogs (and cats) reclaimed was 45 per cent. While the Victorian figure also includes reclaimed cats, overall it suggests that Tasmania is performing well in this area.

The outcomes of this KPI varied across urbanisation, scale, SEIFA, and population growth. The highest performing councils in this KPI were Derwent Valley (100 per cent), George Town (100 per cent), and Central Coast (98 per cent). The lowest performing councils were Central Highlands (33 per cent), Waratah-Wynyard (62 per cent) and Southern Midlands (65 per cent). Central Highlands contract

animal management, whereas Waratah-Wynyard and Southern Midlands provide the service in-house. In relation to SEIFA, Central Highlands and Waratah-Wynyard have a high level of social disadvantage. This could also have an impact on the number of animals collected as well as the ability to reclaim animals.

When comparing council performance based on urbanisation, the more urbanised the council the higher its performance. This could be due to increased population and greater access to communication and council reclaim services.

**FIGURE 29: PERCENTAGE OF ALL DOGS RECLAIMED BY URBANISATION**




Source: SGS Economics and Planning, 2022

## Functional analysis

The functional analysis considered the broader sub-services within this functional area. In addition to animal management and food safety, this includes environment health infringements, EPA notices, immunisations, and public health inspections.

There were significant data gaps within the service, especially across EPA notices, infringement notices and public health inspections.

Given the size of many of the councils, the responses to these sub-services were often combined, with the same employees, in-house or contracted, responsible for all the activities. Given this, to get a broad understanding of service delivery, an analysis was undertaken looking at all environmental health regulation activities and costs. As indicated in Table 20, as to be expected, as the level of service increases, so too does FTE and annual costs. The FTE varies across councils, noting those with minimal FTE will also have limited breadth to deliver the range of services within environmental health.

**TABLE 20: COMBINED ENVIRONMENTAL HEALTH REGULATION ACTIVITIES BY URBANISATION**

| | 1. Rural Agricultural Small and Medium | 2. Rural Agricultural Large | 3. Rural Agricultural Very Large | 4. Urban Small | 5. Urban Medium |
|---|---|---|---|---|---|
| Average level of service | 33.5 | 127.2 | 149 | 185.8 | 573.2 |
| Average FTE | 0.5 | 0.82 | 2.11 | 1.32 | 3.3 |
| Average annual costs | 10,000 | 77,101 | 135,583 | 162,527 | 391,137 |

Across animal management, food safety and immunisation (the services with highest quality data within his functional area) service costs generally increased with urbanisation, SEIFA, and scale. This is to be expected as urbanised areas would be delivering a more complex service. Further breakdown of this data can be found in Appendix B.

Service delivery methods for this functional area generally consisted of in-house delivery, with a limited number of councils delivering via a contract or shared service (such as West Coast).

### Strategic capability and capacity analysis

The strategic capability and capability analysis did not indicate any strong themes or areas of concern in this service area. Given this is such a broad service area that was also heavily impacted during the COVID-19 lockdown and changes to processes, it would be a good service to review in further detail in 12 months' time.

# 10. Arts and cultural services

## 10.1 Summary

The arts and cultural service area includes a broad range of services and facilities, many of which are not provided across all councils. Given this, and the quality of the data, performance and efficiency data were difficult to assess.

In relation to annual costs of service, unsurprisingly the larger scale councils had higher annual costs. This is likely due to increase service complexity and the number of regional facilities and services that they are responsible for. There is also potential gap in the delivery of fit-for-purpose performance arts facilities in rural and regional areas, with the majority of these clustered in urban areas.

All but two councils have community centres and halls, with most having over 10 facilities. There is a potential in smaller councils that they may be overservicing the community. This should be reviewed to understand supply and demand and any opportunities to consolidate facilities and decrease asset management costs.

Sixteen councils noted that they provided visitor centres, which all had differing visitation numbers. Given these centres are largely driven by tourism, there was no apparent evidence that scale achieves cost efficiencies.

## 10.2 Key findings from functional analysis and KPIs

### KPIs

This functional area included the sub-services of community centres and halls, performing arts, cultural and arts facilities, and visitor centres. There were significant differences between councils in relation to the level of arts and cultural services that are provided. For some this includes regional facilities and management; for others it may only include the management of a small facility.

Given this, there were no KPIs allocated for the service. A KPI could potentially be developed in the future to benchmark regional arts and local arts.

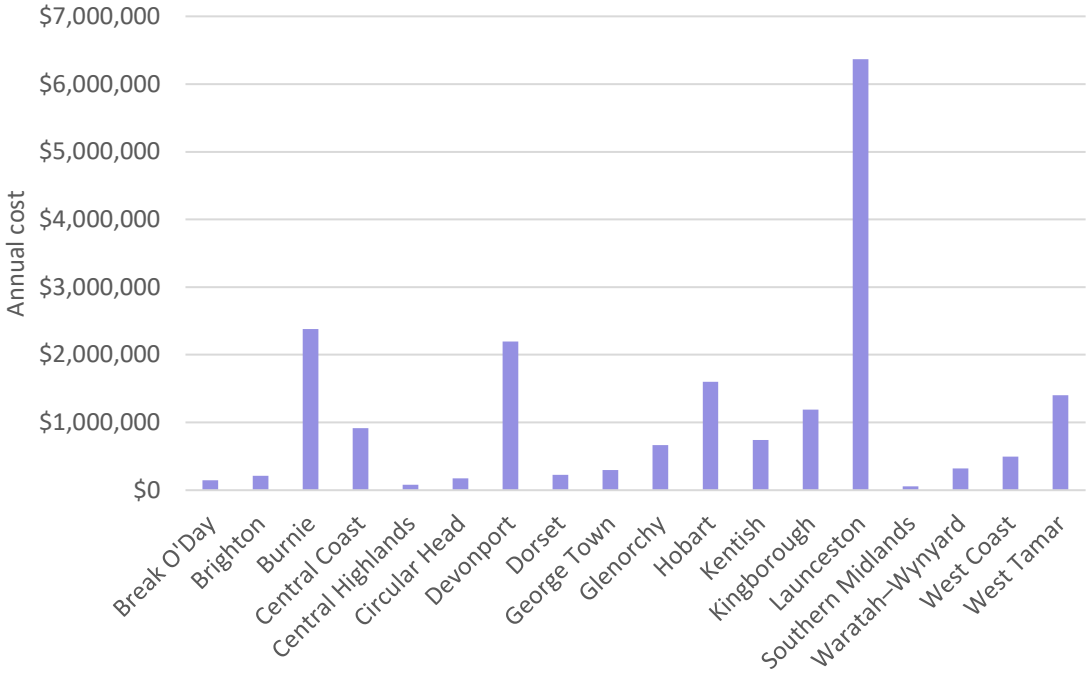
### Functional analysis

Not only was there variation of service delivery within arts and culture, but the data collected was also varied. Given this, the level of analysis was largely reduced to delivery scales.

In relation to financial expenses, some of the larger financial councils provide arts and cultural services at a regional level through the delivery, maintenance and servicing of regional venues. Given this, as Figure 30 shows, larger councils such as Launceston, Hobart, Burnie and Glenorchy spent a significant share on arts and cultural services, many of which service areas well beyond their council boundaries.

Launceston had a significantly higher cost. This is likely due to regional facilities such as QVMAG. Launceston also owns and operates many heritage listed buildings that are used for arts and cultural purposes.

**FIGURE 30: ANNUAL COST FOR ART AND CULTURAL FACILITIES BY LGA (IN-HOUSE DELIVERY) (2021-22)**




Source: SGS Economics and Planning

Only nine councils indicated that they delivered performing arts centres, all of which were urban small or urban medium councils other than Latrobe and Meander Valley. None of the rural small or rural large councils provided a response to this sub-service, indicating they may not provide the service. This could mean that they cannot afford to provide this service. It may also mean that there is a service gap in these councils.

Other than King Island and Flinders, all other 27 councils indicated that they provided community centres and halls. The level of service provision varied, with over 13 councils providing 10 or more facilities. Some of these facilities in rural areas are likely to be used as performing arts facilities, but would not be fit for purpose. For smaller councils that have over 10 facilities, they are potentially overservicing their community. There is the potential for consolidation of facilities. This would also result in maintenance and service delivery savings. There was a range of service delivery models for community centres and halls, including council managed, lease arrangement, community, or volunteer managed.

Sixteen councils indicated that they provided a visitor centre, all of which were delivered in-house. The number of visitors varied across the councils, with West Coast having the highest number (36,752 visitors) followed by Launceston (25,650 visitors) and Break O'Day (19,045 visitors). The other councils that provided visitor numbers had under 10,000 visitors.[10]

[10] It should be noted that Hobart did not provide visitor numbers

When analysing the visitor centre data, there was no apparent evidence that scale achieved cost efficiencies. An outlier was the City of Hobart, which reported significantly higher costs. This is likely due to Hobart being the tourism hub of Tasmania.

### Strategic capability and capacity

When councils were asked about their strategic capability and capacity in this service area, they indicated challenges in the workforce. They noted that arts and cultural services are unique to each council and community; therefore, it requires a range of different skill sets that might not be available in the workforce at the time.

Councils also indicated that arts and cultural services had the least fit-for-purpose assets and infrastructure. This is likely to align with many councils lacking performing arts spaces, and others having potentially too many ageing community centres and halls that are not required and or fit for purpose.

Finally, councils noted that arts and cultural services had the least effective systems and processes. This was due to having limited services, therefore limited investment in the systems and processes to support service delivery.

# 11. Open space and recreation

## 11.1 Summary

Open space and recreation includes the sub-services of active and passive recreation, aquatics and cemeteries. Open space and recreation facilities are significant assets for councils and the community. Depending on community expectations and service levels, they can have a significant cost.

The KPIs for this service area focused on aquatic facilities, as this is a service area that can have significant costs. The KPIs indicated that the average cost per visit across Tasmanian councils that provide aquatic facilities was $20.46. In comparison the Victorian average cost was $12.66. Across the Tasmanian councils there were some significant variations from $0.55 to $72. This data is challenging to collect, and therefore this KPI should be reviewed and further strengthened over time.

When looking at aquatic facilities and costs per visit across the four lenses, as councils' financial scale increased, so too did visits. This is likely due to the complexity and quality of infrastructure that they are providing, with many of the pools likely being destination facilities. It should be noted that during COVID some aquatic facilities would have been closed, affecting visitation numbers as well as operating costs.

The functional analysis across open space and recreation services showed that, generally, increased urbanisation resulted in increased costs. Again this is likely due to complexity and quality of service delivery, with higher level of assets provided (including regional assets). In addition increased urbanisation generally results in increased level of service standards (maintenance levels).

## 11.2 Key findings from functional analysis and KPIs

### KPIs

While open space and recreation includes a broad range of services and infrastructure, the KPIs focused on the area that is often one of the higher service costs for councils, aquatic facilities.

*Direct cost to council of providing aquatic facilities*

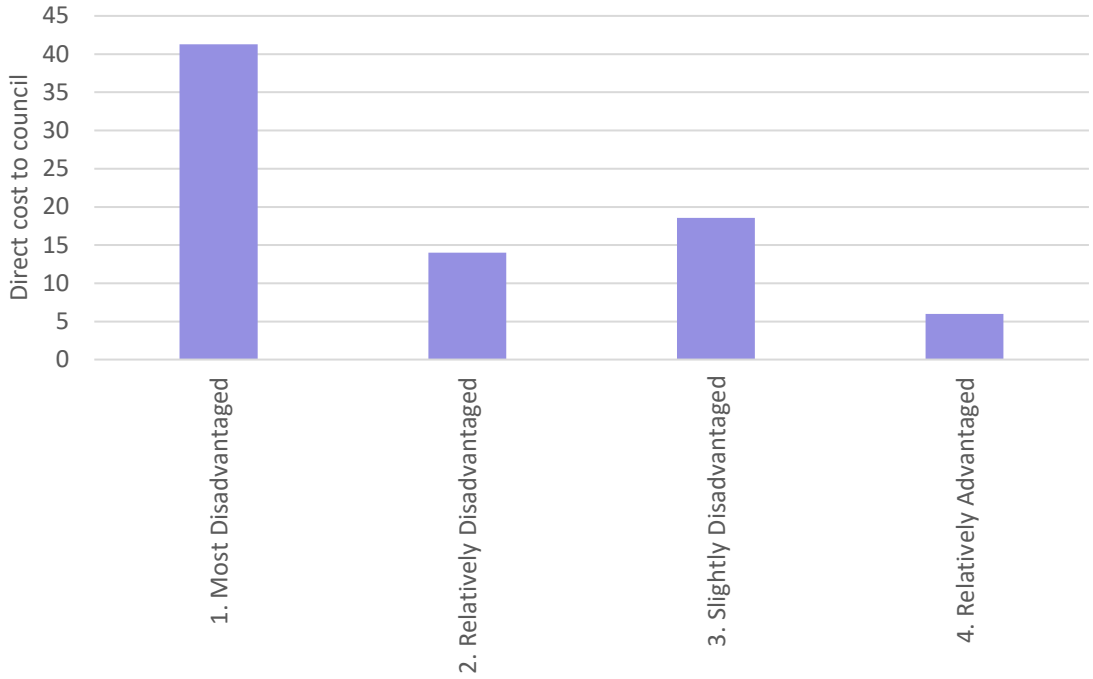
Overall, only 18 councils indicated that they have aquatic facilities. Of those 18, 12 responded to this KPI. Aquatic facilities are costly to operate and maintain. The aim of this KPI is to understand the significance of this loss to council, so this KPI measures the cost to council per visitor.

Across the 13 councils, the average cost to council per visit was $20.46. Victorian councils, which measure a similar KPI, had an average cost of $12.66 per visit. There were some large variances within the Tasmanian data, with George Town reporting a loss of $72 and Clarence reporting a loss of $0.55.

It should be noted that this service area is a challenging dataset for councils to collect, and therefore this KPI should be tested and strengthened over the coming financial years. COVID may have also had an impact in 2021-22 with the closure of pools while management costs still had to be paid. In addition, councils have different types of pools: all year round, seasonal pools, 50m vs 25m, and facilities with multiple pool offerings. This variance would create cost differences.

Of the data that has been supplied, there is a trend with costs to councils increasing in lower SEIFA areas (Figure 31). This is common with aquatic facilities, with councils having to further subsidise visits to ensure communities can access facilities. The three lowest SEIFA councils with aquatic facilities were Derwent Valley ($19.44), George Town ($72) and West Coast ($33.44).

**FIGURE 31: DIRECT COST TO COUNCIL OF PROVIDING AQUATIC FACILITIES BY SEIFA**



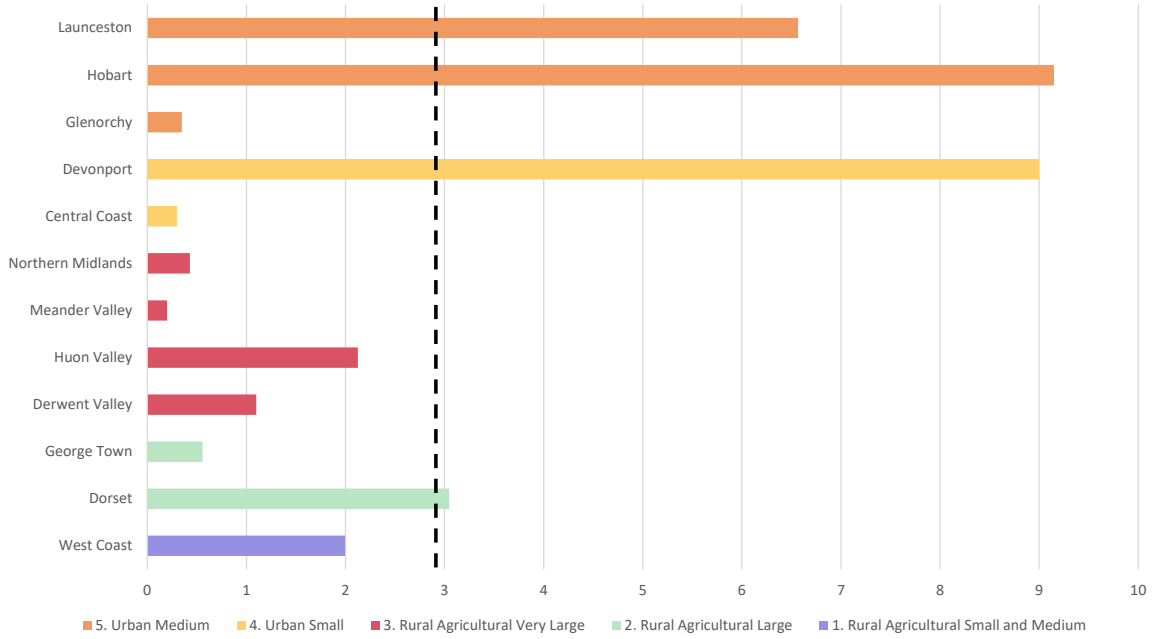

Source: SGS Economics and Planning, 2022

### *Number of visits to aquatic facilities per head of municipal population*

Only 12 councils provided data in relation to the number of visits to aquatic facilities per head of municipal population. The average number of visits to aquatic facilities per capita of municipality across the 12 councils was 2.9 visits. As Figure 32 shows, among these 12 councils, three are providing a much higher number of visits to aquatic facilities. Of the Victorian councils that have aquatic facilities, in 2021-22 there was an average of 3.1 visits. Given this, it could be assumed that Tasmanian visitations are on par with Victorian councils, but as the data indicates, some councils are delivering a much lower service level.

While it is noted that residents are likely to travel outside of their municipality from time to time to visit an aquatic facility, measuring on a per capita basis prevents large differences in populations from obscuring any trends.

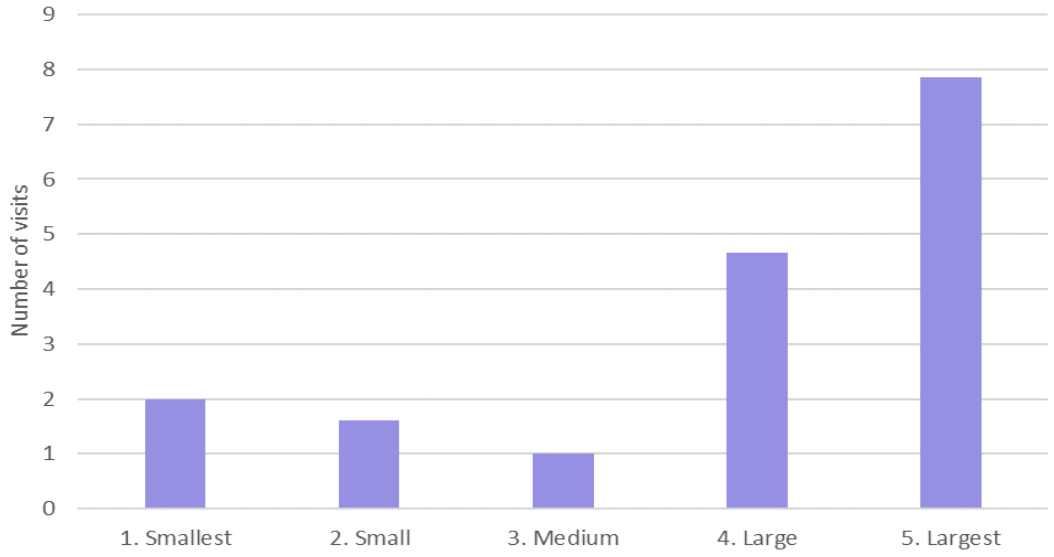
**FIGURE 32: NUMBER OF VISITS TO AQUATIC FACILITIES PER HEAD OF MUNICIPAL POPULATION**




Source: SGS Economics and Planning, 2022

When assessing this KPI against the four lenses, the financial scale resulted in the highest number of visitations (Figure 33). This included the three highest visitation rates from Hobart (9.15), Devonport (9) and Launceston (6.57). As these councils have a larger budget, it is likely that the quality and complexity of infrastructure and service provided at these aquatic facilities is also higher, therefore likely to be more of a destination facility.

**FIGURE 33: VISITS TO AQUATIC FACILITIES PER HEAD OF MUNICIPAL POPULATION BY SCALE**




Source: SGS Economics and Planning, 2022

In relation to service delivery, Hobart and Launceston provide this service in-house, whereas Devonport contracts out the service. Of those councils that provided service information, about half were delivered in-house and half via contract.

*Number of inspections by an authorised officer carried out per council aquatic facility*

There were 15 councils that provided responses to this KPI, but the results varied significantly. Five indicated zero inspections and three indicated that over 90 inspections were undertaken, with the average number of inspections being 24.9. The average number of inspections by an authorised officer in Victoria during 2021-22 was 1.3.

Given the variance in data, and likely miscounts in this KPI, it was not further analysed. There are opportunities across the aquatics service to strengthen data collection and reporting to ensure a true understanding of efficiency and capability.

## Functional analysis

The functional analysis took a broader scope of the open space and recreation, looking at sub-services across active and passive recreation, aquatics and cemeteries.

All councils provided active and passive open space facilities, with the level of facilities greatly varying across councils. In relation to active open spaces, of the councils that provided data, 634 facilities were identified. Launceston had the greatest number (191) followed by Brighton (75) and Glenorchy (60).[11]

In relation to cemeteries, 17 councils indicated that they had at least one active cemetery, with many having three or more.

Open space and recreation facilities are significant assets for council and the community. Based on community expectations and service levels, they can have a significant cost.

When analysed across the different lenses, increased urbanisation generally resulted in increased costs (Table 21). This is likely due to the level of service complexity and service standards (maintenance levels) as well as higher quality of the assets within urban areas.

[11] Hobart identified 58 active recreation facilities

**TABLE 21: AVERAGE UNIT COST OPEN SPACE AND RECREATION SERVICE AREAS BY URBANISATION (2021-22)**

| Sub-service | 1. Rural Agricultural Small and Medium | 2. Rural Agricultural Large | 3. Rural Agricultural Very Large | 4. Urban Small | 5. Urban Medium |
|---|---|---|---|---|---|
| Active recreation reserves, pavilions, indoor sports centres | 28,577 | 14,335 | 59,541 | 60,789 | 106,808 |
| Aquatic facilities | 95,172 | 391,423 | 120,616 | 699,293 | 2,245,805 |
| Active cemeteries | 8,486 | 12,802 | 13,062 | 144,750 | 293,584 |
| Passive open spaces (excl. bushland reserves) | 0 | 721,165 | 647,803 | 1,531,763 | 3,250,904 |
| Provision and management of inactive cemeteries | 0 | 0 | 2,025 | 0 | 2,500 |

Source: SGS Economics and Planning

The outcome was similar when looking at scale, with the larger the financial budgets, the higher the unit costs (Table 22). This is likely due to larger councils and more urban councils such as Hobart and Launceston delivering, servicing and maintaining higher quality assets. These assets are likely to have a higher utilisation rate as well as service a larger catchment.

**TABLE 22: AVERAGE UNIT COST OPEN SPACE AND RECREATION SERVICE AREAS BY SCALE (2021-22)**

| Sub-service | 1. Smallest | 2. Small | 3. Medium | 4. Large | 5. Largest |
|---|---|---|---|---|---|
| Active recreation reserves, pavilions, indoor sports centres | 47,301 | 14,014 | 38,424 | 91,935 | 187,345 |
| Aquatic facilities | 138,367 | 403,861 | 323,691 | 684,684 | 4,088,735 |
| Number of active cemeteries | 5,482 | 22,664 | 50,756 | 144,256 | 587,169 |
| Passive open spaces (excl. bushland reserves) | 356,435 | 625,966 | 842,679 | 2,132,017 | 4,610,899 |
| Provision and management of inactive cemeteries | 0 | 3,037 | 0 | 5,000 | 0 |

Source: SGS Economics and Planning

### Strategic capability and capacity

When councils were asked about their strategic capability and capacity for this service area, they indicated that in the open space and recreation area they had the most fit-for-purpose workforce. Feedback indicated that this was likely due to councils having delivered this service for many years and therefore being well skilled in its delivery. They also indicated, however, that concerns still remain in relation to accessing staff to deliver the service.

Open space and recreation ranked in the middle in relation to fit-for-purpose infrastructure. As noted earlier, this service provides a wide range of infrastructure that can place significant demand and costs on council in relation to community demand and funding provided to councils to deliver assets (without funders and community considering ongoing maintenance costs). Some councils indicated that they are looking to consolidate some open space assets due to lack of demand and increasing costs. Councils also indicated that this could be an effective service for testing shared funding arrangements for regional facilities (for those councils providing services that service a regional catchment).

Councils also noted that the level of services and processes in open space and recreation was ranked in the middle. It was noted that there were opportunities to improve capability in this area through improving databases, GIS technology and moving away from paper-based processes.

# 12. Health and community services

## 12.1 Summary

Health and community services included the following sub-services: child care, youth services, senior services, community development, community events and community transport.

The most commonly delivered services were community development programs and community events. Services like child care and community transport are delivered by only a small number of councils. Councils that did provide child care services were mostly rural-regional councils. This could be due to a lack of private sector operators available and therefore councils are filling the gap.

Majority of these services were delivered in-house. Community transport was an exception to this, which was largely contract. In addition, one council delivered community transport via a volunteer service (Northern Midlands).

Due to the variation in service delivery and consequently limited data, a robust analysis of this service area was not possible. The key findings, however, indicated that more urbanised councils delivered more health and community services. In addition, those councils that had a higher level of disadvantage delivered a higher level of services. This is likely due to council filling the gaps in the market.

## 12.2 Key findings from functional analysis and KPIs

### KPIs

Similar to arts and cultural services, the level of service provision and assets delivery across health and community services varied across councils. Given this, there was no KPI for this service area.

Of councils that responded to this service area, all provided some level of health and community services, that is, one or more of the sub-services. Most councils did not provide the full range of health and community services, and those that provided a larger scope of services were larger councils.

### Functional analysis

Due to insufficient data and the level of variation in service delivery, there was not sufficient information to undertake a robust analysis of this function area. Given this, the rest of this section has focused on the scope of services delivered.

Table 23 shows the types of health and community services by urbanisation level. Overall, the trend shows more services are provided by urbanised councils. This is likely due to increased population and service demand. It should also be noted that rural large and very large councils provided the most community events. This could be due to the geographical size of these councils therefore requiring an increased level of events and activities to reach community members.

**TABLE 23: PROVISION OF HEALTH AND COMMUNITY SERVICES BY LEVEL OF URBANISATION**

| Service | 1. Rural Agricultural Small and Medium | 2. Rural Agricultural Large | 3. Rural Agricultural Very Large | 4. Urban Small | 5. Urban Medium | Total |
|---|---|---|---|---|---|---|
| Childcare services | 1 | 0 | 4 | 1 | 2 | **8** |
| Community development programs | 2 | 4 | 2 | 3 | 5 | **16** |
| Community events | 2 | 6 | 6 | 5 | 5 | **24** |
| Community transport | 1 | 1 | 1 | 2 | 2 | **7** |
| Seniors' services | 1 | 1 | 3 | 3 | 4 | **12** |
| Youth services | 1 | 3 | 3 | 4 | 5 | **16** |

Source: SGS Economics and Planning

When looking at service provision by SEIFA, as indicated in Table 24 there is a higher level of service delivery in the most disadvantaged and relatively disadvantaged communities. This is to be expected, as one of council's core roles is to ensure community have access to appropriate services. Where the market is unable to provide these services (largely due to viability constraints), councils are generally left to fill these gaps. The higher service levels were generally seen across child care services, community development programs and community events.

**TABLE 24: PROVISION OF HEALTH AND COMMUNITY SERVICES BY SEIFA CATEGORY**

| Service | 1. Most Disadvantaged | 2. Relatively Disadvantaged | 3. Slightly Disadvantaged | 4. Relatively Advantaged | Total |
|---|---|---|---|---|---|
| Childcare services | 3 | 1 | 3 | 1 | **8** |
| Community development programs | 4 | 6 | 2 | 4 | **16** |
| Community events | 6 | 9 | 5 | 4 | **24** |
| Community transport | 1 | 2 | 2 | 2 | **7** |
| Seniors' services | 1 | 3 | 4 | 4 | **12** |
| Youth services | 4 | 5 | 3 | 4 | **16** |
| Total | 19 | 26 | 16 | 15 | |

Source: SGS Economics and Planning

### Strategic capability and capacity

Similar to environmental health services, the strategic capability and capacity analysis in this area did not indicate any key themes. This is likely due to the variation in services that councils provided in this service area. This service was also a key service that was disrupted during the COVID-19 pandemic; therefore, it would be a useful service to review again in 12 months.

# 13. Corporate and business services

## 13.1 Summary

The corporate and business services included the following sub-services: information technology, human resources, customer service, records management, economic development, corporate services (governance, finance, legal, rates), councillor support, and communications.

Due to the variation in these services, there are no KPIs. This is something that could be further considered as council data collection is improved.

In relation to the functional analysis, human resource and councillor service costs increased as councils' financial scale increased. Information technology costs also increased as urbanisation increased. These services are generally internal-facing services and as with other services in larger scale and more urbanised councils, it is expected that this increased cost is due to having a higher complexity of service offering.

When looking at all services in relation to urbanisation, communications, corporate services and customer service costs all decreased with urbanisation. On the other hand, communications, corporate services and customer service costs all increased with high population growth. As these are largely external-facing services, an increase in number of residents is likely to result in increased service demand.

## 13.2 Key findings from functional analysis and KPIs

### Benchmarks

There were no corporate or business service benchmarks for this service. While this is a core function for all councils, the level of service delivery can greatly vary based on size and priority areas.

### Functional analysis

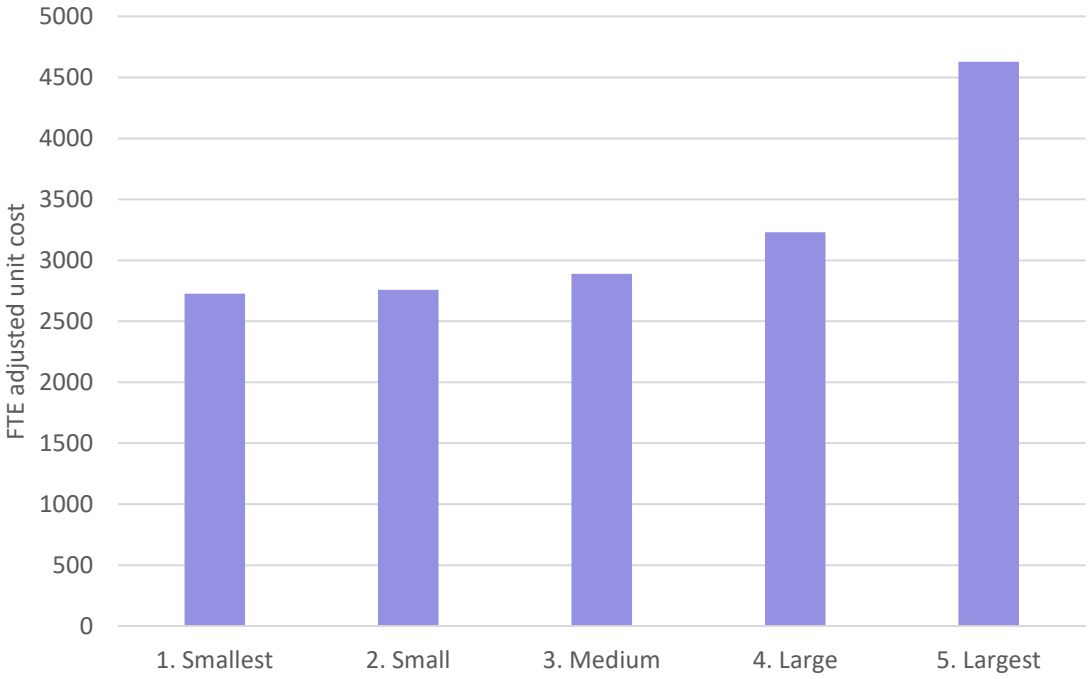
The majority of councils delivered all the sub-services in-house.

The following section outlines the main findings of the analysis by sub-service.

#### *Human resources*

All councils deliver a human resources service. When analysing the cost of service by scale and controlling for complexity (FTE), the largest councils still had a higher service cost (Table 32). When reviewing data inputs there were some variations in relation to how councils responded to this service. Given this, it is likely that this is not a true representation of service costs and further analysis and data interrogation is required. As noted throughout the report larger scale and more urbanised councils generally provide a more complex service.

**FIGURE 34: ADJUSTED UNIT COSTS OF HUMAN RESOURCES DEPARTMENTS BY SCALE**




Source: SGS Economics & Planning

### *Information technology*

The annual costs of information technology (IT) increase with urbanisation (Table 25). This is likely due to increased FTE to deliver the service as well as a higher level of IT equipment, services, and programs.

**TABLE 25: ANNUAL COSTS OF INFORMATION TECHNOLOGY BY URBANISATION**

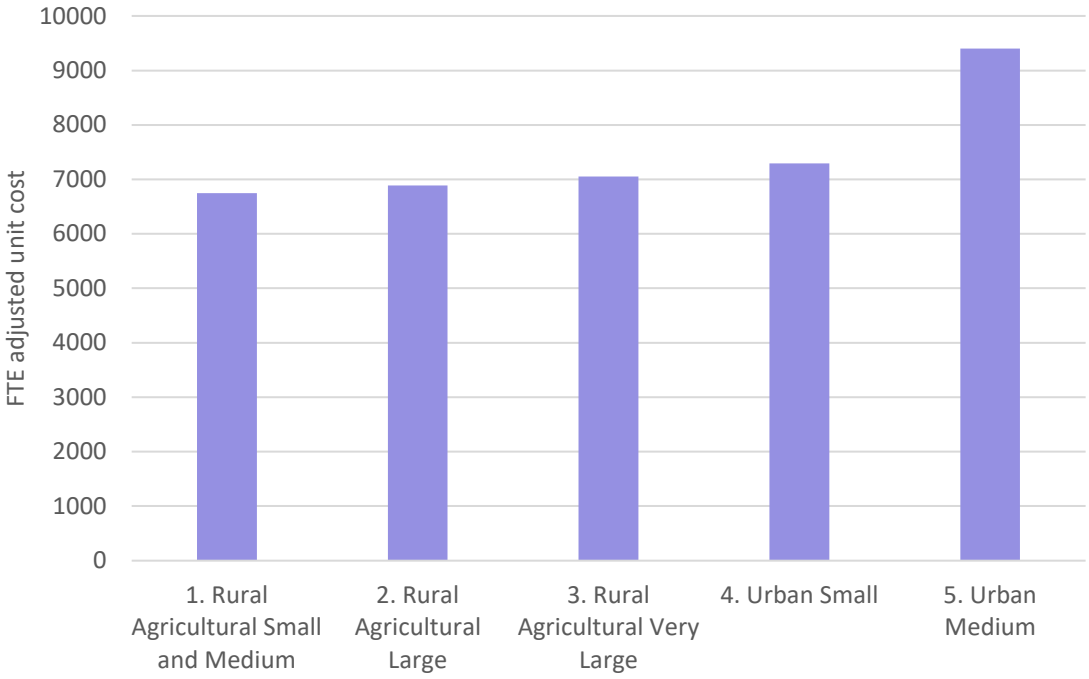
| Council type | Annual costs |
|---|---|
| Rural Agricultural Small and Medium | $71,312 |
| Rural Agricultural Large | $333,981 |
| Rural Agricultural Very Large | $544,329 |
| Urban Small | $1,036,833 |
| Urban Medium | $3,343,032 |

Source: SGS Economics & Planning

When this service is adjusted for FTE, while less pronounced, the same outcome is seen: more urban councils have higher IT costs than rural councils (Figure 35).

Larger councils are likely to have more information and level of services to deliver, therefore require additional IT systems and processes. Smaller councils, however, could potentially also benefit and need additional IT, but cannot fund it. Further analysis would be required to assess if the greater spend leads to improved efficiency elsewhere in the organisation.

**FIGURE 35: ADJUSTED UNIT COST OF INFORMATION TECHNOLOGY BY URBANISATION**



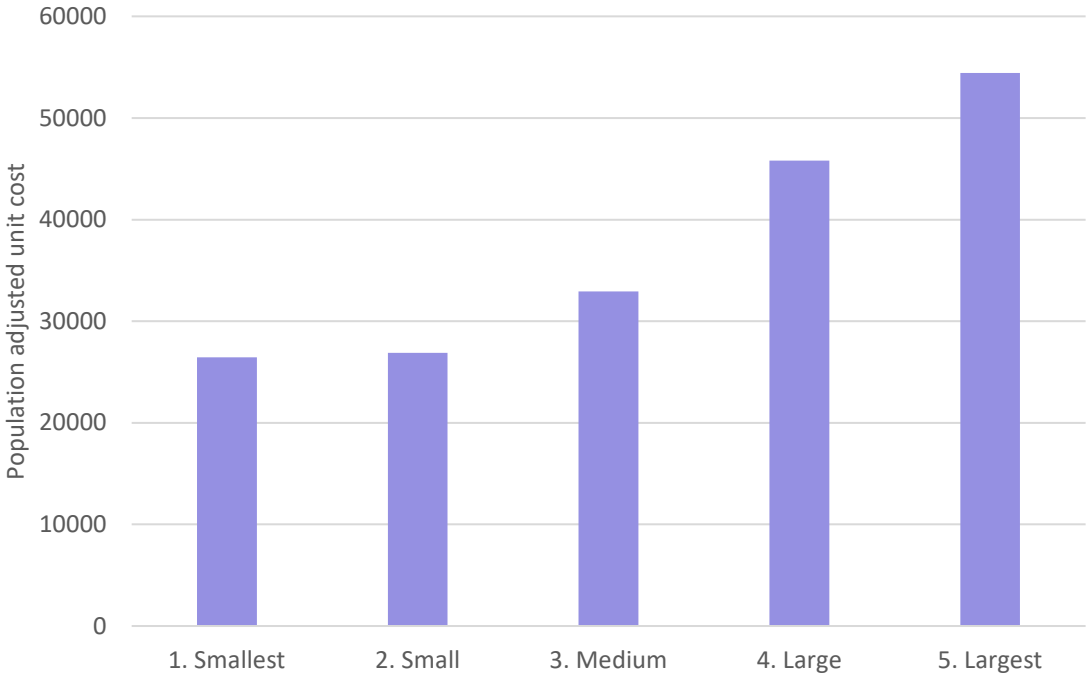

Source: SGS Economics & Planning

### *Councillor costs*

All the councils had a relatively similar number of councillors, with the lowest being seven, and the highest, 12. Larger councils generally operated with more councillors, specifically Clarence, Hobart, and Launceston, all of which have 12 elected officials. Smaller councils like Tasman and Southern Midlands operate with seven.

The costs allocated to councillors include administrative support, wages, and expenses. The councillors, however, represent vastly different population sizes. Given this, the units costs were adjusted by that factor. This revealed that the larger councils spent more on councillor costs per councillor than smaller ones (Figure 36).

**FIGURE 36: POPULATION SIZE ADJUSTED UNIT COSTS OF COUNCILLOR EXPENSES BY SCALE**




Source: SGS Economics & Planning

### *All corporate and business service costs*

When looking across the services and average unit costs across the lenses, the analysis found that with urbanisation service costs generally decreased across communications, corporate services, and customer service. This could indicate there are some efficiencies in these councils in delivering these services.

Other areas such as IT, councillor support and records management generally increased in cost by urbanisation. This is likely due to demand, increased FTE, the delivery of a more complex service offering, and perhaps higher wages.

**TABLE 26: AVERAGE UNIT COST ($) COPORATE/BUSINESS SERVICES SERVICE AREAS BY URBANISATION (2021-22)**

| Sub-service | 1. Rural Agricultural Small and Medium | 2. Rural Agricultural Large | 3. Rural Agricultural Very Large | 4. Urban Small | 5. Urban Medium |
|---|---|---|---|---|---|
| Communications | 3,703 | 1,663 | 1,582 | 586 | 917 |
| Corporate services (governance, | 31,305 | 22,471 | 26,576 | 23,239 | 23,399 |

| | | | | | |
|---|---|---|---|---|---|
| finance, legal, rates and risk) | | | | | |
| Customer service | 8,626 | 3,369 | 4,806 | 3,124 | 2,919 |
| Human resources | 1,642 | 3,730 | 2,984 | 2,106 | 3,880 |
| Information technology | 1,874 | 7,905 | 7,612 | 7,905 | 9,710 |
| Councillors (admin support, wages and expenses) | 17,991 | 25,377 | 61,047 | 43,611 | 56,540 |
| Records management | 600 | 1,167 | 1,213 | 1,594 | 823 |

Source: SGS Economics and Planning

When considering these services across population growth, the higher the population growth rate, the higher the service costs across communications, corporate services and customer service (Table 27). These services are generally outwardly facing; therefore, as population increases, it is likely that the service demand will also increase.

**TABLE 27: AVERAGE UNIT COST ($) CORPORATE/BUSINESS SERVICES BY POPULATION GROWTH (2021-22)**

| Service | 1. Low | 2. Medium | 3. High |
|---|---|---|---|
| Communications | 1,021 | 1,267 | 2,261 |
| Corporate services (governance, finance, legal, rates & risk) | 22,552 | 23,167 | 29,035 |
| Customer service | 2,694 | 3,332 | 6,415 |
| Human resources | 3,608 | 2,661 | 2,822 |
| Information technology | 7,623 | 8,566 | 6,260 |
| Number of Councillors (admin support, wages and expenses) | 62,729 | 47,195 | 27,590 |
| Records management | 1,284 | 1,124 | 1,211 |

Source: SGS Economics and Planning

There were no clear trends across the services in relation to financial scale.

### Strategic capability and capacity

The corporate service function is a key service to support organisation-wide operations. It therefore has the opportunity to provide broader influence across service delivery outcomes.

The strategic capability and capacity analysis indicated that workforce was a significant concern across several services. To support recruitment and retention of staff, councils suggested centralisation of staff across regions, which could include centralising HR support services. Another option was joint procurement of staff and equipment, which would require strong corporate systems and processes.

IT improvement was seen as a key enabler across a number of services, including integration of services and systems internally as well as with other council and state government systems. In time, this could also expand to the use of smart technology and the creation of digital technology strategies.

Some councils are already undertaking joint IT procurement processes. This was seen as something that could potentially be strengthened, especially with support of LGAT to review the existing IT procurement panel to ensure it includes the breadth of services required.

Another opportunity identified within IT and systems was the development of consistent standards and processes across councils in relation to databases and record keeping. This would not only help councils to share information, but also assist staff who might be working across multiple councils.

The sharing of services and potential opportunities for amalgamations were considered. Feedback indicated that not all services could be shared and not all councils would benefit from amalgamations. Councils indicated that the steps to be taken should be to:

- promote partnerships and enable opportunities to share services
- review councils' natural boundaries to consider opportunities for nuanced changes to improve service delivery and community wellbeing outcomes
- undertake detailed service reviews to understand which services are mandatory, core or optional and to identify specific opportunities for continuous improvement.

Finally, throughout this project, access to quality of data has been critical. While some councils managed to respond to all questions, it was clear that access to quality data was limited. Investment should be undertaken to ensure councils have strong corporate systems and processes in place to manage, track and report on services. This will not only help councils understand how they are tracking, but it can also be used to support the development of specific Tasmanian local council benchmarks.

# 14. Strategic capacity and capability analysis

The following section provides a summary of the capacity and capability of councils across workforce, regulatory compliance and training, assets, plant and equipment, systems and processes, and shared services. Where relevant, this data has also been included in the functional service areas. However, given the overlap across services, this section provides a collective analysis across key barriers and opportunities facing councils.

As indicated in the methodology, this data was collected through seeking a self-rating from councils in relation to what they felt their capability and capacity was in relation to service delivery. It also includes what areas council saw as potential opportunities.

## 14.1 Workforce

Workforce in relation to quality, availability and skills was a theme that was raised across the various functional areas. A summary of workforce and considerations is provided below:

*Summary*

- The level of availability of workforce and skills within the workforce varied across the functional areas.
- Some of the larger councils indicated that they had a great workforce and did not need any further support in this area.
- Many others indicated that they had a lack of skilled workforce and the ability to attract a skilled workforce was a key barrier to providing a service. This included regular staff (from planners to rubbish truck drivers), contract staff and specialist staff.
- To mitigate workforce challenges, councils are delivering some functions via contract staff while others are also sharing staff with neighbouring councils – however it was noted that this was challenging at times as many councils did not have enough staff themselves to be able to share with others.
- Local staff were seen as an asset, understanding local issues, using local services, and having the ability to respond to community needs quickly (especially in customer service and with planning inquiries).
- Overwhelmingly, councils indicated that staff had a strong sense of pride, passion, and commitment to doing the best job with the available resources.

*Considerations to be further explored in Stage 3*

- Building a workforce: State government, LGAT and regional bodies to lead partnerships with local training and education institutes (UTAS, industry institutions) to build local skills,

traineeships and graduate placements, and to deliver local courses across areas such as statutory and strategic planning, building, plumbing, environmental health, engineering and asset management.

- Sharing staff: Where possible, councils to actively seek partnerships with neighbouring councils to share workforce such as planning, maintenance and back of house staff.
- Sharing specialist resources: State government, LGAT and regional bodies to facilitate a centralisation of resources that councils can access during surge times and when FTE is unavailable. This could include engineers, statutory and strategic planners, project management staff, plumbing and building compliance staff, finance and asset management staff.

### *Level of fit for purpose for workforce*

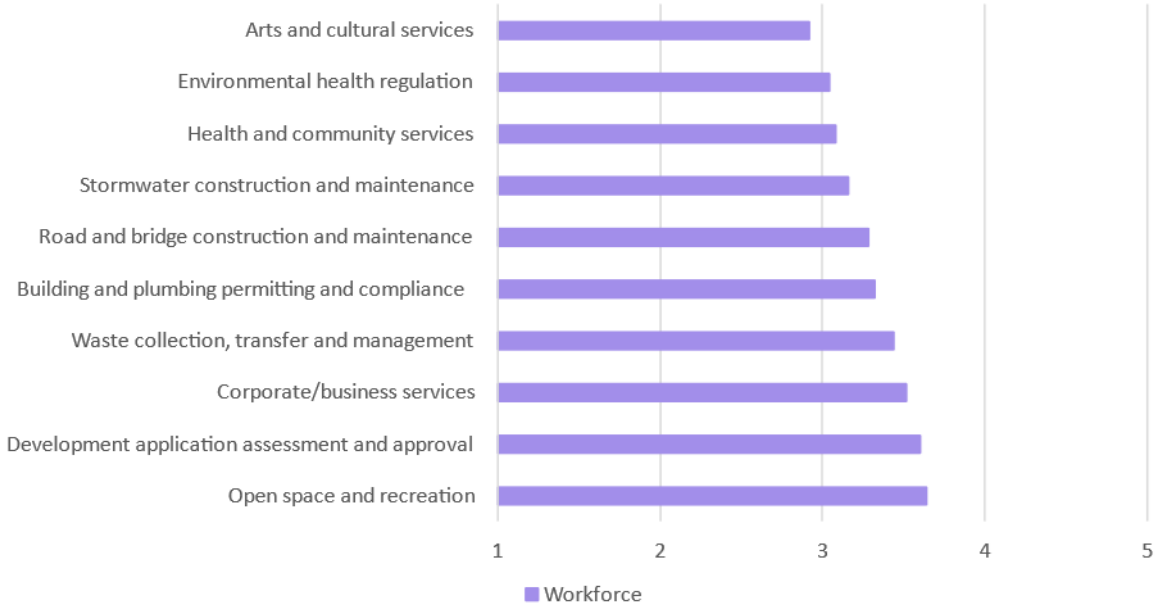
As indicated in the functional analysis, councils are delivering services through both in-house staff, contract, and shared service arrangements. In relation to staffing, Hobart and Launceston have the highest number of FTEs with 363.79 and 360.67 respectively. The average number of FTEs across councils is 104.4. The service with the highest FTE is corporate and business services, and within that, the sub-service corporate services with an average of 10 FTE.

Councils were asked to rate how fit for purpose their workforce was between one and five. While this is a self-assessment and open to bias, it is a helpful tool to understand where strengths and weaknesses across the workforce might be.

As indicated in Figure 37Figure 38, arts and cultural services were rated as the least fit for purpose. In discussions with councils, they indicated that this is likely due to the nuances within this service. Arts and cultural services are unique to each council and community, requiring a range of different skill sets which might not be available in the workforce at the time.

On the other hand, open space and recreation and development applications (planning) scored as the most fit for purpose workforce. Feedback from councils indicated that this is likely due to councils having delivered this service for many years and built strong internal skills. As indicated further in this section, while the staff that councils do have in these areas are highly proficient, concerns remain around the lack of access to staff to deliver the services.

**FIGURE 37: SELF RATING WORKFORCE CAPACITY AND CAPABILITY (2021-22)**




Source: SGS Economics and Planning, 2022

### *Strengths, opportunities, challenges and shared services*

Councils were asked to identify the strengths, opportunities, challenges, and shared service arrangements across all 10 functional areas. Table 28 provides a summary of feedback.

**TABLE 28: COUNCIL IDENTIFIED STRENGTHS, OPPORTUNITIES, CHALLENGES AND SHARED SERVICES FOR WORKFORCE**

| Strengths | Opportunities |
|---|---|
| ▪ Staff have good knowledge, experience, passion and dedication<br>▪ Staff have strong connections with local contractors and specialists<br>▪ Many staff also live in the community using council services and infrastructure, therefore are able to provide feedback to improve council operations | ▪ Training admin staff to be able to undertake base level technical work, providing dedicated admin support staff for senior planners to free up staff<br>▪ Seeking local graduate placements<br>▪ Supporting further education and professional growth – point of difference from private sector (e.g. Tasmanian Planning Institute, UTAS etc) |
| **Challenges** | **Shared Services** |
| ▪ Lack of skilled/specialised local workforce including contractors<br>▪ Inability to attract skilled staff (civil engineers, planning, rubbish truck drivers, project management, traffic management, stormwater, compliance officers etc)<br>▪ Lack of housing for local staff | Many councils (especially smaller councils located next to each other) are already sharing staff resources between councils across a range of services (planning, road/bridge maintenance and construction, building and plumbing etc). An example of this is Waratah-Wynyard and Circular Head who are sharing about 14 staff.<br>Opportunities to further expand shared services included:<br>▪ Potential to centralise specialist teams to support recruitment and sharing resources. This could include: planners, engineers, asset condition surveyors etc. It was noted that a potential risk is that staff may become too generalised and not understand local issues<br>▪ Set up formal procurement processes to procure from each other, e.g. engineers, planners, project management staff etc |

*Unpacking themes*

Councils were asked what some of these outcomes might look like in practice and who should be involved. Below is a summary of the feedback:

*Training and mentoring programs*

- Types: university courses, short courses, information sessions, graduate programs, and placements
- Target groups: first year planners, compliance roles (planning, environmental health, building and plumbing), accountants, engineers, asset management
- Partnerships: State government, local council, LGAT, UTAS, recruitment agencies, professional industries

- Note: This needs to be delivered across regional as well as urban areas. Mentoring programs and placements can place an additional workload on council staff. To minimise this, they should be for at least 6-12 months. The use of retired staff to support mentoring and placements should also be considered.

*Sharing staff across councils*

- Types: while many roles can be delivered remotely, it was generally recognised that all roles would need to be able to access the office from time to time. Therefore, sharing staff across councils that are located relatively close to each other enables staff to be able to go into the offices when required. It was recommended that councils that were not in close proximity were not likely to be as successful.
- Target: can be delivered across most roles including general managers and human resources.
- Documentation: Standard MoUs and shared service agreements are critical for success to provide clarity and avoid political issues.
- Partnerships: councils, LGAT.
- Note: this is currently working well with two councils sharing staff. It could be expanded beyond two; however, there would need to be a strong agreement between all councils. Differences between councils' enterprise agreements could present a challenge, as well as councils needing to have enough staff to be able to share.

*Centralisation of specialist teams*

- Types: specialist services and roles such as strategic planning, engineering, asset management, finance, compliance
- Partnerships: State government, regional bodies (for example Cradle Coast Authority), employment services, private sector
- Note: lack of available and skilled workforce across Tasmania would need to be addressed first. The 'centralisation' of these staff would not be in relation to a physical location, as they would need to be able to access the whole state with relative ease.

## 14.2 Skills for regulatory and technical services

Regulatory and technical skills are a sub-service to workforce. They include planning, building, plumbing and environmental health.

Regulatory and technical skills was a topic that was frequently raised across the capability and capacity survey. While this area has connections with workforce, given the level of feedback a specific focus group was established to gain a greater understanding of this area.

A summary of regulatory and technical skills themes, along with considerations to be further explored is provided below.

*Summary*

- Staff have strong skills in legislation, local knowledge, and experience, but councils are struggling to attract and retain staff. This is putting pressure on services, especially during surge times. With a limited workforce the delivery of quality regulatory services and outputs is at risk.
- There has been an increase in workloads across all areas due to increased development (planning, building and plumbing) and COVID (environmental health).
- There is a lack of formal and informal training and development opportunities for staff across all regulatory areas.
- Due to the lack of strategic land use planning that has been undertaken (due to workforce as well as delays in statewide planning), statutory planners are finding it challenging to deliver best practice planning outcomes.
- Legislative changes could support more efficient and effective timeframes.
- Potential further sharing of services and or centralisation models could be considered. This should start with the implementation of the same IT systems and processes.

*Considerations to be further explored in Stage 3*

- Review of legislative requirements: State government to undertake a review to reduce complexity, reliance on subjective outdated processes, statutory timeframes, delegations, instruments of appointment and building levy
- Building a workforce: State government, LGAT, regional authorities and UTAS to proactively promote Tasmania as a workplace of choice, provide effective training qualifications, training and mentoring across planning, building, plumbing and environmental health
- Systems and processes: State government to support councils to move to the same regulatory systems and undertake the same processes to support future sharing opportunities
- Planning compliance: State government to investigate the delivery of a state planning compliance service, rather than this sitting with individual councils that do not have the resources to proactively deliver the service

- Building permits and compliance: State government and CBOS to investigate the delivery of a state building permit and compliance service, rather than this sitting with individual councils that do not have the resources

As shown in Table 29, of the regulatory staff that councils have, their skills, experience and local knowledge were rated as high. Challenges were identified across areas such as having a lack of staff, increasing community expectations, legislative timeframes and red tape, and effectiveness of planning compliance actions.

Opportunities were seen in the development of consistent systems and processes across councils, integration of internal systems, training, and delivery of strategic land use planning work to inform and guide future development. In relation to shared services, some are already sharing regulatory services. Other opportunities were seen across sharing development engineers and administration staff, development of a centralised pool of regulatory staff to draw on, and the creation of a dedicated planning compliance and building permit compliance team for the state.

The lack of available and skilled workforce within regulation and compliance is potentially putting council and community at risk of not being able to deliver a safe and effective service. Building and securing a workforce across this area, as well as developing a statewide service, should be explored as a matter of priority.

**TABLE 29: COUNCIL IDENTIFIED STRENGTHS, OPPORTUNITIES, CHALLENGES AND SHARED SERVICES FOR REGULATORY AND TECHNICAL SKILLS**

| Strengths | Opportunities |
|---|---|
| ▪ Local staff have good knowledge (planning scheme, locational issues) and experience, passion and dedication<br>▪ Councils noted that there is a high level of customer service and customer satisfaction with these services given the level of local staff and understanding of regulatory issues | ▪ The development of consistent systems and processes across councils<br>▪ Integration of systems within councils, including between planning and building, as well as a greater use of e-services<br>▪ Training and professional development for staff (e.g. new planning changes, Building Act 101, Permit Authority training)<br>▪ Review of legislative requirements to reduce complexity, reliance on subjective factors/interpretation, outdated processes, and statutory timeframes in an under resourced sector<br>▪ Creation of a dedicated planning compliance team across the state<br>▪ Delivery of strategic planning to support effective development across LGAs and the State |
| **Challenges** | **Shared Services** |
| ▪ Attraction and availability of local skilled staff and contractors<br>▪ Lack of ability to manage surge periods of high workloads<br>▪ Increasing community expectations and lack of understanding of council role<br>▪ Increasing workloads due to increase in development (planning applications, building developments)<br>▪ Legislative weaknesses for example requirement to give notice in the local paper, state planning system reforms are yet to be completed making development challenging (e.g. regional land use strategy)<br>▪ Delays from State agencies within planning approval process<br>▪ Statutory timeframes are too short and restrictive, placing too much pressure on a limited number of staff<br>▪ Investigating and taking compliance action is time consuming with enforcement action via the Court being expensive and not always effective | Several councils already share regulatory staff. Other opportunities included:<br>▪ Further sharing across: development engineering, planning administration (where IT systems are shared) (note: limited shared service ability with customer service as local knowledge is critical)<br>▪ Centralised model with planners and building/ plumbing compliance staff of varying skills/ background<br>▪ Building permits and compliance could be delivered at a state level, potentially in partnership with CBOS<br>▪ Creation of a dedicated planning compliance team across the state<br>▪ A potential barrier to sharing regulation services are the delegations and instruments of appointment; this would need to be investigated to allow officers to work across different councils |

Councils noted that there has been a limited ability to undertake strategic land use planning at a local level. In addition, there have been significant delays on statewide land use plans. Both of these have had an impact on councils in ensuring effective and efficient planning outcomes are being delivered.

### *Unpacking themes*

Councils were asked what some of these opportunities might look like in practice and who should be involved. Below is a summary of the feedback:

#### *Review of legislative requirements to create efficiencies*

- Areas for review:
  - Fee structures: ensure there is a consistent fee structure across councils
  - Appeals to TasCAT: review merits for appeal process to ensure they are acceptable and not based on potential frivolous matters
  - Discretionary developments: these should be limited only to the matters that make the decision discretionary. For example, if a building's height is discretionary, only decisions relating to the height should be made in a discretionary manner. This would reduce workload for statutory planners
  - Planning delegations: councils to review and reduce the level of planning applications that need to go to council and which ones can be addressed by staff and or a planning committee
  - Section 77 council seeking costs: review of court's responses to this, as many councils are not being granted costs, making compliance financially unviable
  - Statutory timeframes: lack of resources means that councils are struggling to meet timeframes and deliver quality outcomes
  - Notice of permit: currently required to be advertised in the local paper which has limited timeframes. If these are missed, councils have to wait until the next paper, delaying permit outcomes. Furthermore, the local paper only has a limited reach; therefore, a more accessible method might be more appropriate, for example the council website.
  - Building levy: review reallocation of costs to ensure that council are able to access funds to support delivery of service
- Partnerships: State government, council, LGAT, CBOS, Planning Institute
- Note: Any changes to legislative requirements should be done in consultation with councils to understand potential issues and solutions. An additional area of interest was the development of digital twins. As indicated in the infrastructure section of this report, councils and state government would need to first develop a clear understanding of existing infrastructure, assets and development, as well as the ability to share data across government bodies. Potentially an area for state government to explore through a strategic review and vision of smart cities.

*Workforce development and training*

- Focus areas: planning, building, plumbing and environmental health
- Types of training:
  - Specific training for building and planning permit authorities (for example Building Act 101)
  - Planning training across areas such as: new planning scheme, appeals, heritage and complex development applications
  - Continued commitment from Department of Health and Environmental Protection Authority to deliver training for environmental health officers
  - UTAS to provide undergraduate and postgraduate programs across the areas of compliance
- Partnerships: State government, LGAT, CBOS, Planning Institute
- Note: Councils currently do not have the funding to be able to adequately train their workforce; therefore, this would need to be supported through state government, industry bodies and/or levies (building levy via CBOS). It was noted that CBOS is currently delivering training to the construction industry, and this should be further expanded to local council.

*Sharing of systems, processes and resources*

- Types:
  - IT systems and processes: it was noted to improve sharing across councils, councils should use the same IT systems and processes, which can also integrate with other internal systems. This would also help staff who are being shared between councils. PlanBuild might support this, but yet to understand how the backend of PlanBuild will function.
  - Consistent planning report templates and interpretation of planning provisions. This could be achieved by developing standard conditions across councils (where relevant)
  - Planning compliance and building permits to be centralised and delivered at a state level
- Partnerships: State government, LGAT, CBOS, Planning Institute, regional authorities

## 14.3 Asset, plant and equipment

A summary of infrastructure feedback and future considerations to be explored is provided below.

*Summary*

- Infrastructure costs are escalating (delivery, maintenance, natural disasters, and community expectations).
- While some councils indicated they had a good understanding of their assets, others saw this as a gap, especially in stormwater.
- Community infrastructure is generally ageing, not fit for purpose, and in some instances in need of consolidation where it is no longer required.
- Smart technology was seen as an opportunity to both support staff in the field assessing infrastructure and to integrate into infrastructure to monitor usage and capacity. This was noted as a potential future priority area as an understanding of assets needed to come first, followed by a Smart Cities Strategy to guide what should be measured and invested in.
- Some significant opportunities and benefits could be seen through undertaking regional catchment planning for infrastructure such as stormwater, regional community facilities, and waste management. In addition, regional climate change and flood management planning were seen as key inputs and priority for infrastructure planning.
- Opportunities were seen to share plant and specialist skills across asset management between councils that are in close proximity.

*Considerations to be further explored in Stage 3*

- Development contributions: State government to explore the creation of a development contributions scheme for infrastructure, including the review of existing funding allocation for stormwater.
- Asset management: State government to explore the provision of financial assistance to councils to undertake asset condition assessments, benchmarking against other councils, and the development of evidence-based 10-year financial asset management plans. This should be prioritised in stormwater first, as it is a potential high-risk area.
- Regional planning: State government to explore the facilitation of regional planning for flood management and stormwater networks, climate change, and regional waste facilities as well as how the planning scheme can further support local and regional infrastructure planning.
- Grant review: State government to consider the review of state government infrastructure grant conditions to ensure they enable councils to undertake effective infrastructure planning and align with community and asset needs.
- Sharing of asset resources: Councils and LGAT to explore opportunities to work with councils to enable the sharing of specialist staff (including contractors) and plant equipment across councils.

- Smart cities: State government to investigate the development of a smart cities framework to provide guidance to councils in how to effectively integrate technology and data into asset management, maintenance and utilisation.

### *Level of fit for purpose asset, plant and equipment*

As revealed in the KPI analysis, councils indicated that they had an asset sustainability ratio between 83 and 100 per cent. This ratio indicates whether a council is renewing or replacing existing non-financial assets at the same rate as the assets are wearing out. All councils have a benchmark of achieving 100 per cent. Those that are not meeting 100 per cent are potentially facing challenges in delivery, funding or asset renewals. While councils indicated that they had asset plans, the quality of data in these plans seemed to vary.

The quantity of assets also varies across councils due to community need, land, population growth and urbanisation. Roads are a good initial benchmark to understand this. When looking at the kilometres of sealed and unsealed roads across the different types of councils, rural large (593kms) and rural very large (525km) councils have the largest asset base of roads. Rural very large councils have almost 50:50 of sealed and unsealed roads (Table 30).

**TABLE 30: KILOMETRES OF SEALED AND UNSEALED ROADS**

| Council type | Unsealed (km) | Sealed (km) | Total (km) |
|---|---|---|---|
| Rural Small | 268 | 109 | 377 |
| Rural Large | 351 | 244 | 595 |
| Rural Very Large | 255 | 270 | 525 |
| Urban Small | 72 | 318 | 390 |
| Urban Medium | 122 | 357 | 477 |

Councils were asked to rate how fit for purpose their infrastructure was between 1 and 5. While this is a self-assessment and open to bias, it is a helpful tool to understand where strengths and weaknesses across the infrastructure might be.

As per Figure 38, development applications (planning) and building and plumbing had the highest level of fit for purpose. This is likely due to IT software and systems which have had a significant focus over the last couple of years. This includes the introduction of systems such as PlanBuild.

The lowest areas of fit for purpose infrastructure was arts and cultural services. In consultation with councils, this is likely due to the lack of arts and cultural infrastructure across councils, with many indicating that of the infrastructure that they did have for arts and culture, they were not fit for purpose.

**FIGURE 38: SELF RATING OF INFRASTRUCTURE BY FUNCTIONAL ACTIVITY (2021-22)**

Source: SGS Economics and Planning, 2022

### *Strengths, opportunities, challenges and shared services*

Councils were asked to identify the strengths, opportunities, challenges and shared service arrangements across all 10 functional areas for their assets, plant and equipment. Table 31 provides a summary of feedback.

**TABLE 31: COUNCIL IDENTIFIED STRENGTHS, OPPORTUNITIES, CHALLENGES AND SHARED SERVICES FOR ASSETS, PLANT AND EQUIPMENT**

| Strengths | Opportunities |
|---|---|
| ▪ Many of the staff live in the LGA and therefore also use the assets and are able to provide first-hand information and experiences<br>▪ Councils provide high quality assets due to delivery and service standards<br>▪ Councils have good connections with community to understand needs and pain points with infrastructure<br>▪ Many councils indicated that they had strong understanding of their assets and asset management plans (however much less so in stormwater)<br>▪ Most councils indicated that they had capacity to keep up with asset renewals – however, less in the open space and recreation space due to the number of assets and community expectations<br>▪ Some councils are looking to rationalise some community infrastructure assets due to age and quantity | ▪ Using smart technology – both within infrastructure and for staff out in the field<br>▪ Including environmental sustainable design in infrastructure e.g. recycled materials, solar, WSUD etc<br>▪ Revision of state government grant conditions to align with community need as well as promote planning rather than just construction<br>▪ Development of regional waste infrastructure, rather than individual councils planning for their own needs<br>▪ Development of regional flood mapping and management<br>▪ Understanding climate change impacts to inform infrastructure planning<br>▪ Divestment of regional assets to regional bodies e.g. TasWater<br>▪ Partnerships with state and national arts and cultural programs to deliver programs in local council areas<br>▪ Consolidation of some open space, recreation and community facilities |
| **Challenges** | **Shared Services** |
| ▪ Availability of skilled staff to plan, design, deliver, maintain and audit infrastructure<br>▪ Some councils indicated that they did not have a good understanding of their assets, therefore it was challenging to plan effectively<br>▪ Increasing costs of infrastructure due to:<br>- Materials, contractors, and councils' high standards of infrastructure delivery<br>- Remote locations, therefore increased transport costs<br>- Natural disasters increasing damage as well as taking priority over scheduled activities<br>- Increased rainfall leading to increased grass cutting and tree maintenance costs<br>▪ Inherited assets that are not to standard and unable to handle current conditions (e.g. stormwater, traffic)<br>▪ Increasing community expectations (and lack of funding to meet expectations, especially in recreation) | Councils are already doing joint procurement for infrastructure e.g. delivery of roads, sharing plant such as graders. Other opportunities were seen in:<br>▪ Sharing technical designs of civil infrastructure specialists, project managers, asset condition surveyors<br>▪ Sharing operational maintenance of bridges and road infrastructure, as well as street sweeping and street furniture *(note that this may decrease response times for reactive work especially following natural disasters)*<br>▪ Procurement of plant from neighbouring councils – especially specialist equipment<br>▪ A pool of specialist crews to support maintenance<br>▪ Roving art and cultural exhibitions could be delivered through a shared service; however, many mentioned that arts and cultural elements could not be shared due to need for core staff<br>▪ Shared funding arrangements across councils for regional facilities (e.g. arts, aquatics, recreation) that are located within one council but have a broader catchment |

- Facilities that are not fit for purpose
- Lack of available volunteers to support management of facilities
- Some councils do not have a high enough rates base to be able to provide infrastructure for services such as arts and culture

*Unpacking themes*

Councils were asked what some of these outcomes might look like in practice and who should be involved. Below is a summary of the feedback:

***Future funding for infrastructure***

- Funding types: development contributions, grants, state funding, user changers
  - Establish a development contributions scheme, potentially something like the one established in Queensland
  - Review state government grants to ensure they are based on community needs, enabling councils to undertake planning, and ensuring they are not resulting in councils demolishing assets that are not at end of life
  - Increase level of state funding allocated towards stormwater to manage infrastructure gaps and upgrade existing infrastructure to respond to climate impacts
  - Review heavy vehicle tax to reflect a user charges scheme – for example, local councils receiving a portion of these funds to manage road infrastructure that is being used by heavy vehicles
- Partnerships: State government, councils, LGAT
- Note: to support future funding, councils need to have undertaken an audit of existing infrastructure, utilisation rates, and 10-year financial asset management planning. It is likely that councils will need support in undertaking this work

***Regional infrastructure planning***

- Types: regional planning was suggested across stormwater network and flood management, climate change impacts, waste management infrastructure, and regional community infrastructure
- Planning scheme: it was noted that land use is one mechanism to support local and regional infrastructure planning. Councils indicated that the updated planning scheme has reduced councils' ability to undertake effective infrastructure planning. In addition, it was suggested that regional land use strategies should be updated every five years.
- Partnerships: State government, LGAT, regional authorities

*Integration of smart technology*

- Types: Smart technology could be integrated into a range of assets including roads, carparks, stormwater pipes and pits, fleet, parks, and public rubbish bins. Handheld technology can also be used by staff out in the field to report and respond to work orders, log maintenance issues, repairs, and mapping of infrastructure.
- Priority: Some councils have already integrated in the field technology for staff and this is working well, streamlining requests and data. In relation to technology being integrated into infrastructure, this was seen as a lesser priority at this stage given the lack of base level asset data and strategic direction for smart cities. Both of these elements would be required prior to investing in smart technology in infrastructure.
- Partnerships: State government, regional authorities, LGAT
- Note: If smart city approaches are to occur, there should be a consistent approach across councils. Launceston has begun implementing smart technology for traffic data. Some other councils are using it to monitor flood levels. Skills and training across staff would also be required if this was to be further integrated and expanded. There is a potential opportunity for state government to provide an overarching smart cities framework to guide councils moving into this space.

## 14.4 Systems and processes

A summary of systems and processes feedback and future considerations is provided below.

*Summary*

- There is a diversity among the systems that councils are using, with some councils already sharing systems and others undertaking joint procurement when seeking IT services and systems.
- The quality of systems varied across councils – some had really high confidence in systems while others were still using paper or ageing systems that were not best practice.
- A lack of reliable internet was seen as a significant barrier for some councils as well as their community members when upgrading systems to digital solutions. For councils this was seen with the delivery of remote services and council field staff with limited internet connectivity. For community members either they were unable to get a reliable connection at home or were lacking digital literacy.
- It was acknowledged that there has been a high level of reform across planning, building and plumbing – including within processes – which has resulted in community members and staff being unsure of processes.
- There was general agreement that having the same systems and processes across councils would be beneficial for a number of reasons, including the ability to share staff and data. It was noted, however, that this may come at a cost, as procurement cycles are likely to be varied and in some cases councils have established their own IT services.
- It was recommended that councils lead the delivery of shared systems and processes, as it relies on culture and collegiality across councils that was critical for success.

*Considerations to be further explored in Stage 3*

- IT procurement: LGAT to work with councils to review the existing IT procurement panel to ensure it includes the breadth of services required.
- Sharing systems and processes: State government should encourage councils to continue to actively seek out opportunities to share systems and processes.
- Sharing of data: State government and councils to explore effective ways in which data (local, state, business, community) can be shared effectively, including the consideration of an open data platform.

*Level of fit for purpose for systems and processes*

As per the functional analysis, the financial investment in 2021-22 for IT differs significantly across councils, with urban medium councils spending far more than any others ($3.4m on average). This was followed by urban small which spent on average $1.04m, rural very large $570k, rural large $330k, and rural small $87k. While IT budgets fluctuate annually depending on procurement cycles, it is expected that urban medium councils would likely have a larger IT budget. The range of budget allocations,

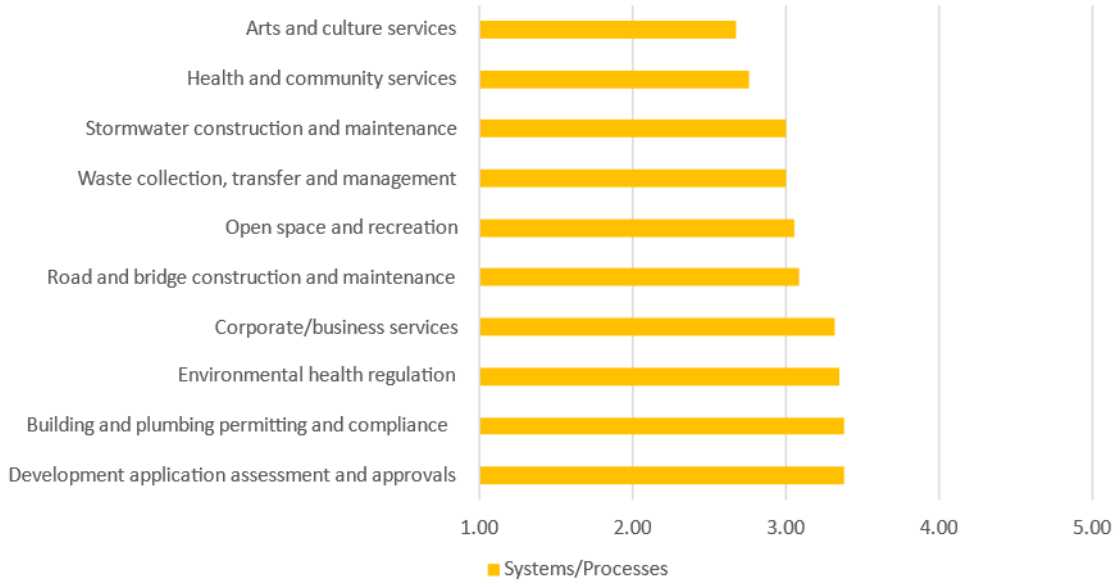
however, shows that smaller and rural councils potentially have limited funds available for IT improvement projects, which could be a barrier for future projects.

Councils were asked to rate how fit for purpose their systems and processes were between 1 and 5. While this is a self-assessment and open to bias, it is a helpful tool to understand where strengths and weaknesses across systems and processes might be.

As per Figure 39, development applications (planning) and building had the highest fit for purpose in relation to systems and processes. As per the feedback in the infrastructure section, this is due to the investment in systems and processes across the two functions over the past few years.

The lowest areas of fit for purpose systems and processes were seen in the functional areas of arts and cultural services and health and community services. Feedback from councils indicated that they have limited arts and cultural services as well as limited health and community services; therefore, what systems and processes they did have were not robust or well developed.

**FIGURE 39: COUNCIL IDENTIFIED SELF-RATING OF SYSTEMS AND PROCESSES BY FUNCTIONAL ACTIVITY (2021-22)**




Source: SGS Economics and Planning, 2022

### *Strengths, opportunities, challenges and shared services*

Councils were asked to identify the strengths, opportunities, challenges and shared service arrangements across all 10 functional areas for systems and processes. Table 32 provides a summary of feedback.

**TABLE 32: COUNCIL IDENTIFIED STRENGTHS, OPPORTUNITIES, CHALLENGES AND SHARED SERVICES FOR SYSTEMS AND PROCESSES**

| Strengths | Opportunities |
|---|---|
| Strengths varied across the different functions. Three functions showed particular strengths:<br>▪ Planning has well-developed systems and processes for workflow tracking and use of tools such as PlanBuild<br>▪ Within waste it was identified that councils have established systems and experience in setting up different systems to accommodate different processes<br>▪ Within assets many councils indicated that they had accurate data and systems for managing assets | ▪ Integration and improvement of systems and data capture (including automated systems). This could be leveraged through the Regional Planning Network work that is underway<br>▪ Improvement of GIS systems to capture all assets<br>▪ Modernising and digitising work systems and improving infield capacity<br>▪ Consistent systems and processes across council, including same database/record keeping systems<br>▪ Sharing of council processes between councils<br>▪ Specialist IT resources (in the area of cyber security and network systems) that can be shared across councils |
| **Challenges** | **Shared Services** |
| ▪ Ageing systems – not aligned with best practice<br>▪ Systems and processes rely on subject matter experts, which is a risk when staff leave<br>▪ Many systems rely on manual data entry, with some still largely paper based, requiring additional staff resources to manage<br>▪ There is a lack of systems in some areas (arts and culture) leading to ad hoc tracking and documentation<br>▪ Some areas have low or no internet availability, making systems slow as well as resulting in customers not having access to internet and online services<br>▪ Lack of customer understanding of processes (planning, building and plumbing) resulting in additional resources to communicate and manage expectations. This has been further challenged by state planning, building and plumbing reforms and customers now being unaware of processes<br>▪ Some systems such as TechOne will no longer be supported in their current format and therefore require an upgrade to be continued | ▪ Better integration with other council systems – (for planning, the PlanBuild initiative might support this)<br>▪ Exploration of shared systems across all councils<br>▪ Development of consistent standards and processes (including database/record keeping) between councils<br>▪ Development of statewide IT systems (e.g. food business register)<br>▪ Joint procurement opportunities (Cradle Coast councils are currently doing this to varying levels) |

*Unpacking themes*

Councils were asked what some of these outcomes might look like in practice and who should be involved. Below is a summary of the feedback:

*Alignment of IT systems through joint procurement arrangements*

- Types: planning, assets, corporate systems and others
- Options:
  - Procurement panels: Review existing LGAT procurement panel to ensure it has required service areas
  - Develop cross-organisational continuous improvement framework to guide IT transformations and improvements
- Partnerships: State government, local councils, LGAT, regional authorities
- Note: delivery of new IT systems and joint procurement opportunities will depend on procurement cycles. Kingborough and Huon Valley share a range of software services. A number of North West councils have also undertaken joint procurement of IT systems. This process should be driven by councils. It was also noted that culture and collegiality across councils is critical in order for the sharing of systems and processes to be successful. Councils indicated that the implementation of consistent IT systems should be the first step in achieving commonality across councils. This could be challenging for some if it was to occur out of cycle, while other councils have started their own IT companies, for example Brighton. Given this, compensation is likely to be required. Furthermore, it was noted that alignment and sharing of systems would likely benefit councils that may be too small to invest and maintain their own systems.

*Sharing data and processes across councils*

- Types: planning, assets, corporate systems
- Options:
  - A shared platform to enable sharing of data. This should also include ability for councils to share/access data across local businesses, community groups, agencies, and state government (open data)
  - Development of a state/regional data and processes framework (including data storage and privacy)
  - Reporting and promoting of data that is provided to state government to track local council KPIs
- Partnerships: State government, LGAT,
- Note: currently there are a range of data storage arrangements occurring across councils. A base level should be established first. Also need to ensure that councils have clear roles and responsibilities in relation to data and use of data.

## 14.5 Strategic partnerships, shared services and amalgamation

A summary of strategic partnerships, shared services, amalgamation feedback and future considerations is provided below. This section looks at three types of partnership. **Strategic partnerships** are generally seen as less formal arrangements between councils but can provide significant benefits in relation to sharing of knowledge, skills and resources. **Formal arrangements** between councils, either through joint procurement, MoUs, lease arrangements, contracts or enterprise agreements, fall within shared services. Finally, **amalgamation** is the formal joining of two councils to become one entity.

*Summary*

- Councils are already delivering a range of services and projects via shared services and or strategic partnerships, especially within rural large and rural very large councils. There are opportunities available to further build on these arrangements with additional councils, if appropriate, and or expand the types of services being shared.
- Not all services can be effectively shared. An example is front of house customer service, which is currently meeting council and community needs as well as having the ability to resolve queries on first point of contact.
- Distance between councils can be a challenge in sharing staff and equipment. Even though many roles can be done online, there is still a need to come into the office and or the municipality to understand connecting services. Sharing equipment across large distances is also likely to not be effective.
- Sharing of staff provides professional development opportunities and potentially could aid in retention.
- A review of boundaries should be undertaken rather than amalgamation of full LGAs, ensuring any changes are alignment with delivering stronger community outcomes.
- Amalgamations need to be undertaken with community, ensuring they are supportive and also driving the changes.
- The use of the same IT systems and processes across councils is a critical first step for either shared services or amalgamation.

*Considerations to be further explored in Stage 3*

- **Promote partnerships**: State government to promote and enable councils to actively share and collaborate across regional planning (strategic land use, infrastructure, asset management), IT systems, and processes. This will allow councils to more effectively share data, resources, and services into the future.
- **Natural boundaries**: State government to consider a review of natural boundaries, individual LGA nuances, and opportunities to improve community wellbeing outcomes rather than full LGA amalgamations.
- **Service reviews**: State government to support councils to undertake reviews of services to understand what services are mandatory, core, optional (based on community need), and identifying opportunities for continuous improvement.

### *Strategic partnerships and shared services*

There have been a range of strategic partnerships and shared service arrangements that councils have raised across workforce, infrastructure, and systems and processes. These include joint procurement opportunities, sharing of staff, assets and data, having a 'pool' of specialised staff to draw on when needed, and sharing of maintenance services. In addition to this, collaboration and strategic partnerships were seen as a way to deliver outcomes more effectively. Examples of this were in relation to of asset condition assessments, land use strategies, transport and infrastructure planning.

As per the functional analysis, the most common areas for sharing services were across plumbing and stormwater (Table 33). As Table 34 indicates, the majority of these shared services are occurring within rural large and rural very large councils.

**TABLE 33: NUMBER OF COUNCILS SHARING SERVICES ACROSS SERVICE TYPE**

| Service type | Number of councils that deliver through shared service arrangements |
|---|---|
| Plumbing permits and compliance | 4 |
| Stormwater construction and maintenance | 3 |
| Stormwater open drains | 3 |
| Sealed roads construction and maintenance | 2 |
| Unsealed roads construction and maintenance | 2 |
| Statutory planning | 2 |
| Public bins | 2 |
| Immunisation | 2 |
| Active recreation reserves | 1 |
| Building permits and compliance | 1 |
| Community development programs | 1 |
| EPA level 1 activities | 1 |
| FOGO | 1 |
| Food safety | 1 |
| Footpath maintenance | 1 |
| Statutory planning enforcement | 1 |
| Passive open spaces | 1 |
| Landfill management | 1 |

Source: SGS Economics and Planning

**TABLE 34: NUMBER OF SHARED SERVICES PER COUNCIL TYPE**

| Council type | Number of shared services |
|---|---|
| Rural small | 6 |
| Rural large | 13 |
| Rural very large | 8 |
| Urban small | 1 |
| Urban medium | 2 |

Source: SGS Economics and Planning

Councils discussed the strengths and challenges they experienced in the delivery of shared services across the 10 functional areas. Sharing of services can provide opportunities for councils to deliver more effective and efficient services, with many councils already taking up shared services to reap these benefits. The benefits of sharing services, however, are not consistent across all functions, with some being more practical than others depending on service type, distance, resources, and size of councils. There was also fear among councils and elected representatives that sharing of services would result in amalgamations; therefore, they were reluctant to enter arrangements. Table 35 provides an overview of the key strengths and challenges win the delivery of shared services.

Councils also discussed the nuances within councils in relation to the services that they deliver that are outside of core council business but are delivered in response to community need and market failure. Examples of these include councils running local general practice centres, delivering childcare, and managing housing. Councils also discussed the opportunities for them to potentially deliver more services that are currently not sitting with local council. An example of this was maternal child health care, which is a service that is currently limited in some local council areas resulting in children not receiving the recommended development assessments.

**TABLE 35: COUNCIL IDENTIFIED STRENGTHS AND CHALLENGES**

| Strengths | Challenges |
|---|---|
| ▪ Sharing of knowledge and skills across government areas<br>▪ Staff professional development opportunities and retention opportunities<br>▪ Potential for cost savings (e.g. sharing of plant and equipment, best practice processes and templates)<br>▪ Systems and processes can be shared relatively easily if procurement cycles align<br>▪ Councils that are located within close proximity can generally share services more easily<br>▪ Councils have already been undertaking strategic partnerships and sharing services across several functional areas. While this has generally only been with one or two others, it could be further scaled up if additional councils were committed to terms and arrangements | ▪ Distance between councils can be a barrier especially for front-facing services, sharing of plant and equipment, and building of culture between teams requiring the ability to meet face to face from time to time<br>▪ Many councils current lack staff and therefore are unable to share with others. The broader workforce concerns would need to be prioritised first<br>▪ Politics within each council – requires trust, collaboration, and clear roles and responsibilities to ensure staff hours and resources are being utilised fairly<br>▪ Not all services can be shared e.g. customer service currently works well as a local level service, as most connections can be resolved on first contact<br>▪ Some larger councils are reluctant to enter shared services given they can be self-sustainable<br>▪ While councils generally all deliver the core services, there are a range of specific community response services that councils deliver that may not need to be shared<br>▪ Concerns that sharing of services is the first step in amalgamation, therefore reluctant to enter shared arrangements |

Councils were asked to consider what the priority areas for strategic partnerships and shared services should be. Generally, the priority was for services that had the lowest barriers to entry. These were:

1. Asset management
    - Asset management IT systems and processes which, once established, would make future shared service opportunities easier
    - Joint delivery of asset management condition assessments – including the establishment of a statewide asset condition benchmark
2. Planning
    - This is already being shared successfully, including staff and systems such as PlanBuild; however, it was felt that there is room to explore further integration and sharing across resources and processes, especially across strategic planning and during surge periods
3. Integrated strategic planning
    - Regional planning in relation to land use, transport, stormwater, waste, and regional community infrastructure was seen as a key strategic partnership opportunity

4. Staff
    - General administration for regulatory services was seen as a potential opportunity given this should be similar across councils
    - A pool of specialist staff across asset management, technology, strategic planning, engineering which can provide recommendations as well as deliver shared projects across a range of councils, for example asset condition assessments
    - Statutory planning, building, plumbing, and environmental health staff to cover periods of leave and surges

### *Amalgamation*

Amalgamation was not raised in the council capability and capacity survey. Given this, it was further unpacked in the focus groups to understand what needs to be considered if this approach was to be undertaken. The overwhelming feedback was that whichever option was delivered, it needed to provide the best community outcomes. A core role and function of local council is to provide services and infrastructure that aligns with community need, which is unique within and across local council areas. It was also noted that councils have provided the state with a range of positions on amalgamation, which should be read alongside the below findings.

**TABLE 36: COUNCIL IDENTIFIED OPPORTUNITIES AND CHALLENGES**

| Opportunities | Challenges |
|---|---|
| ▪ Rather than amalgamation of full LGAs, a review of boundaries should be undertaken which focuses on place-making and communities of interest<br>▪ Potentially stronger connections between smaller councils that are in close proximity. It would likely not be successful in small councils that are geographically spread.<br>▪ Having the same IT systems and processes in place is an important starting component to enable a smooth transition to shared services and or amalgamation. Regardless of amalgamation, having the same IT services and processes should be prioritised to enable council to have options into the future<br>▪ Opportunities to learn from the 1997-98 amalgamation attempts, as well as those that have occurred in other states across Australia | ▪ It would not be suitable for all councils, and therefore an individual review of each would be required<br>▪ Need to consider the number of councillors and how they would represent their communities<br>▪ Local politics could potentially be a barrier and therefore state government would need to take a lead role but ensure this was done with community support. The process needs to be delivered in close collaboration with council and community to ensure they are driving the change outcomes<br>▪ Concerns that sharing of services is the first step in amalgamation, therefore reluctant to enter shared arrangements |

# Appendix A: Council profiles

See link provided

# Appendix B: Unit cost results

**TABLE 37: UNIT COST DEFINITIONS**

| Functional Area | Sub-Service | Unit cost denominator |
|---|---|---|
| Waste Management | Garbage Collection | Number of pick ups |
| | Recycling collection | Number of pick ups |
| | Landfill Management | Tonnes of landfill |
| Transport and Energy | Bridge construction and maintenance | Number of bridges |
| | Road construction and maintenance | Kilometres of sealed and unsealed roads |
| Water and Sewerage | Stormwater construction and maintenance | Kilometres of stormwater open and closed drains |
| Community and Regional Development | Strategic planning | No. of development applications approved |
| | Building permits and compliance | No. of building permits approved |
| | Plumbing permits and compliance | No. of plumbing permits approved |
| Environmental Health and Regulation | Animal management | Number of dogs reclaimed |
| | Environmental health infringement notices | Number of notices issued |
| | EPA 'Level 1' activities/ abatement notices | Number of notices issued |
| | Food safety | Number of notices issues |
| | Immunisation | Number of immunisations administered |
| | Public health inspections | Number of inspections carried out |
| Open Space and Recreation | Active recreation Reserves, Pavilions, indoor sports centres | Number of facilities |

| | | |
|---|---|---|
| | Aquatic facilities* | Number of facilities |
| | Active cemeteries | Number of cemeteries |
| | Passive open spaces (ex bushland reserves)* | Square metres of passive open space |
| | Provision and management of inactive cemeteries | Number of cemeteries |
| Corporate Planning and Business Services | Communications | Number of staff within council |
| | Corporate services | Number of staff within council |
| | Customer service | Number of staff within council |
| | Human resources | Number of staff within council |
| | Information technology | Number of staff within council |
| | Councillors | Number of councillors |
| | Records management | Number of staff within council |

## Waste management

**TABLE 38: COST PER PICKUP BY URBANISATION AND METHOD OF DELIVERY (2021-22)**

| | Both | Contract | In-house |
|---|---|---|---|
| 1. Rural Agricultural Small and Medium | | 154 | |
| 2. Rural Agricultural Large | | 224 | 55 |
| 3. Rural Agricultural Very Large | | 168 | 84 |
| 4. Urban Small | | 104 | 221 |
| 5. Urban Medium | 64 | 79 | 147 |

Source: SGS Economics and Planning

**TABLE 39: COST PER PICKUP BY SEIFA RATE AND METHOD OF DELIVERY (2021-22)**

| | Both | Contract | In-house | Total average |
|---|---|---|---|---|
| 1. Most Disadvantaged | | 86 | 72 | 83 |

| | | | | |
|---|---|---|---|---|
| 2. Relatively Disadvantaged | 64 | 193 | 134 | 153 |
| 3. Slightly Disadvantaged | | 185 | 84 | 165 |
| 4. Relatively Advantaged | | 106 | 147 | 116 |

Source: SGS Economics and Planning

**TABLE 40: COST PER PICKUP BY POPULATION GROWTH RATE AND METHOD OF DELIVERY (2021-22)**

| | Both | Contract | In-house | Total average |
|---|---|---|---|---|
| 1. Low | | 138 | 124 | 130 |
| 2. Medium | 64 | 123 | 188 | 124 |
| 3. High | | 172 | 78 | 151 |

Source: SGS Economics and Planning

**TABLE 41: AVERAGE UNIT COST RECYCLING SERVICE AREA BY DELIVERY METHOD AND SEIFA**

| | Both | Contract | Inhouse | Overall average |
|---|---|---|---|---|
| 1. Most Disadvantaged | - | 109 | 115 | 110 |
| 2. Relatively Disadvantaged | 60 | 132 | 115 | 121 |
| 3. Slightly Disadvantaged | - | 78 | - | 78 |
| 4. Relatively Advantaged | - | 103 | 206 | 129 |

Source: SGS Economics and Planning

**TABLE 42: AVERAGE UNIT COST RECYCLING SERVICE AREA BY DELIVERY METHOD AND POPULATION GROWTH RATE**

| | Both | Contract | Inhouse | Overall average |
|---|---|---|---|---|
| 1. Low | - | 63 | 145 | 94 |
| 2. Medium | 60 | 112 | - | 106 |
| 3. High | - | 125 | - | 125 |

Source: SGS Economics and Planning

**TABLE 43: AVERAGE UNIT COST RECYCLING SERVICE AREA BY DELIVERY METHOD AND SCALE**

| | Both | Contract | Inhouse | Overall average |
|---|---|---|---|---|
| 1. Smallest | - | 150 | 115 | 145 |
| 2. Small | - | 115 | 115 | 115 |
| 3. Medium | - | 86 | - | 86 |
| 4. Large | 60 | 60 | - | 60 |
| 5. Largest | - | 79 | 206 | 143 |

Source: SGS Economics and Planning

## Transport and Energy

**TABLE 44: BRIDGE CONSTRUCTION AND MAINTENANCE UNIT COSTS BY URBANISATION (2021-22)**

| | Average Unit cost ($) |
|---|---|
| 1. Rural Agricultural Small and Medium | 2123 |
| 2. Rural Agricultural Large | 3081 |
| 3. Rural Agricultural Very Large | 5012 |
| 4. Urban Small | 16828 |
| 5. Urban Medium | 21332 |
| Total average | 9537 |

Source: SGS Economics and Planning

**TABLE 45: BRIDGE CONSTRUCTION AND MAINTENANCE UNIT COSTS BY POPULATION GROWTH (2021-22)**

| | Average Unit cost ($) |
|---|---|
| 1. Low | 7154 |
| 2. Medium | 14008 |
| 3. High | 9072 |
| Overall | 9537 |

Source: SGS Economics and Planning

**TABLE 46: BRIDGE CONSTRUCTION AND MAINTENANCE UNIT COSTS BY SEIFA (2021-22)**

| | Average Unit cost ($) |
|---|---|
| 1. Most Disadvantaged | 11463 |
| 2. Relatively Disadvantaged | 10177 |
| 3. Slightly Disadvantaged | 5722 |
| 4. Relatively Advantaged | 9979 |
| Overall | 9537 |

Source: SGS Economics and Planning

**TABLE 47: BRIDGE CONSTRUCTION AND MAINTENANCE UNIT COSTS BY SCALE (2021-22)**

| | Average Unit cost ($) |
|---|---|
| 1. Smallest | 3294 |
| 2. Small | 3706 |
| 3. Medium | 12849 |
| 4. Large | 663 |
| 5. Largest | 52336 |
| Total average | 10752* |

- Excludes Devonport and Glamorgan-Spring Bay

Source: SGS Economics and Planning Road construction

**TABLE 48: AVERAGE UNIT COST BY URBANISATION (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Rural Agricultural Small and Medium | 11129 |
| 2. Rural Agricultural Large | 6851 |
| 3. Rural Agricultural Very Large | 12669 |
| 4. Urban Small | 13300 |
| 5. Urban Medium | 24792 |
| Overall | 13174 |

Source: SGS Economics and Planning

**TABLE 49: AVERAGE UNIT COST BY SEIFA (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Most Disadvantaged | 9151 |
| 2. Relatively Disadvantaged | 8967 |
| 3. Slightly Disadvantaged | 15039 |
| 4. Relatively Advantaged | 32137 |
| Overall | 13174 |

Source: SGS Economics and Planning

**TABLE 50: AVERAGE UNIT COST BY SCALE (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Smallest | 8574 |
| 2. Small | 5283 |
| 3. Medium | 15773 |
| 4. Large | 24452 |
| 5. Largest | 22165 |
| Overall | 13190 |

Source: SGS Economics and Planning

**TABLE 51:AVERAGE COST BY POPULATION GROWTH (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Low | 10875 |
| 2. Medium | 14849 |
| 3. High | 13799 |
| Overall | 13174 |

Source: SGS Economics and Planning

## Water and Sewerage

**TABLE 52: STORMWATER CLOSED DRAINS UNIT COST BY URBANISATION (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Rural Agricultural Small and Medium | 1831 |
| 2. Rural Agricultural Large | 4508 |
| 3. Rural Agricultural Very Large | 8066 |
| 4. Urban Small | 5681 |
| 5. Urban Medium | 6702 |
| Overall | 5714 |

Source: SGS Economics and Planning

**TABLE 53: STORMWATER CLOSED DRAINS UNIT COST BY POPULATION GROWTH (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Low | 5751 |
| 2. Medium | 5928 |
| 3. High | 5491 |
| Overall | 5714 |

Source: SGS Economics and Planning

**TABLE 54: STORMWATER CLOSED DRAINS UNIT COST BY SEIFA (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Most Disadvantaged | 3215 |
| 2. Relatively Disadvantaged | 3918 |
| 3. Slightly Disadvantaged | 8928 |
| 4. Relatively Advantaged | 10112 |
| Overall | 5714 |

Source: SGS Economics and Planning

**TABLE 55: STORMWATER CLOSED DRAINS UNIT COST BY SCALE (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Smallest | 5039 |
| 2. Small | 3570 |
| 3. Medium | 6774 |
| 4. Large | 7261 |
| 5. Largest | 6843 |
| Overall | 5714 |

Source: SGS Economics and Planning

## Community and Regional development

**TABLE 56: STRATEGIC PLANNING UNIT COSTS BY URBANISATION (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Rural Agricultural Small and Medium | 0 |
| 2. Rural Agricultural Large | 960 |
| 3. Rural Agricultural Very Large | 7738 |
| 4. Urban Small | 18995 |
| 5. Urban Medium | 116792 |
| Overall | 34339 |

Source: SGS Economics and Planning

**TABLE 57: STRATEGIC PLANNING UNIT COSTS BY SEIFA (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Most Disadvantaged | 4300 |
| 2. Relatively Disadvantaged | 7591 |
| 3. Slightly Disadvantaged | 13007 |
| 4. Relatively Advantaged | 157426 |
| Overall | 34339 |

Source: SGS Economics and Planning

**TABLE 58: STRATEGIC PLANNING UNIT COSTS BY POPULATION GROWTH (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Low | 93195 |
| 2. Medium | 14096 |
| 3. High | 3822 |
| Overall | 34339 |

Source: SGS Economics and Planning

**TABLE 59: COST PER BUILDING APPLICATION BY URBANISATION (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Rural Agricultural Small and Medium | 476 |
| 2. Rural Agricultural Large | 3093 |
| 3. Rural Agricultural Very Large | 1100 |
| 4. Urban Small | 1157 |
| 5. Urban Medium | 3139 |
| Overall | 1891 |

Source: SGS Economics and Planning

**TABLE 60: COST PER BUILDING APPLICATION BY SEIFA (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Most Disadvantaged | 741 |
| 2. Relatively Disadvantaged | 1370 |
| 3. Slightly Disadvantaged | 1267 |
| 4. Relatively Advantaged | 1390 |
| Overall | 1168 |

Source: SGS Economics and Planning

**TABLE 61: COST PER BUILDING APPLICATION BY POPULATION GROWTH (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Low | 1112 |
| 2. Medium | 1561 |
| 3. High | 822 |
| Overall | 1168 |

Source: SGS Economics and Planning

**TABLE 62: COST PER BUILDING APPLICATION BY SCALE (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Smallest | 887 |
| 2. Small | 2853 |
| 3. Medium | 1101 |
| 4. Large | 2123 |
| 5. Largest | 4099 |
| Overall | 1891 |

Source: SGS Economics and Planning
Notes: The councils with the largest operating budget were excluded due to missing data

## Plumbing permits and compliance

**TABLE 63: COST PER PLUMBING PERMIT AND COMPLIANCE BY URBANISATION (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Rural Agricultural Small and Medium | 0 |
| 2. Rural Agricultural Large | 174 |
| 3. Rural Agricultural Very Large | 710 |
| 4. Urban Small | 1186 |
| 5. Urban Medium | 1151 |
| Overall | 634 |

Source: SGS Economics and Planning

**TABLE 64: COST PER PLUMBING PERMITS AND COMPLIANCE BY SEIFA (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Most Disadvantaged | 360 |
| 2. Relatively Disadvantaged | 865 |
| 3. Slightly Disadvantaged | 776 |
| 4. Relatively Advantaged | 221 |
| Overall | 634 |

Source: SGS Economics and Planning

**TABLE 65: AVERAGE UNIT COST PLUMBING PERMIT AND COMPLIANCE BY POPULATION GROWTH (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Low | 177 |
| 2. Medium | 1321 |
| 3. High | 432 |
| Overall | 634 |

Source: SGS Economics and Planning

**TABLE 66: AVERAGE UNIT COST PLUMBING PERMIT AND COMPLIANCE BY SCALE (2021-22)**

| | Average unit cost ($) |
|---|---|
| 1. Smallest | 218 |
| 2. Small | 240 |
| 3. Medium | 818 |
| 4. Large | 1783 |
| Overall | 634 |

Source: SGS Economics and Planning

Notes: The councils with the largest operating budget were excluded due to missing data

## Environmental Health Regulation and Compliance

**TABLE 67: AVERAGE UNIT COST ($) BY ENVIROMENTAL HEALTH REGULATION SERVICE AREAS BY URBANISATION (2021-22)**

| Sub-services | 1. Rural Agricultural Small and Medium | 2. Rural Agricultural Large | 3. Rural Agricultural Very Large | 4. Urban Small | 5. Urban Medium |
|---|---|---|---|---|---|
| Animal management | 2 | 65 | 51 | 81 | 84 |
| Environmental health infringement notices | - | - | 1205 | 47818 | 13800 |
| EPA 'Level 1' activities/ abatement notices | - | 475 | 723 | - | - |
| Food safety | 39 | 231 | 397 | 460 | 740 |
| Immunisation | 35 | 27 | 26 | 23 | 184 |
| Public health inspections (piercing, tattooing etc - not including food) | - | 6478 | 402 | 444 | 18400 |

Source: SGS Economics and Planning

**TABLE 68: AVERAGE UNIT COST ($) ENVIROMENTAL HEALTH REGULATION SERVICE AREAS BY SEIFA (2021-22)**

| Sub-service | 1. Most Disadvantaged | 2. Relatively Disadvantaged | 3. Slightly Disadvantaged | 4. Relatively Advantaged |
|---|---|---|---|---|
| Animal management | 42 | 69 | 56 | 82 |
| Environmental health infringement notices | 0 | 15939 | 1607 | 23000 |
| EPA 'Level 1' activities/ abatement notices | 0 | 633 | 723 | - |
| Food safety | 182 | 307 | 603 | 638 |
| Immunisation | 42 | 55 | 18 | 150 |
| Public health inspections (piercing, tattooing etc - not including food) | 7657 | 490 | 749 | 23000 |

Source: SGS Economics and Planning

**TABLE 69: AVERAGE UNIT COST ($) ENVIROMENTAL HEALTH REGULATION SERVICE AREAS BY SCALE (2021-22)**

| Sub-service | 1. Smallest | 2. Small | 3. Medium | 4. Large | 5. Largest |
|---|---|---|---|---|---|
| Animal management | 30 | 67 | 74 | 75 | 81 |
| Environmental health infringement notices | 2410 | - | 0 | 29205 | 0 |
| EPA 'Level 1' activities/ abatement notices | 1597 | 0 | 0 | - | - |
| Food safety | 313 | 142 | 471 | 639 | 572 |
| Immunisation | 38 | 21 | 25 | 150 | 162 |
| Public health inspections (piercing, tattooing etc - not including food) | 1784 | 5743 | 267 | 23000 | 0 |

Source: SGS Economics and Planning

## Open space and recreation

**TABLE 70: AVERAGE UNIT COST OPEN SPACE AND RECREATION SERVICE AREAS BY URBANISATION (2021-22)**

| | 1. Rural Agricultural Small and Medium | 2. Rural Agricultural Large | 3. Rural Agricultural Very Large | 4. Urban Small | 5. Urban Medium | Overall |
|---|---|---|---|---|---|---|
| Active recreation Reserves, Pavilions, indoor sports centres | 28577 | 14335 | 59541 | 60789 | 106808 | 53595 |
| Aquatic facilities* | 95172 | 391423 | 120616 | 699293 | 2245805 | 778827 |
| Active cemeteries | 8486 | 12802 | 13062 | 144750 | 293584 | 69524 |
| Passive open spaces (ex bushland reserves)* | 0 | 721165 | 647803 | 1531763 | 3250904 | 1045934 |
| Provision and management of inactive cemeteries | 0 | 0 | 2025 | 0 | 2500 | 1107 |

Source: SGS Economics and Planning

ERROR! REFERENCE SOURCE NOT FOUND.

**TABLE 71: AVERAGE UNIT COST ($) BY SERVICE AREA AND POPULATION GROWTH (2021-22)**

| | 1. Low | 2. Medium | 3. High | Overall |
|---|---|---|---|---|
| Active recreation Reserves, Pavilions, indoor sports centres | 55728 | 94217 | 33644 | 53595 |
| Aquatic facilities* | 1352772 | 597683 | 192678 | 778827 |
| Active cemeteries | 55944 | 159088 | 4393 | 69524 |
| Passive open spaces (ex bushland reserves)* | 1410973 | 1232537 | 705219 | 1045934 |
| Provision and management of inactive cemeteries | 0 | 3692 | 0 | 1107 |

Source: SGS Economics and Planning

**TABLE 72: AVERAGE UNIT COST ($) OPEN SPACE AND RECREATION SERVICE AREAS BY SCALE (2021-22)**

| | 1. Smallest | 2. Small | 3. Medium | 4. Large | 5. Largest | Overall |
|---|---|---|---|---|---|---|
| Active recreation Reserves, Pavilions, indoor sports centres | 47301 | 14014 | 38424 | 91935 | 187345 | 53595 |
| Aquatic facilities* | 138367 | 403861 | 323691 | 684684 | 4088735 | 778827 |
| Number of active cemeteries | 5482 | 22664 | 50756 | 144256 | 587169 | 69524 |
| Passive open spaces (ex bushland reserves)* | 356435 | 625966 | 842679 | 2132017 | 4610899 | 1045934 |
| Provision and management of inactive cemeteries | 0 | 3037 | 0 | 5000 | 0 | 1107 |

Source: SGS Economics and Planning

## Corporate planning and business services

**TABLE 73: AVERAGE UNIT COST ($) CORPORATE/BUSINESS SERVICES SERVICE AREAS BY SCALE (2021-22)**

| Service | 1. Smallest | 2. Small | 3. Medium | 4. Large | 5. Largest |
|---|---|---|---|---|---|
| Communications | 809 | 1,832 | 1,237 | 3,153 | 1,304 |
| Corporate services (governance, finance, legal, rates & risk) | 27,082 | 15,577 | 28,168 | 27,990 | 22,812 |
| Customer service | 5,841 | 3,972 | 4,165 | 2,995 | 2,255 |
| Human resources | 2,390 | 3,856 | 2,651 | 3,136 | 4,229 |
| Information technology | 7,671 | 5,307 | 7,240 | 10,363 | 7,406 |
| Councillors (admin support, wages and expenses) | 61,281 | 24,016 | 47,339 | 41,146 | 65,067 |
| Records management | 877 | 1,292 | 1,553 | 714 | 930 |

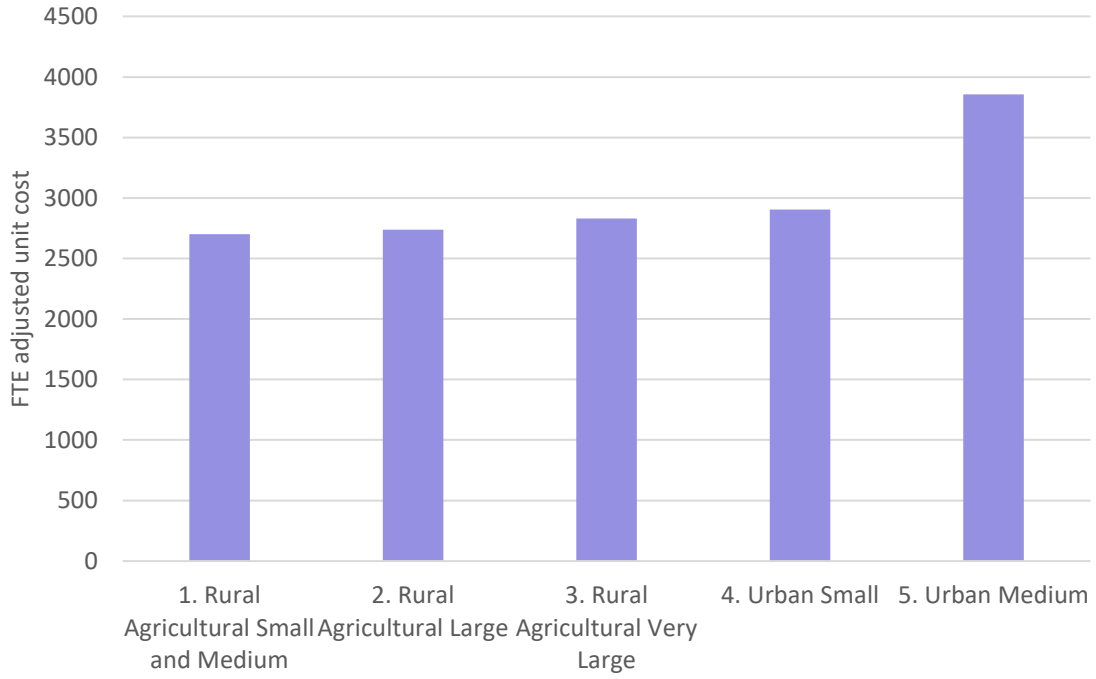
Source: SGS Economics and Planning

**TABLE 74: AVERAGE UNIT COST ($) COPORATE/BUSINESS SERVICES SERVICE AREAS BY SEIFA (2021-22)**

| Sub-service | 1. Most Disadvantaged | 2. Relatively Disadvantaged | 3. Slightly Disadvantaged | 4. Relatively Advantaged |
|---|---|---|---|---|
| Communications | 1,543 | 1,843 | 1,544 | 791 |
| Corporate services (governance, finance, legal, rates & risk) | 15,509 | 29,701 | 29,788 | 23,743 |
| Customer service | 3,106 | 5,467 | 4,634 | 3,323 |
| Economic development / performance and innovation | 97,397 | 172,397 | 287,215 | 751,791 |
| Human resources | 2,920 | 3,118 | 2,803 | 3,227 |
| Information technology | 4,088 | 9,065 | 8,008 | 9,041 |
| Number of Councillors (admin support, wages and expenses) | 43,593 | 33,761 | 52,544 | 58,850 |
| Records management | 1,200 | 1,337 | 1,140 | 980 |
| Overall | 10,280 | 12,042 | 13,208 | 14,241 |

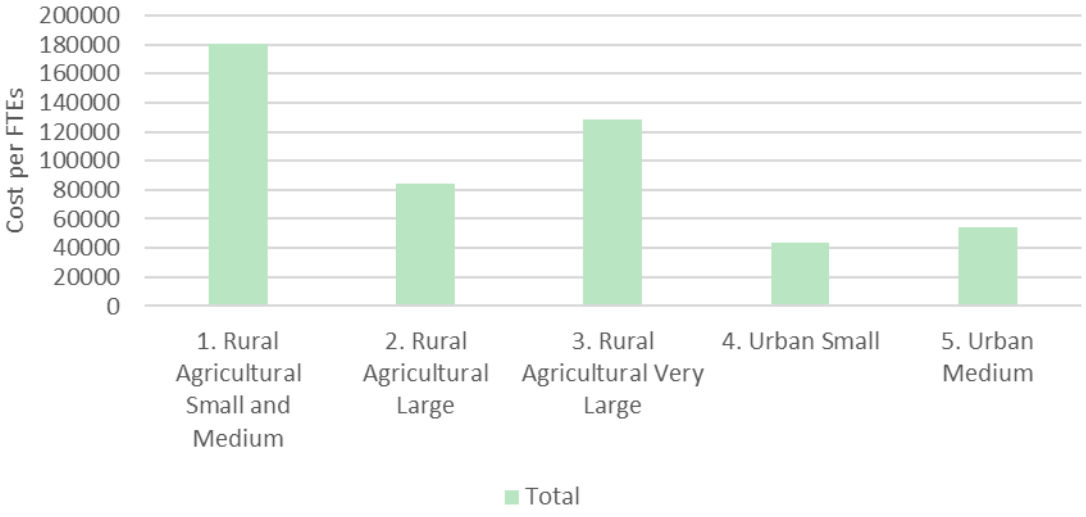
Source: SGS Economics and Planning

**FIGURE 40: ADJUSTED UNIT COSTS OF HUMAN RESOURCES DEPARTMENTS BY URBANISATION**



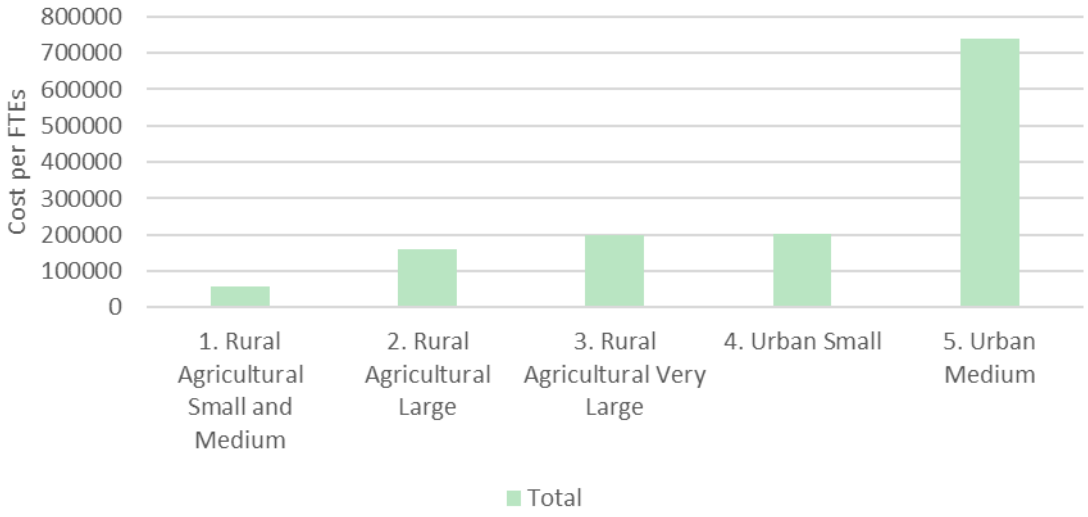

Source: SGS Economics & Planning

**FIGURE 41: COMMUNICATIONS COST EFFICIENCY BY URBANISATION (2021-22)**



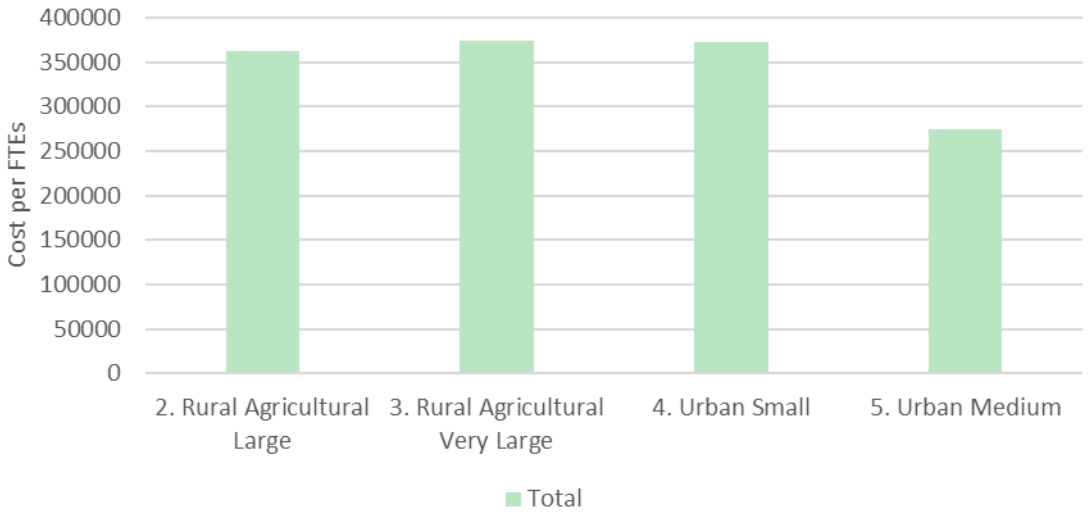

Source: SGS Economics and Planning

**FIGURE 42: ECONOMIC DEVELOPMENT COST EFFICIENCY BY URBANISATION (2021-22)**



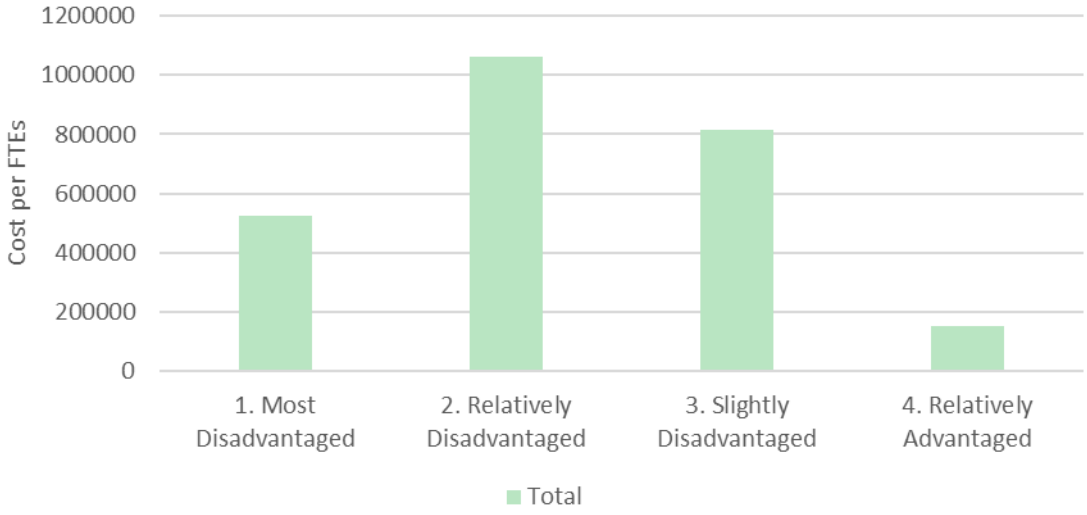

Source: SGS Economics and Planning

**FIGURE 43: INFORMATION TECHNOLOGY COST EFFICIENCY BY URBANISATION (2021-22)**




Source: SGS Economics and Planning

**FIGURE 44: COUNCILLOR COST ($) BY LEVEL OF SOCIO-ECONOMIC DISADVANTAGE (2021-22)**




Source: SGS Economics and Planning

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