



Future of Local Government Review – Options Paper Response Submission



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Contents

Introduction	3
Frustrations.....	3
State Government Activities	3
Impact of Performance of State Agencies	5
Section 2: The enduring importance of local communities.....	7
Options Paper Discussion	7
Section 3: The future role for local government	8
Response to Board’s Questions	8
A proposed role statement for local government in Tasmania - Discussion.....	11
Framework for Wellbeing	12
Under 45 and Aboriginal Observations.....	12
Climate Change	13
Section 4: Reform outcomes.....	14
Response to Table of reform outcomes and options	14
Section 5: Building local government capability and capacity now and for the future	25
Response to Board’s Questions	25
Options Paper Discussion	26
Financial Sustainability.....	26
Population Projections.....	27
Workforce Shortages & Capability Gap	28
East Coast Boundary Adjustment and Amalgamation Revisited.....	28
Section 6: Structural reform – three potential pathways.....	32
Response to Board’s Questions	32
Options Paper Discussion	35
Tourism, Local Promotion and Economic Development	35
APPENDIX 1	37
Break O’Day Council: Comment: the Future of Local Government Review Options Paper – Stage 2 and the Tasmanian Treasury interim rebased population projections	37
Appendix 2. Break O’Day Council: KPMG Break O’Day: Boundary Adjustment Modelling, 2017)	43

Introduction

Break O’Day Council has participated actively in all Stages of the review process, which has included making submissions at all available opportunities. In this submission we have focussed on addressing the questions raised by the Board as well as providing our position on the reform options. We have also addressed a number of questions in our submission that we believe the Board needs to consider in the development of the next Report.

Break O’Day Council believes that a hybrid approach focused on boundary reform and service consolidation is the approach that will ensure local government is best placed to meet future challenges. We have taken the opportunity to draw the Board’s attention to previous studies which have occurred in relation to potential amalgamation or boundary adjustments relating to Councils on Tasmania’s east coast.

Frustrations

State Government Activities

Break O’Day Council has repeatedly raised with the Board our concerns around activities that we feel may be more logically placed with Local Government and vice versa. It is with disappointment we note that this discussion is yet to be addressed formally in the board’s reports.

The Minister for Local Government (Roger Jaensch) at a special meeting of the Local Government Association of Tasmania on 4 November 2021, was asked, “Whether the proposed review process would also focus on what activities the State Government currently undertook which might be more logically placed with Local Government?” The Minister advised that “Yes it would”.

From our perspective, it is frustrating that the opportunity to discuss this in detail has been effectively ignored. Interestingly, the Options Paper identifies the reform area of ‘**Councils collaborate with other Councils and State Government to deliver more effective and efficient services to their communities**’ and goes on to mention ‘front desk’ services (pg26) however a deeper discussion on this topic is lacking. This is a very much a missed opportunity through the reform process.

It is all well and good to focus on Local Government but many of our challenges come from our relationships with the State Government and its many agencies. When they suffer from systemic under funding, under resourcing, gaps in responsibility and lack of clarity and purpose, it also impacts at a Local Government level. Managing weeds, pest animals, rivers, beaches and estuaries, the State Planning Scheme etc are some examples of where Local Government can become significantly hamstrung by under resourcing at a state level and State Government legislation.

This review should also consider what's working and what isn't between the two tiers, just looking at Local Government doesn't give a full, 360 degree picture.

Questions to the Board –

- 1. The Options Paper has not examined opportunities for State Government processes that may be more logically placed with Local Government despite the assurances of the Minister for Local Government, why not?**
- 2. How will the Board ensure that they have a clear picture of what the future of local government should look like without this discussion?**

Impact of Performance of State Agencies

As mentioned previously, the performance of State Agencies can significantly effect the performance and position of Councils. We are yet to see this assessed, considered or even acknowledged within the work that the Board is undertaking.

Values, Rating and Titles

For a number of years there have been problems with the Valuer Generals Office (VGO) delivering services to Councils:

- Revaluation delays have recently occurred with a number of Councils. The VGO have demonstrated an inability to uphold their obligations under the Valuations Act and their obligations to Councils and Local Government. Market failures, inadequate contractual oversight and communication with Councils relating to the capacity and ability of the VGO to deliver required services undermines not only the VGO itself, it materially impacts the rating systems Council's apply.
- With the rapid increase in property values the State has seen over the past decade, municipal revaluations once completed, often see radical increases in value. With no agreed or legislated approach to how these increases should be passed on (unlike Land Tax adjustments) differing approaches to "smoothing and adjusting" often result in large changes to valuations between cycles and it then falls on each Council to make judgement calls as how these should be applied. This leaves the system open to local judgment on capacity to pay, political will to implement and often completely differing approaches from one Council to another. The Board should be cognisant that this is an area that requires a detailed review as part of this process.
- The Lands Titles Office (LTO) are not delivering their core services in a timely manner, issuing of titles can take months and the capacity to engage with Officers to explore title anomalies and issues has been substantially curtailed over the past decade. The LTO is a stripped back skeleton of its former self and its ability to deliver a reasonable level of service has demonstrably changed. In a coordinated system, Land Tax could be calculated on the same model as rates. A new approach by both parties could save time, money and complexity. Two property taxes both based on the same standard methodology and application could well alleviate some of the problems and challenges that are evident with the VGO under its current operating model. If a fair and equitable approach to rating is being considered by the Board then the application of Land Tax by the State should be reviewed in unison.

Asset Management

Service standards, condition assessments and depreciation rates applied to assets are not standardised between Councils nor the State Government. Understanding the detail as to what the Board intends these reforms to deliver is critical before Council can assess its value (or not).

Asset management is a complex task for local government that often relies on interdependencies with other asset owners such as TasWater, TasNetworks and the Department of State Growth. The replacement of a road asset for example may require coordinating with TasWater to upgrade their own infrastructure while the road is out of service.

Effectively there is little if any coordination of capital works programs between Council(s) and these other organisations leading to delayed, disjointed and often costly duplication of effort and on-ground works. This is an area that has significant potential for improvement.

Service standards differ dramatically across the State with regional areas such as Break O’Day receiving far lower standard of road assets than other more populated parts of the State. The recent closure of St. Marys Pass and the generally poor condition of the Esk Main Road and Elephant Pass (which also had to be closed for maintenance) are examples of funding being directed to other areas of greater “importance” by the Department of State Growth.

Natural Resource Management

Break O’Day Council has always had a great working relationship with our local division of the Tasmanian Parks and Wildlife (PWS) agency, however, due to a lack of resourcing, this relationship has become strained.

Local Governments regularly require advice and approval from PWS and Crown Land Services to undertake minor and major projects. Due to under resourcing, advice and permits are more often than not significantly delayed – sometimes by more than 12 months. This leaves Local Government dealing with community fall-out because a project is not progressing. It can also mean blowing out grant funding deadlines and project costs.

Weed management can, and only should be, managed at a State Government level to ensure a consistency and cross boundary approach. Weeds do not recognise municipal boundaries and therefore one Council may heavily resource weed management only for it to be undone by neglect from the neighbouring Council, the State, or private landholders.

Section 2: The enduring importance of local communities

Options Paper Discussion

We acknowledge the 21st Century challenges and commend the approach to view these as opportunities to strengthen local communities. “Contemporary local government boundaries need to be informed by a clear understanding of how communities shape, pay for and access crucial services and infrastructure.” (p.14) In addition to services and infrastructure use shaping communities, communities are also coalesced around shared interests for example a lifestyle or recreational pursuit suited to a particular landscape.

The social, economic and environmental wellbeing domains of each community is underpinned by people feeling that they belong, are valued in their community, and have the opportunity and capacity to do things that help them live a good life. Neighbourhoods and townships, in particular in our rural setting, develop a sub-localised, co-constructed sense of place that influences domains of community wellbeing and becomes part of the appeal to those living and visiting there. A flexible and responsive role-system of local government across wellbeing domains will require localised responsiveness and contextual awareness. It will also require resources and capacity to work collaboratively with these communities at the ‘collaborate’ and ‘empower’ IAP2 Levels which are underpinned by trust, inclusivity and accountability. This approach will identify needs gaps as well as community strengths that will foster flexibility to ensure the best outcomes.

Section 3: The future role for local government

Response to Board's Questions

- 1. Which of the four core roles (see Table 2) of councils needs more emphasis in the future? Why?**

Facilitate or partner. Working with community at the 'collaborate' and 'empower' IAP2 Level is a proven mechanism for taking a strengths-based approach and fostering healthy relationships with our communities.

- 2. Do you agree that there is general community support for councils continuing to deliver their current range of functions and services? Are there any functions and services councils deliver now that they shouldn't? Why?**

In the absence of anything to the contrary, Council believes that there is general community support for Councils to continue to deliver their current range of functions and services. Council is not aware of any specific work undertaken in this area nor of any information to consider.

In its submission to the Board's Interim Report, Council noted that waste management was clearly under consideration for a consolidated approach on a statewide basis. The Break O'Day Council continues to believe that there is merit in exploring this situation due to the overall small scale of this activity in the State when compared to mainland Australia activity levels. Through a coordinated state-wide approach opportunities to achieve economies of scale will be maximised and the impact of the existing duopoly on market forces will be reduced

- 3. Assuming they have access to the right resources and capability, are there services or functions you think councils could be more involved in? Why?**

- Delivering preventative health programs and/or supporting the development and delivery of them by others. Making it easier for our communities to lead, design and deliver health, social and cultural activities with less barriers and red-tape.
- More could be achieved with cat, weed and pest animal management using existing frameworks for partnerships and collaboration that already exist between state agencies, the community and local government. This will require the right resources and capabilities - and not just for councils.

- Councils should not be involved directly in management of rivers and forests, where there are gaps in state functions, services and responsibility. With the right resources and capability local government could play a collaborative role by ensuring community views and vision are reflected in decision making.

4. *Where do councils currently make the biggest contribution to community wellbeing? What wellbeing functions and services should they provide in the future and how can they be supported to do that*

Councils can make the best contribution by being an informed, skilled and resourced facilitator or partner, working ethically, equitably, respectfully and authentically with community.

Functions and services will be unique to the setting and LGA. Councils can fill gaps and/or support communities to fill gaps in service delivery and is resourced and skilled to do so. As already stated in the Interim Report feedback, wellbeing outcomes involve systems-thinking and place-based approaches that support public participation in decision-making and employ strengths-based practice. The Options Paper has made progress towards defining community wellbeing.

We must resist the temptation to specify what wellbeing functions and services are for local governments as they will vary from area and even time. By collaborating with our community we can better understand what functions and services they need and can resource. The core function of local councils is to build a strong connection to community so that we can create the future and place we want together.

The third of the eight priorities speaks to community engagement, but appears limited to council decision-making and reporting back to community. It does not go far enough to explain that collaborating with community on shared visions is a fundamental approach to achieving outcomes in wellbeing domains and place-based outcomes. Involvement and accountability is important but people feel worthwhile, valued and inspired to create thriving communities when they are supported to identify their community strengths and needs and conceive ways to take action together. This also means that community 'owns' decisions rather than feeling they are being dictated to.

Councils have already been focusing on the aspects of wellbeing, using the Victorian example, of the environment and climate, social inclusion and connection, and identity and belonging. Councils can continue to increase functions and services in

these important areas with more resources and capability - through scale, sharing and additional funding and partnerships.

	Healthy, safe, and inclusive communities	Culturally rich and vibrant communities	Dynamic resilient local economies	Sustainable built and natural environments	Democratic and engaged communities
Service provider	Waste management	Recreation facilities		Roads, cycle paths, parks	Community engagement on council plans
Regulator	Food safety			Land-use zoning, building and plumbing permits	
Facilitator or partner	Recovery from natural disasters, preventative health programs	Supporting visiting arts and culture programs	Encouraging investment and jobs	Climate action (including sustainable energy use and renewables)	Acting as an 'anchor' to support collaborative projects and programs
Advocate	Lobbying for better GP services		Advocating for local vocational training support	Seeking investment in affordable housing	Representing local priorities to State and Federal Governments

Table 2: Examples of council roles in community wellbeing

The future of local government review Options Paper, Dec 2022, pg6

A proposed role statement for local government in Tasmania - Discussion

1. *Harnessing and building on the unique strengths and capabilities of local communities*

The wording of this statement is problematic and does not represent the most important aspect of Council and community connection – empowerment. It is disappointing that throughout these discussions around engagement that the Board has not used the IAP2 (International Association for Public Participation) framework for engagement – something that most Councils use to determine their own Community Engagement activities.

Suggestion to the Board

Rather than the word harnessing which indicates a dictatorial approach, we suggest rephrasing to: *Understand and empower the community to build on their uniqueness, strengths and capability.*

We are also most concerned that Role 1 is not going to be achieved by the current eight reform outcomes. Reform Outcome 3 needs to be stronger in recognising the importance, challenge and workload of working collaboratively with the community.

2. *Providing infrastructure and services that, to be effective, require local approaches.*

While the explanation beneath this statement provides more clarity around what the Board is trying to achieve with this reform – it is ambiguous and not reflective of the collaborative approach the Board is pushing, both with community and State Government Agencies. We question the focus on ‘local approaches’ when there are many activities and services being delivered on a regional and sub-regional approach now. This statement must also reflect sustainability in delivery of infrastructure and services from a long term perspective in terms of on-going management, community capacity as well as environmentally.

Suggestion to the Board

We would recommend a rephrase: *Providing effective and sustainable infrastructure and services in a ‘local’ way at a local level where appropriate.*

3. *Representing and advocating for the specific needs and interests of local communities in regional, statewide, and national decision-making.*

This statement is perhaps the most important from our perspective but is missing an important piece around understanding the needs and interests of the community. Without listening and understanding we may not be representing the views of the community at all.

Suggestion to the Board

We would recommend a re-phrase: *Understanding the needs and interests of local communities and advocating for and representing them in regional, statewide and national decision making.*

Framework for Wellbeing

It is anticipated that a Tasmanian Framework for Wellbeing will provide a shared language and clarity regarding wellbeing domains, targets, indicators and roles and will facilitate the work at all levels of government and community.

A matrix mapping these wellbeing domains against the roles of all levels of government might be helpful in attaining role clarity and identifying gaps and partnerships. However, a shared vision of what each domain looks like (co-designed at the local level) will be more useful and leaves flexibility for delivery. Resources, skills and consistent processes to develop these visions would be valuable.

The theme of wellbeing in essence is simply put, a lens that should be applied to all Council activities and decision making as wellbeing itself is a broad, varied and individual in nature.

Under 45 and Aboriginal Observations

The options paper acknowledges that young people and Tasmanian Aboriginals are underrepresented in council decision-making but does not provide systemic solutions.

While these groups may be underrepresented, it does not mean that government agencies have not tried to engage with these groups. Local councils and Government agencies would benefit from consistent approaches, skills, resources and supported pathways to help establish meaningful engagement with young people and Tasmanian Aboriginal communities.

Climate Change

The Board's attention to the challenge of climate change during the Review so far is welcomed. However the framing of local government's role in responding to climate change (p.23) has several shortcomings.

It overlooks the *Adaptation* role (and liability) councils have to make prudent decisions to avoid and minimise future losses and harm to communities and infrastructure from climate change. Applying development planning and approvals to manage the future risks is the most important Adaptation role local government has to date.

Question to Board – Will the Board acknowledge the Adaptation role which local government must play in the Options paper including requiring Councils to apply development planning and approvals to manage future risks?

We expressed our concern that this was understated in the Interim Report last year and still there is no mention of this as a tool to protecting the community from Climate Change.

It is not surprising that many younger Tasmanians are concerned about climate change (*Engagement and advocacy*, p.23). Being closer to the community local government has a role helping "citizens navigate the challenges of climate change" locally. However, it is the Tasmanian and Australian governments, not Councils who are "uniquely positioned" – closest to the science and policy-making required to manage the risks, emergencies and impacts. Climate Action must start at a State and National level to ensure a consistent approach is taken across the board.

Rather than local government simply "align" with regional and national agendas it will take two-way *Coordination and collaboration* (p.23) for state and national policies and programs to help communities meet the challenges ahead. Local, state and national governments will need to cooperate together and should include local government, industry, community and individuals so there is a deep understanding of risks and how they should be managed.

Climate change challenges are area specific and therefore must be informed at a local level, however a whole of region, state and even national approach will be required.

Section 4: Reform outcomes

Response to Table of reform outcomes and options

Table 3: Future of Local Government Review reform outcomes and options

Reform outcomes	Options	
<p>Councils are clear on their role, focussed on the wellbeing of their communities and prioritising their statutory functions</p>	<p>Establish a Tasmanian Local Government Charter which summarises councils' role and obligations, and establishes a practical set of decision-making principles for councils</p>	<p>SUPPORTED IN PRINCIPLE– Clearly this will require substantial amendment to the Local Government Act 1993, and whilst the broad thrust of the concept is supported by Council the level of importance that this can play means that without detail to consider Council is unable to give full support. Detailed engagement on the content will be required and it is presumed that this will mean that the Role Statement discussed by the Board in the Interim Report will not be pursued.</p>
	<p>Embed community wellbeing considerations into key council strategic planning and service delivery processes</p>	<p>SUPPORTED IN PRINCIPLE - This is a commendable aim and will be facilitated by the establishment of a Tasmanian Wellbeing Framework.</p> <p>Guidance, support and consistent processes will be needed to facilitate each council to embark on this work.</p> <p>Saying local government should focus on early intervention in health is an example of responsibility shifting from the Federal government which in recent years has shifted its focus from primary health care to acute health care. Nevertheless this is the area where Councils can add most value as long as it comes with capacity and resources it is similar to the Health Consumers Tas model where you establish a collaboration with community and then design</p>

		and deliver preventative health programs. This would work best through local government and has the added bonus of nurturing trusted relationships with our community.
	Require councils to undertake Community Impact Assessments (CIAs) for significant new services or infrastructure	<p>QUALIFIED SUPPORT – Council can see the merits of this concept and the benefits of a focus on whole-of-life costs as a critical part of informed decision making. The reason for Council’s qualified support is the lack of discussion in the Options Paper around the term ‘significant’.</p> <p>QUESTION TO BOARD – What is meant by ‘significant’?</p>
Councillors are capable, conduct themselves in a professional manner, and reflect the diversity of their communities	Develop an improved councillor training framework which will require participation in candidate pre-election sessions and, if elected, ongoing councillor professional development	SUPPORTED – Council is supportive of the Learning and Development Framework which is being developed by the Office of Local government with the support of an industry working group. Requiring candidates to undertake mandated pre-election training is important, however consideration should be given to making this a requirement prior to nomination
	Review the number of councillors representing a council area and the remuneration provided	<p>There are provisions in the Tasmanian <i>Local Government Act 1993</i> that enable inquiries into councillor allowances to be undertaken. The last inquiry, held in 2018, recommended that the formula for categorisation of councils and base allowances be reviewed. As this review has not yet occurred, BODC strongly supports this review taking place, this would provide an opportunity to increase allowances and to reduce the disparities in councillor allowances that exist between councils. It would also provide an opportunity to examine how councillor allowances are paid.</p> <p>Current allowances can be a limiting factor in attracting, and retaining, a diverse range of individuals to the role of councillor, currently we observe that council is often only a viable option for people who are more financially secure, older and/or need to work less. Rural councils are impacted greatly by their limited rate base and the ability to provide a higher remuneration in councillor allowances. This issue impacts on the equity and parity that is the</p>

		<p>fairness of treatment and equal opportunities and representation, of local councils being able to attract a diverse group of elected members to represent their local community.</p> <p>Rural councillors are often on call in the local community, travel very large distances to engage with their communities and have a different level of interaction with local community, when compared to urban based councillors. It is simply unjust that the allowances show such a great disparity between Council areas, whilst work-loads and obligations remain the same between Councils. If Council allowances are to be reviewed, the review should also look at a provision of funding from State Government, to be provided to local government to achieve the equity and parity referred to above, a small rate base particularly impacts rural communities, but it is unfair that a community should not be able to attract candidates from a wide range of backgrounds.</p> <p>SUPPORTED – Council supports the following:</p> <ul style="list-style-type: none"> • Council sizes being an odd number to reduce the risk of Tied vote situations • A review of remuneration as the current level is a potential barrier to working community members needing to take significant amounts of time off work. There was concern amongst Councillors in relation to the impact of an increase in remuneration on Councils budget position. <p>NOT SUPPORTED – Council does not support the following:</p> <ul style="list-style-type: none"> • A reduction in the number of Councillors if one of the outcomes is the creation of larger Councils. • The introduction of a Ward system as this has the potential for Councillors to not focus on the betterment of the whole Council area
	Review statutory sanctions and dismissal powers	<p>QUALIFIED SUPPORT – the Office of Local Government is taking action as a result of the Review of Local Government Legislation which involves engagement with the local government sector. The concerns that exist regarding the impact on the reputation of the sector through actions of poor councillor behaviour are very real, however there is work going</p>

		<p>on so it is a question of what value can the Board bring to the process. We need to avoid a duplication of effort.</p> <p>QUESTION TO BOARD – What value does the Board think it can bring to this matter that is not being addressed through existing processes?</p>
	Establish systems and methods to support equitable and comprehensive representation of communities	NOT SUPPORTED – Council does not support the introduction of a Ward system nor does it support the introduction of any <u>mandatory</u> requirements to establish engagement hubs or a committee structure. Council believes that the engagement should happen within the parameters of a Community Engagement Framework which Councils must establish in consultation with the community it represents. This enables a Council to co-create its approach to community engagement.
The community is engaged in local decisions that affect them	Require consistent, contemporary community engagement strategies	SUPPORTED – Council has recently developed and adopted a Community Engagement Strategy which provides a framework for a consistent approach to community engagement.
	Establish a public-facing performance reporting, monitoring and management framework	QUALIFIED SUPPORT – There is qualified support for this because Council has previously expressed concerns about the comparability which is occurring. As Council has stated this is not a case of ‘comparing apples with apples’ this is simply not good enough. It MUST be about ‘comparing Pink Lady Apples with Pink Lady Apples’. In previous submissions Council has identified the impact of creative accounting data.

	<p>Establish clear performance-based benchmarks and review 'triggers' based on the public-facing performance reporting, monitoring and management framework</p>	<p>QUALIFIED SUPPORT – Council is concerned that the performance-based benchmarks could be quite broad in their nature and not sufficiently nuanced to be a realistic measure of performance. In the past the Break O’Day Council has expressed concern regarding some of the benchmarks previously published by the Tasmanian Audit Office were too broad and generic and did not take into account or comment on why the financial KPIs of some Councils could vary significantly from a broad benchmark.</p> <p>There is more merit in the Local Government Board resuming a rolling program of ‘efficiency and effectiveness’ reviews as this is a more proactive approach that can even lead to good outcomes for a well performing Council.</p>
<p>Councils have a sustainable and skilled future workforce</p>	<p>Implement a shared State and local government workforce development strategy</p>	<p>SUPPORTED – This is logical but will take time to secure meaningful outcomes. The current labour market is highly competitive leading to headhunting and increased mobility in employees.</p> <p>An additional impact on attractiveness which is not mentioned and which is very real, is the community’s attitude to Council employees and the way that some community members attack Council employees whilst they are undertaking their roles. As the level of Government closest to the people, Council employees are the most easily targeted. State and Federal Government employees are in a large part shielded from this due to the customer service structures they have in place.</p> <p>This Priority Reform Outcome needs to include strategies to increase the attractiveness of this as a career direction and to improve community attitudes.</p>
	<p>Target key skills shortages, such as planners, in a sector-wide or shared State/local government workforce plan</p>	<p>SUPPORTED – the discussion in relation to this Priority Reform Outcome has failed to actually understand why statutory planning in Local Government is not a career pathway that is seen as attractive. The question needs to be asked of recent graduates and those within the sector as to why?</p>

		Greater investigation and understanding of the situation in relation to key professional areas such as planning building, environmental health, engineering and more recently human resources needs to be developed. The investigation needs to go beyond why these careers are not chosen to also look at the training courses that are offered. Do they actually provide the training necessary for those entering this field, or is it an academically designed course which makes effective transition into the workplace difficult.
	Establish 'virtual' regional teams of regulatory staff to provide a shared regulatory capability	SUPPORTED – nothing new here, it already happens to varying extents depending on needs at different times
Regulatory frameworks, systems and processes are streamlined, simplified, and standardised	De-conflict the role of councillors and planning authorities	Refer to comments in relation to individual options below
	Option 5.1a Refer complex planning development applications to independent assessment panels appointed by the Tasmanian Government	<p>QUALIFIED SUPPORT – A tension exists where Council is required to consider a development application where Council is the proponent and/or the land owner. In this situation the Council refers the application to another Council or an external consultant to assess and make a recommendation for Council consideration as a planning authority. Whilst Council is dealing with this situation in a professional manner, it can lead to a perception within the community or representors that Council is not truly independent.</p> <p>In relation to the concept of 'complex development applications' prior to Council forming a position on this matter it would like greater definition in relation to this concept of 'complex'.</p> <p>Council felt that there might be scope for having an independent group for significant matters within the Municipal area however it was felt that Council need to have some degree of input into decisions being made by an outside body.</p> <p>QUESTION TO BOARD – What is meant by complex planning development applications and how is the Board going to undertake engagement to get a consensus on this?</p>

	Option 5.1b Remove councillors' responsibility for determining development applications	NOT SUPPORTED – Council does not believe that the responsibility for determining development applications should be removed from Councillors. Council fully recognises the importance of professional advice in assessing development applications and as representatives of their community may bring forwards points that have been raised with them that challenge professional thinking. A Council decision that differs from the recommendations of the planning officer must record clear reasons (pursuant to the Planning Scheme) to support the decision.
	Option 5.1c Develop guidelines for the consistent delegation of development applications to council staff	SUPPORTED – this largely exists now through standardised delegations prepared through LGAT and solicitors Simmons Wolfhagen. There is variation between Councils in relation to some specifics such as where representations have been received.
	Greater transparency and consistency of councils' resourcing and implementation of regulatory functions	<p>QUALIFIED SUPPORTED – there is no doubt that resourcing in some technical areas is particularly challenging. The Board in this Paper focuses on whether Councils are providing sufficient resourcing to enable this to occur. Whilst this may be the situation to an extent, the bigger issue is actually the lack of resources that are available, so no matter how much funding is available if you can't purchase the resource, you can't meet the standard required.</p> <p>Environmental health is a great example, everyone knows there is a significant lack of qualified Environmental Health Officers in the State. This leads to questions about why, Is it not an attractive career option? Is there a lack awareness of this as a career? How accessible and relevant is the training course?</p> <p>A public facing dashboard is only going to provide a more open understanding of the situation, it is not going to do anything to actually fix the problem.</p>
	Increase support for the implementation of regulatory processes, including support	SUPPORTED – this seems logical and quite important as in general State agencies which create legislation local government has to implement are not generally helpful in relation to implementation. Linked to this is a tendency not to consult properly with local government on

	provided by the State Government	how the legislation can work in practice. The new Building Act and related legislation and processes is a good example of a State agency not engaging properly with local government or really caring about what they had created for Councils to deal with.
	Strengthen connections between councils' strategic planning and strategic land-use planning by working with State and Commonwealth Governments	SUPPORTED – strategic land use planning activities are essential to well planned growth of our urban areas with coordination and appropriate resourcing ensuring that duplication of effort is minimised and progress happens at a reasonable pace.
Councils collaborate with other councils and State Government to deliver more effective and efficient services to their communities	Require councils to collaborate with others in their region, and with State Government, on regional strategies for specific agreed issues	NOT SUPPORTED – Councils in the northern region have for several years worked closely on regional and sub-regional strategies on specific issues. It should not be necessary to require or mandate Councils to collaborate when this already happens.
	Establish stronger, formalised partnerships between State and local government on long-term regional, place-based wellbeing and economic development programs	SUPPORTED – logical approach as long as it is a genuine partnership approach with the individual needs of the community being recognised and heard.
	Introduce regional collaboration frameworks for	QUALIFIED SUPPORT – Break O'Day Council is an active participant in Northern Tasmania Development Corporation (NTDC) which is an important 'vehicle' for a regional and sub-regional focus. Making participation mandatory or introducing prescription around design of

	planning and designing grant-dependent regional priorities	the entity needs to be avoided to enable place based regional approaches to be developed and operate.
	Support increased integration (including co-location) of 'front desk' services between local and state governments at the community level	QUALIFIED SUPPORT – There is logic in this occurring to provide a single focal point for the community in its dealings with Government. The major concern is the ongoing cost shifting focus of the State Government. This is an example of what could have been examined if this review process had actually looked at opportunities around delivery of State Government activities.
The revenue and rating system efficiently and effectively funds council services	Explore how councils are utilising sound taxation principles in the distribution of the overall rating requirement across their communities	<p>QUALIFIED SUPPORT – Council is always open to exploring and considering options in relation to revenue raising activities including the rating system. We note that the Board has proposed that the State Government work with Local Government to explore this situation. We believe that this will need to happen outside the current review process and should occur as part of the process to create a new Local Government Act.</p> <p>An issue that Councils are constantly dealing with is the failure of the Office of the Valuer-General (OVG) to properly discharge its responsibilities in a timely manner. Revaluation of properties where development has occurred is an important part of revenue raising activities yet OVG are incapable of dealing with this in a timely manner and are literally costing Councils hundreds of thousands of dollars, if not millions of dollars of lost revenue due to their service delivery failure.</p>
		QUESTION TO BOARD – Can the Board recommend that an immediate review of the performance of the Office of Valuer-General be undertaken by the State Government?
	Enhance public transparency of rating policy changes	INSUFFICIENT INFORMATION TO DETERMINE POSITION – Council rating processes and decisions are considered and debated in Council meetings and reports Council are considering are fully available to the public currently. Council's typically prepare rates modelling which

		show where the burden is laying or shifting. In our case we send out the annual rates notice with a 4 page newsletter outlining how rates where determined and where it will be spent.
	Examine opportunities for improving councils' use of cost-reflective user charges to reduce the incidence of ratepayers' subsidising services available to all ratepayers, but not used by them all	NOT SUPPORTED – as noted in the Appendix document work is occurring through the process to develop the new Local Government Act.
	Consider options for increasing awareness and understanding of the methodology and impacts of the State Grants Commission's distribution of Federal Assistance Grants	NOT SUPPORTED – Council believes that this is outside the scope of this review process. It is a matter that should be raised with the State Grants Commission and they should be requested to engage with the sector to address the issues raised.
	Investigate possible alternative approaches to current rating models, which might better support councils to respond to Tasmania's changing demographic profile	SUPPORTED – Council is very mindful of capacity to pay in our community. With a rapidly ageing population and a high level of socio-economic disadvantage, Break O'Day is under increasing pressure to manage this impact on pension concession holders and self-funded retirees. Disappointingly the State Government recently did a back-flip and chose not to proceed with addressing a loop hole in the Local Government Act 1993 which enables charitable institutions with independent living units to avoid the payment of Council rates. Effectively meaning the rest of the community, including pension concession holders and self-funded retirees, carry an

		additional burden in their own rates to pay for the services these non-rateable properties enjoy.
Councils plan for and provide sustainable public assets and services	Standardise asset life ranges for major asset classes and increase transparency and oversight of changes to asset lives	SUPPORTED – Council has argued strongly in its previous submission that this needs to occur to ensure that we are actually comparing ‘pink lady apples’ with ‘pink lady apples’ to ensure that create accounting practices are curtailed. Our previous submission provided a detailed high level examination of the impact of asset life practices of three Councils on the way the underlying financial position of a Council may be portrayed.
	Introduce requirement for councils to undertake and publish ‘full life- cycle’ cost estimates of new infrastructure projects	SUPPORTED – links to the earlier discussion on Community Impact Assessments. This practice will ensure that fully informed decisions are made.
	Introduce a requirement for councils to undertake regular service reviews for existing services	QUALIFIED SUPPORT – it depends on what ‘regular’ means as a timeframe. Whilst a valuable mechanism to have a conversation with the community, these review processes are resource hungry with the very real potential of nothing changing. It is highly unlikely that any service review will result in a service ceasing to be delivered, it is more likely to be fiddling around the edges as to the level of service being delivered.
	Support councils to standardise core asset management systems, processes, and software across councils	QUALIFIED SUPPORT – Asset management systems, staff capacity, service standards, condition assessments and depreciation rates applied to assets are not currently standardised between Councils. There is merit in supporting a standardized approach but the Board should be clear that this is an area that will be resource intensive and may take a significant amount of time to deliver effectively.

The future of local government review Options Paper, Dec 2022, pp25-26

Section 5: Building local government capability and capacity now and for the future

Response to Board's Questions

- 1. Do you agree with the Board's assessment that Tasmania's current council boundaries do not necessarily reflect how contemporary Tasmanians live, work, and connect?***

Yes, the Break O'Day Council believes that how contemporary Tasmanians live, work and connect is not reflected in Tasmania's current council boundaries. However is this really a relevant consideration and does it really even matter if there is no alignment. The way that contemporary Tasmanians live, work, connect and play is very individual and we are quite mobile. It could be argued that seeking some form of alignment is a utopian fallacy which can't be achieved.

- 2. We have heard that councils need to be "big enough to be effective and small enough to care". How big is big enough to be effective? How small is small enough to care? What factors determine that? How do we strike the balance between these factors?***

The use of the word big in this instance we believe refers to the resources capabilities of a Council – Can we adequately deliver this service/project/outcome with the resourcing we have. Small enough to care is reflective of a Council's connection to its community. This sentiment would perhaps be better reflected by the following statement – Councils must be adequately resourced and connected to their communities in order to deliver outcomes for these communities.

- 3. Thinking about Tasmania now, and how it might change over the next 50 years, what are the most important things to consider if we were to 'redraw' our council boundaries?***

The Board has consistently raised and referred to the importance of Place making throughout the review and this should be included as a factor in determining boundary adjustments. For example areas that support similar lifestyles and values.

Another factor relevant in this space, particularly in regional areas is considering where the community goes for service. For example, where are members of the community get their groceries and do their shopping? Where do they send their children to school, where are they utilizing health services, where are they spending time recreationally.

Options Paper Discussion

Financial Sustainability

Increasingly we see the focus of attention within the Review process turning to the financial sustainability of Tasmanian Councils. In this response to the Options Paper, the Council believes that it is important to restate its concerns regarding the financial analysis approach by the Board.

The Board has commissioned a detailed financial analysis covering a 10 year period to better understand the current and likely position of Tasmania’s 29 councils. The Board has provided an initial superficial 10 year picture to substantiate their belief that Councils are in a large part financially unsustainable with a focus on Tasmania’s 19 rural councils. This is based on the Tasmanian Audit Office benchmark of ‘break even’. The very same organisation that has not yet been able to resolve the variation in depreciation calculations between Councils so that we have a true and accurate comparison happening, comparing Pink Lady apples with Pink Lady apples.

The superficial perspective does not reflect the significant change which has happened in the operating positions of some Councils over the last 10 years. Nor is there any commentary as to why significant variations might happen between years. The Break O’Day Council provides some additional insight for the Board to highlight the points that are being made. The Break O’Day Council position is incredibly different over the last 5 years and even 7 years. We have taken the opportunity to make a small comparative analysis to illustrate our point.

Underlying Surplus/Deficit			
Underlying ratio	10 year average	7 year average	5 year average
Dorset	5.0%	7.9%	6.9%
Glamorgan-Spring Bay	-1.8%	-2.4%	-3.4%
Break O’Day	-2.7%	0.6%	2.8%
Break O’Day (with Depreciation adjustment)	-0.2%	3.0%	5.1%

The Break O’Day position with Depreciation adjustment relates to the situation outlined in section 4.2 of the Break O’Day Council response to the Interim Report

Population Projections

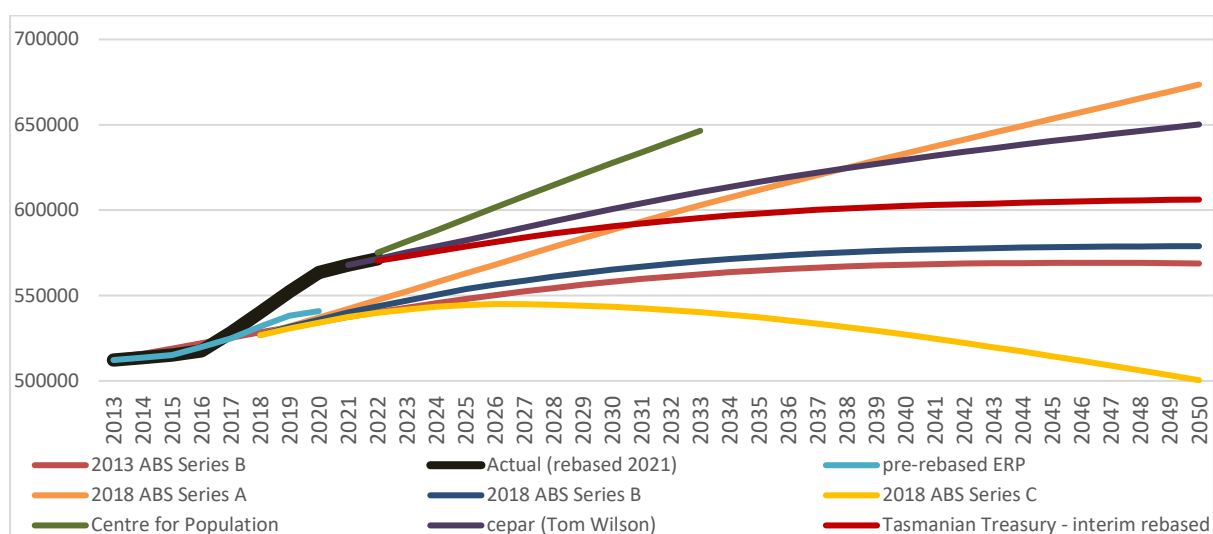
As mentioned in our previous submission, BODC contracted population demographer Lisa Denny to undertake a detailed population report on our area. Ms Denny’s findings were significantly different to those used by Treasury.

To further bolster our argument for more detailed population projections to be used in the decision making processes of the Board so we asked Ms Denny to provide us with her comments on the Future of Local Government Review Options Paper. We have provided her full report (Appendix 1) for your information. A brief summary of Ms Denny’s professional opinion is provided below:

- Treasury have applied linear growth to adjust population figures – this assumes the same amount of growth in each year of age and sex. These figures are not suitable for making decisions regarding infrastructure short, medium or long term.
- The Centre for Excellence in Population Ageing Research has produced population projections for Tasmania which vary significantly from Treasury projections.
- Local Government major changes are not reflected in Treasury’s figures including;
 - Smaller LGAs and periphery LGAs are recording higher average growth rates than cities and more populated LGAs
 - 11 LGAs median age is younger in 2021 than in 2016

In conclusion – The population data currently being used by Treasury to inform State Government decision making is invalid. Before any final decisions are made we would like the State to use more robust projections to ensure that their decision making is reliable.

Below is a graph provided by Ms Denny that shows the disparity between Treasury figures, actual and re-based figures.



Workforce Shortages & Capability Gap

The expanded capability gap and workforce shortages in 2022 are not specific to the Local Government sector and are affecting various organisations and industries across the country. It is a national situation.

The capability gap and workforce shortages in Australia refers to the mismatch between the skills and expertise required by employers and those possessed by the available workforce. This is a national problem as industries across the country are struggling to find workers with the necessary skills and experience to meet their needs. This has led to a shortage of skilled workers, which has in turn resulted in increased competition for talent and higher wages for workers with in-demand skills. The capability gap is particularly noticeable in industries such as technology, healthcare, and construction, where there is a high demand for workers with specialised skills.

East Coast Boundary Adjustment and Amalgamation Revisited

Inevitably we need to look at the history of amalgamation and boundary adjustment considerations which have occurred in relation to the Break O'Day area. Formed in 1993 as part of the last major Council amalgamation exercise, Break O'Day comprised the former Fingal (except the Avoca/Rossarden area) and Portland municipalities. In 1997 as part of a failed State Government council amalgamation process, it was intended that Break O'Day and Dorset Councils should amalgamate.

A merger of the Break O'Day and Glamorgan-Spring Bay Councils was considered by the Local Government Board in 2009. Recommendations In their Report on the potential merger included the following:

Recommendation 1: *That the Break O'Day Council and the Glamorgan-Spring Bay Council not be merged to form a new council.*

Recommendation 2: *That the future of the Break O'Day Council and the Glamorgan-Spring Bay council be considered as part of a future strategic examination of the structure of Tasmanian local government.¹*

¹ Report on a Potential Merger: Break O'Day and Glamorgan-Spring Bay Councils, October 2009, pg 10

The primary rationale for reaching this position was that the Board was of the view that potential mergers should not be considered in an ad-hoc manner. Further examination of the Report reveals that whilst KPMG were engaged to undertake the financial analysis the Board had concerns regarding the accuracy of the projections as both Council's did not assist with the level and depth of information required to effectively develop financial modelling. Nevertheless, the Board made the following observation:

The Board therefore has significant reservations about whether the long-term viability of the two councils would be substantially improved in a merged council scenario.²

In recent years there has been an increasing focus on the 'softer' social side of how communities operate and the role of Council's in this regard. In 2009 the notions of 'community of interest' and 'sense of community' were becoming increasingly apparent but were still not understood to the depth they are today. They were very much focused on the individual towns, east coast residents at the time of the review identified strongly with local townships. The Board concluded that;

"...the communities of interest centered on the towns and villages and this would not change with a merger".³

This situation hadn't changed when the Boundary Adjustment Study was completed in 2017 by consultants KPMG

The Local Government reform process which commenced in 2015 sparked a number of voluntary investigations into potential boundary changes. The four Councils in south-east Tasmania, Sorell, Tasman, Clarence City and Glamorgan-Spring Bay initiated a consultancy with KPMG to examine at a high level the various options and financial ramifications. Linked to this Break O'Day Council initiated a parallel consultancy with KPMG looking at the option of a boundary adjustment between Break O'Day and Glamorgan-Spring Bay wherein the northern part of Glamorgan-Spring Bay, the area north of Cherry Tree Hill including Bicheno and Coles Bay, would join Break O'Day, the balance would join the mix of south-east Councils.

"Communities of interest have been regarded as primarily based around townships and villages, rather than municipal areas. Each municipal area therefore has multiple communities of interest." (KPMG Break O'Day: Boundary Adjustment Modelling, 2017)

Considering the statement above, it is BODC's belief that there are also communities of interest outside of municipal boundaries. For example communities who travel to another municipality to utilise services. This was clarified in KPMG's report by this statement:

² Report on a Potential Merger: Break O'Day and Glamorgan-Spring Bay Councils, October 2009, pg 58

³ Report on a Potential Merger: Break O'Day and Glamorgan-Spring Bay Councils, October 2009, pg 71

“In the context of this study, research would suggest that the major townships of Bicheno and Coles Bay can form part of Break O’Day and not feel tied to Glamorgan Spring Bay through any perceived community of interest.” (KPMG Break O’Day: Boundary Adjustment Modelling, 2017)

These communities already regularly travel to St Helens and surrounds for activities such as education, sport, groceries and employment.

The concept of communities of interest was recognised as an important concept in considering structural boundaries of electorates and thereby how communities are represented. Whilst the Report (Appendix 2) found that communities of interest were still found to be focused on towns, it also meant that because of this individual town approach, communities did not feel tied to Glamorgan-Spring Bay.

During the investigation process, the communities of Bicheno and Coles Bay made their views on where they thought their future lay very clear, they wanted to become part of the Break O’Day area. This was largely due to where the broader connections in terms of access to a range of services and activities such as education, sporting and community focused. In part it was also due to the disconnection they felt with the bottom half of the Glamorgan-Spring Bay area.

The Glamorgan-Spring Bay Council tested the feeling of the community through a community survey conducted from 9 October 2017 to 17 November 2017, 76% of respondents supported amalgamation. Unfortunately the survey did not test the feeling regarding the boundary adjustment option.

The KPMG consultancy had a strong focus on the financial impact and provided significant comfort to Break O’Day that the boundary adjustment option was worth considering. Consultants stated that:

- ***On the basis of the assumptions used, Break O’Day’s financial position is improved by the boundary adjustment with an improvement in the underlying surplus of approximately \$0.9 million in Year 1 and \$1.1 million p.a. on average over the 10 years modelled, a 6% increase to surplus ratio, and an improvement in net cash flows, at a steady state of approximately \$0.5 million p.a.***
- ***Overall, on the basis of the analysis undertaken, the boundary adjustment proposal would appear to deliver a favourable outcome for the communities involved and strengthen the financial sustainability of the Break O’Day Council⁴***

The Board in its Options Paper discusses in a number of areas structural reform, boundary consolidation to achieve fewer, larger councils is a pathway which they say needs to be

⁴ Break O’Day Council: Boundary Adjustment Modelling, September 2017, pg 3

considered. There is no doubt that when we consider what is best for the eastern part of Tasmania, the focus is on amalgamation or boundary adjustment involving the Break O’Day and Glamorgan-Spring-Bay Councils.

Decisions in relation to the future of the Break O’Day area should only be made regarding a comprehensive investigation of the best options and engagement with the community. Whilst the Board in 2009 noted, it cannot occur in isolation of the broader picture of local government in Tasmania, the 2017 KPMG report when considered in conjunction with the report relating to the south-east Councils shows that it could potentially occur.

In conclusion, Break O’Day Council would like to see the Board consider the influence communities of interest have on ‘place making’, particularly when considering boundary adjustments and amalgamations.

Section 6: Structural reform – three potential pathways

Response to Board's Questions

1. Which of the three broad reform pathways do you think has the best chance of delivering what the community needs from local government? Why?

Council believes Option 3, a 'hybrid model' combining both targeted sharing of services and targeted boundary consolidation offers the best opportunity to progress the work of the Future of Local Government review process. A focus on one or the other means that all 'eggs are being placed in one basket' so to speak and opportunities to effect change are being limited.

Sharing of services and collaborative working relationships occur right across local government now and have done for many years. As an example, in recent years, Councils in the northern region have been exploring the opportunity for a single IT platform which would have ultimately led to development of common systems so that staffing could be moved around flexibly. This project might seem relatively simple and logical but it is actually quite complex and could generate a range of service delivery efficiencies.

When the last round of Council amalgamations occurred in 1993, technology was light years away from what it is today. Back then mobile phones looked like this...

1993: The IBM Simon is released, and considered the first smartphone. It acted as a mobile phone, PDA, and fax machine all in one. It offered a touch screen, which is the precursor to the Apple iPhone which would come 14 years later. It sold for \$899.



Some of the major technological advancements have changed the way we work and do business, for example; MS Teams and Zoom - video conferencing, Social media –

immediate information tool and email – rarely do we receive anything by ‘snail mail’ anymore.

Activity levels at the front counter of Councils is continuing to drop, eight years ago Break O’Day Council had two people working full-time on the front counter dealing with face-to-face and back office activities in between customers. Now it is one person face-to-face comfortably with support if required. We are tracking when people come- in to the office, we could actually nearly revert to the banking hours of decades ago 10:00am to 3:00pm such has been the change of face –to face customer service.

This means that many community members no longer require access a Council office. This means that irrespective of where you live, your ‘normal’ way of dealing with a council will be electronically, phone or email. This means that being able to access a Council office is no longer as relevant as it used to be and therefore boundary changes will have less impact on life from a community perspective.

In its previous submission Council argued that waste management should be considered on a statewide approach, effectively a shared service arrangement similar to that which exists with TasWater. Waste management was under consideration by the Board in the Interim Report, unfortunately the Board seems to be shying away from this opportunity for a consolidated approach on a statewide basis. The Break O’Day Council believes that there is merit in exploring this situation due to the overall small scale of this activity in the State when compared to mainland Australia activity levels. Through a coordinated state-wide approach opportunities to achieve economies of scale will be maximised and the impact of the existing duopoly on market forces will be reduced

2. What would be your biggest concerns about changing the current system? How could these be addressed?

When is an area too big? - Irrespective of the way in which people communicate and deal with their local Council, the biggest challenge with changing the current system will be about on-ground service delivery. As a rural municipality with geographically spread townships, Break O’Day appreciates the challenge with ensuring that communities feel connected to what is going on at the local Council level and don’t feel lost and removed.

The transition process – the Board needs to look closely at the approach used for the 1993 amalgamation process. There are great lessons there to be learnt in relation to how things worked.

Managing the fear of job losses – at the end of the day there will be change in relation to human resources. Importantly it needs to be understood that the vast majority of activity doesn’t go away with changes to boundaries, from a service delivery perspective, the maintenance of Council infrastructure still must happen and delivery from the local level is the most cost effective manner. Office based jobs will in a large part remain at a similar level

but could change in part. The levels most affected will be at the upper management level and reductions in this area are going to be partially offset by increases in the mid-level. After all the issues that are dealt with are in a large part unique, that is they involve a certain situation affecting a certain person(s) or group. They will not reduce in overall number through an amalgamation of Councils.

Representation – as an area gets larger, a dilution in the level of representation naturally occurs if the number of Councillors remains the same. There is no perfect solution as the argument for the reduction in the number of Councils is also about a reduction in the number of Councillors – are communities over governed? The recent move to increase the size of State Parliament is more recognition that a Government has too small a pool of politicians to draw on the undertake ministerial responsibilities in a sustainable manner.

3. In any structural reform process, how do we manage the very different needs and circumstances of rural and urban communities?

Managing the different needs and circumstances of rural and urban communities in a Tasmanian Local Government structural reform process requires a nuanced approach that takes into account the unique characteristics of each community. This may involve considering the following:

- Understanding the needs of each community: Gathering data and conducting research to understand the different needs, priorities, and circumstances of rural and urban communities is an important first step in developing an effective reform plan.
- Involving stakeholders: Engaging with key stakeholders, including residents, local business owners, and community organisations, to gather their input and perspectives can help to ensure that the reform process is informed by the needs of the communities it affects.
- Tailored solutions: Developing tailored solutions for each community that take into account their specific circumstances and needs can help to ensure that the reforms are effective and sustainable.
- Flexibility: Allowing for flexibility in the reform process to accommodate the unique circumstances of rural and urban communities can help to ensure that the reforms are effective and responsive to the needs of each community.
- Monitoring and evaluation: Regularly monitoring and evaluating the effectiveness of the reforms and making adjustments as needed can help to ensure that the reforms are meeting the needs of both rural and urban communities.

Options Paper Discussion

Tourism, Local Promotion and Economic Development

“Some council activities, particularly tourism and local promotion or economic development functions, make more sense when organised at a regional or state-wide level than locally.” (Page 37)

The quoted statement implies that efforts of tourism, local promotion and economic development are organised solely at the local level. That is not the case. However, some local government responsibilities within tourism and local promotion are inefficient and reallocation to the State Government, the driver of tourism in Tasmania, should occur.

It is important to acknowledge that the role of the Local Government in these functions is to support and ensure that tourism, local promotion and economic development within the region are placed based and reflective of community desire and vision. Removing Councils’ involvement within these functions entirely and reassigning them to a regional and state level may weaken how these activities reflect community desires.

Regarding tourism and local promotion, Break O’Day Council agrees that these functions are more a regional and state-wide responsibility. The state government drives tourism activities and Councils tend to be on the receiving end of its effects (along with the community) in servicing its increasing demand. Whilst Break O’Day Council acknowledges the importance of tourism for our community, there is insufficient and inequitable state government funding and support. For example, The Break O’Day Council financially contributes large sums to tourism organisations (the Regional Tourism Organisation and the Visitor Information Centre) alongside providing infrastructure, services and other place-based assets. Whilst some RTOs benefit from having multiple local government members, ECTT is the lowest funded RTO and has only two financially supporting local government members. With insufficient resources, ECTT and Break O’Day Council are expected to provide a high level of infrastructure and/or services for the increasing tourism activity along the East Coast of Tasmania.

For a more sustainable and consistent delivery of information, Break O’Day Council suggests that Visitor Information Centres should be an assumed responsibility of the Regional Tourism Organisation (RTO) and appropriate and equitable funding be provided by the State Government. The RTO’s purpose is to increase tourism and improve the visitor experience in the area. This is a natural alignment with the purpose of a Visitor Information Centre. Therefore, for this review to be useful for areas such as Break O’Day, an exploration into how Local Governments can work with RTOs and State Tourism Organisations (STO) to provide the infrastructure that carries out each tier’s objective must be undertaken.

Concerning economic development and as provided in Break O’Day Council’s previous submission any strategic collaboration or consolidation must acknowledge the differing roles Councils have within these activities relative to their size and availability of resources. In the case of Break O’Day, as a smaller local government, the role in economic development may be seen as more intensive due to smaller markets and isolation. Whilst larger regional Local Governments may have a less direct impact on the economy and be viewed as enablers for

growth and diversification. Any consolidation must consider the varying repercussions it will have upon differing-sized municipalities. Break O’Day Council suggests that any further discussion relating to local government’s economic development functions should review the Economic Development Framework Project developed by the Western Australia Local Government Association (WALGA).⁵ The Framework highlights differing Economic Development roles between Local Governments subject to their size. It also considers the relationship between State and Local Government in improving collaboration on Economic Development activities.

⁵ Western Australia Local Government Association, “Economic Development Framework,” WALGA, 2018, <https://walga.asn.au/policy-advocacy/our-policy-areas/economics/economic-development-framework>.

APPENDIX 1

Break O’Day Council: Comment: the Future of Local Government Review Options Paper – Stage 2 and the Tasmanian Treasury interim rebased population projections

Prepared by Dr Lisa Denny, February 2023

The Tasmanian Department of Treasury and Finance (Treasury) has released ‘interim rebased population projections’ for Tasmania and its local government areas on the basis that “the ABS made unusually large adjustments to its Tasmanian population estimates for the period 2017 to 2021 as part of its post-Census rebasing revisions⁶. As a result, the projections Treasury prepared in 2019 became somewhat obsolete.”⁷

In preparing these interim rebased population projections, Treasury has applied a linear growth model to the 2019 projections rather than using demographic methods to adjust the population projections. Their approach essentially assumes that the same rate of change for each single year of age and sex will apply annually for the projection period rather than making assumptions for the changes in fertility, mortality and/or migration rates which have occurred during the inter-Censual years.

Treasury does advise that “the updated projections should be used with caution” and that they should only be used in the short term and users should consider “whether the interim projections are fit for any purpose intended” while “Treasury develops revised, more robust projections based on the new ABS population estimates”.

Despite this caution, the Future of Local Government Review Options Paper – Stage 2 released in December 2022 refers to Treasury’s interim rebased population projections to claim that:

- A majority of Tasmanian councils (52%) is forecast to experience population decline over the next 20 years.
- Demographic pressures are especially acute in regional Tasmania; 92 per cent of rural and remote councils are set to experience population decline or stagnation.
- By 2042, Treasury projections indicated that the median age of over half of Tasmania’s LGAs will be 50 or higher. 94 per cent of these LGAs are rural⁸.

⁶ See Figure A in the Appendix

⁷ <https://www.treasury.tas.gov.au/economy/economic-data/2019-population-projections-for-tasmania-and-its-local-government-areas>

⁸Future of Local Government Review Options Paper – Stage 2, Local Government Division, Department of Premier and Cabinet, Tasmania, Page 30, <https://www.futurelocal.tas.gov.au/wp-content/uploads/2022/12/FoLGR-Stage-2-Options-Paper-22.12.2022.pdf>

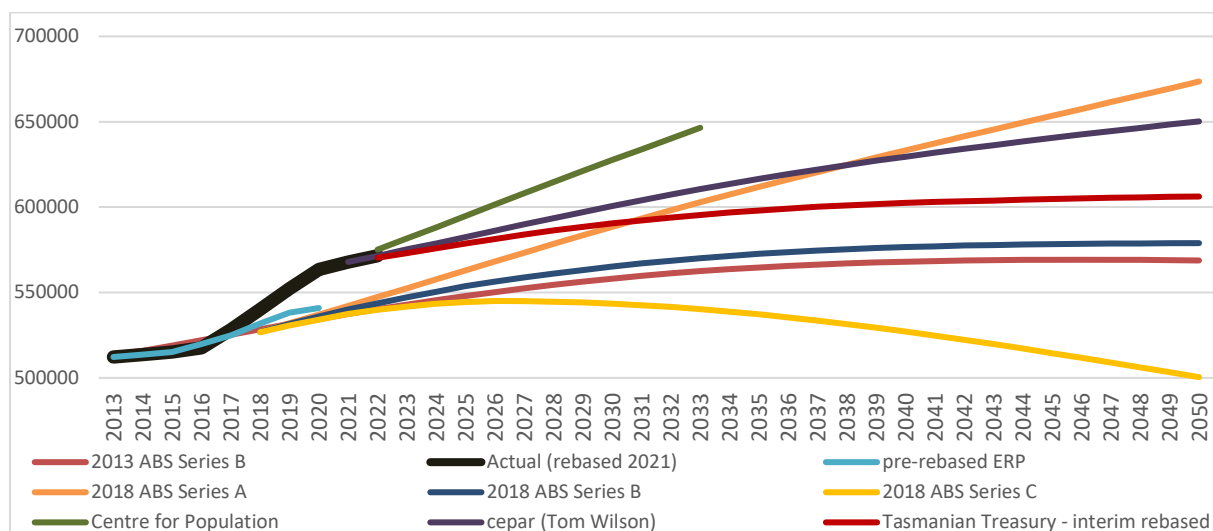
Given that the Treasury interim rebased population projections were not developed using demographic methods or revised assumptions based on recent trends in population change, the projections should not be used for making short, medium or long term decisions in relation to planning and the provision of infrastructure and services at a state or local government area level.

In addition to the Treasury interim rebased population projections, the Australian Government Centre for Population and ce-par (the Centre for Excellence in Population Ageing Research) have also recently produced population projections for Tasmania. These projections diverge considerably.

The Centre for Population projects very strong population growth for Tasmania driven by high levels of migration exceeding pre-pandemic levels by the mid-2020s. The ce-par projections, undertaken by demographer Dr Tom Wilson, show a trajectory consistent with the population change evident in the recently rebased estimated resident population (ERP) for Tasmania.

Neither the Centre for Population nor ce-par population projections for Tasmania were produced at the local government area level.

Figure 1. Population projections, Tasmania, various



Local Government and Break O’Day

From a local government perspective, there has been considerable population change within and between the LGAs since 2016 in terms of growth rates, ageing and the composition of the population. More specifically:

- There is considerable divergence between the old ERP and the rebased ERP for all Local Government Areas in Tasmania

- The ABS under-estimated the annual growth rates for all LGAs by an average of 0.7 percentage points per annum
- Smaller LGAs and periphery LGAs are recording higher average growth rates than cities and more populated LGAs
- Remote and small LGAs recorded slower growth rates
- 11 LGAs median age is younger in 2021 than in 2016
- 18 LGAs median age is younger in 2021 than in 2020 (rebased ERP)
- The rate of ageing (five year average) has slowed for 23 LGAs
- 4 LGAs recorded population decline in the year to 2021 (Flinders Island, George Town, Hobart and King Island)
- 1 LGA recorded population decline since 2016 (Flinders Island)

From a Break O’Day perspective the population has resumed a very strong growth trajectory since 2017 after a period of decline from 2012 to 2016.

The growth rate for the year to 2021 was 3.1%, the equal highest rate in the state (with Brighton) compared with 0.8% for the state.

Since 2016, the growth rate has averaged 2.4% per annum, the 9th fastest growth rate of all LGAs.

There has been a considerable change in the population age structure since 2016

- 31% are now aged 65 or older compared with 25% in 2016
- There are more 20 to 44 year olds in 2021 compared with in 2016
- There are more 10 to 14 year olds compared with 2016

Despite the increase in the number and proportion of the population aged 65 or older, the rate of ageing has slowed, due to the increase in the prime working age groups resulting from in-migration.

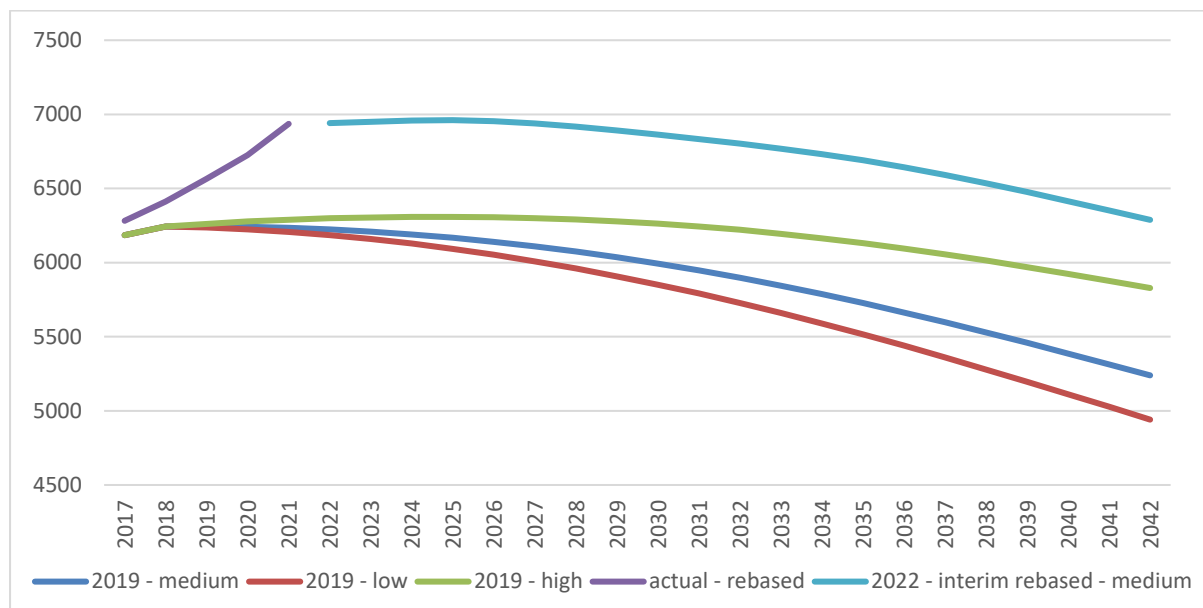
- The median age for 2021 was 55.9 years, slightly less than in 2020, but 2 years older than in 2016 (53.9 years).
- Fourth oldest LGA
 - Now 10th fastest ageing compared with fourth fastest in previous analysis period
 - Will remain fourth oldest LGA if same rate of ageing continues until the next Census

Despite the considerable divergence from historic population change trends for the Break O’Day local government area, the Treasury interim rebased population projections include

the same assumptions about fertility, mortality and migration used in the original 2019 population projections.

As is evident in Figure 3 below, Break O’Day’s actual population (yellow line) has well exceeded that projected by Treasury in 2019 and its interim projections merely reflect the same trajectory at a higher starting point. Given the substantial changes within the Break O’Day population as outlined above, the Treasury projections should not be used to inform decision-making in relation to the provision of infrastructure, services or amenities in the Break O’Day area.

Figure 2. Population projections and actual population change, Break O’Day



While Break O’Day is experiencing strong population growth, it is also ageing rapidly. More than 31% of its population is aged 65 or older and this is likely to continue to increase. Migration trends are difficult to predict in the current economic and social climate, however, an analysis of migration movements in and out of the region between 2016 and 2021 will provide considerable insight to infer future movements. It is likely, however, that Break O’Day will remain an attractive place for people and families to want to live and work, raise a family or retire to.

Recommendations:

Given that the substantial changes within Tasmania’s population since 2016, driven by policy changes and external shocks, will affect Tasmania’s future population change, the interim rebased population projections produced by Treasury which do not factor in these changes, should not be relied on to inform decision making. Instead, Break O’Day, and Local Government more broadly, should advocate the state government to produce robust

population projections at a state and local government area level which can be relied upon for decision-making.

Robust, reliable and well-informed assumptions used to develop population projections enable more comprehensive and population-informed decision-making in terms of investment in infrastructure, services and amenities, and where that investment should take place, not just based on the size or growth rate of the population but also by the composition (age and sex) and change over time.

Key considerations that should be undertaken in developing assumptions for new population projections for Tasmania and its Local Government Areas include that:

- The ABS considerably under-estimated the size and growth rate of Tasmania's Estimated Resident Population (ERP) between the 2016 Census and the 2021 Census.
 - The rebased population is almost 30,000 larger than estimated
 - Further research is warranted to investigate this discrepancy and inform the assumptions made to develop the population projections
- There is also considerable divergence between the old ERP and the rebased ERP for all Local Government Areas in Tasmania.
- There is considerable movement within Tasmania and between local government areas; internal, interstate and overseas migration impact each local government area directly and have bi-directional relationships. These need to be better understood.
- A number of factors have contributed to the considerable change in Tasmania's population and influence the potential for future population change. These include:
 - The Tasmanian Population Growth Strategy and associated marketing efforts
 - The impact of the COVID-19 global pandemic on population movements due to the closure of the national, and some state and territory, borders
 - The associated disruption to economic and social trends e.g. working from home, lifestyle values, the great resignation, etc
 - The mass vaccination roll out and the impact on Medicare change of address details for measuring interstate migration
 - The change in how overseas migration is measured since the cessation of the overseas departure card on 1 July 2017
 - Changes to temporary migration policies
 - Issues with the quality of data sources for overseas migration from a state and territory perspective
 - The cessation of the Regional Internal Migration Estimates (RIMEs) dataset until December 2022 by the ABS due to the implausibly high numbers of change of address data with Medicare meant that the components of population change at a sub-state level were not available.

All of these factors need to be considered to produce robust and reliable assumptions relating to fertility, mortality and migration to inform future population projections at a state and local government area level.

Appendix - Comment: the Future of Local Government Review Options Paper – Stage 2 and the Tasmanian Treasury interim rebased population projections

Figure A. Tasmania’s population – pre-rebased ERP and preliminary rebased-ERP

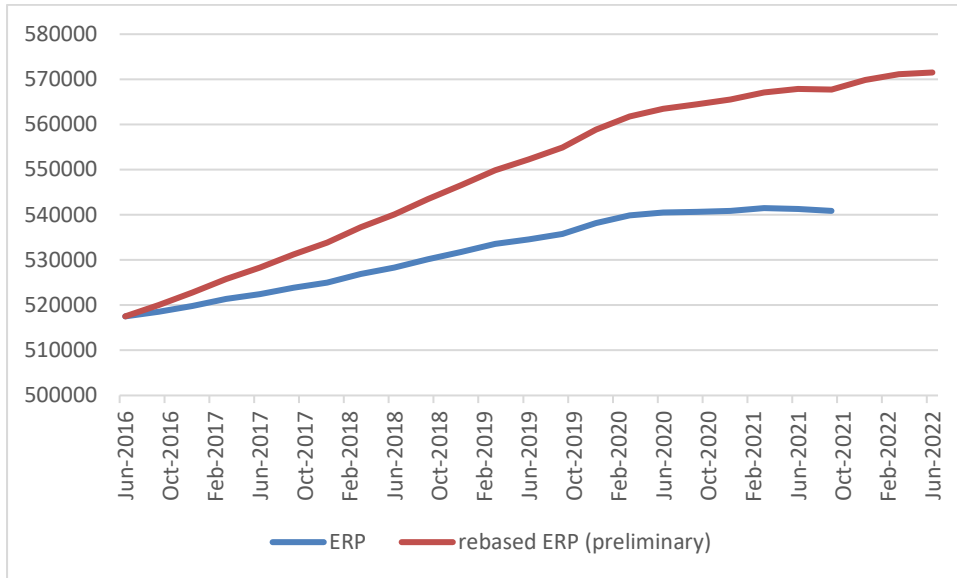


Figure B. Median Age, Tasmania, pre-rebased and rebased (preliminary)

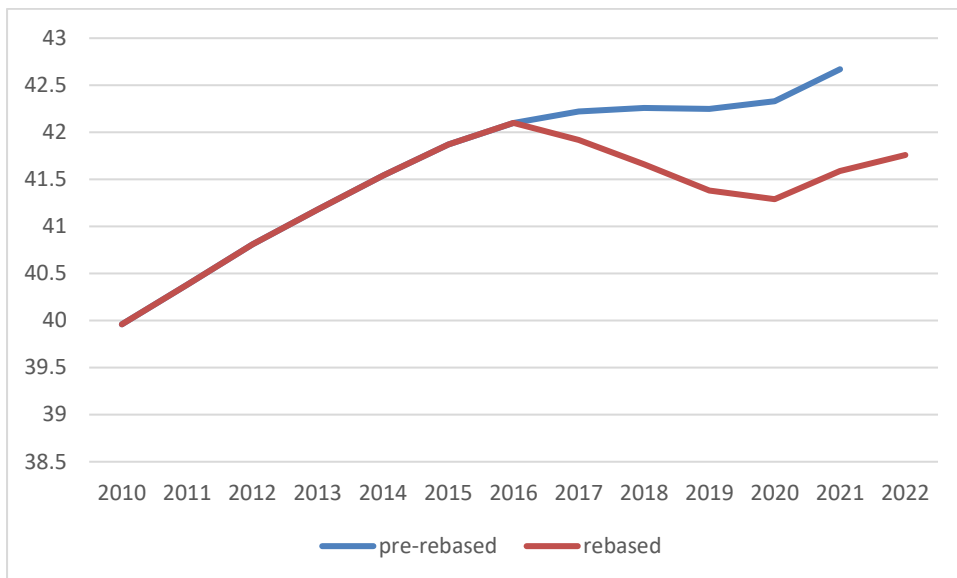


Figure 3. Break O’Day population – pre-rebased ERP and preliminary rebased-ERP

Appendix 2. Break O’Day Council: KPMG Break O’Day: Boundary Adjustment Modelling, 2017)