

The Board
Future of Local Government Review
Submissions.LGBoard@dpac.tas.gov.au

Dear The Hon Smith AM and Board,

Thankyou for the opportunity afforded to councillors, officers and the wider Tasmanian community to respond to the Options Paper Stage 2- December 2022. My submission is made in the capacity of an individual councillor as does not represent the position of Clarence City Council.

Alongside any major recommendation delivered in the *Final Report* to the Minister, please consider the inclusion of an addendum with a range of various alternative or smaller initiatives identified in the review process that could be introduced at any time. There is a long history of Tasmanian governments being unable or unwilling to adopt major reform to the local government sector. I commend the efforts taken to date by the Board for stakeholder participation and input at each stage of the review process.

The Board along with all respondents are seeking better local government for Tasmania. However, we have different views on what that looks like and how we get there. Market mechanisms, localised choice and a degree of competitive tension are means of achieving the goal of better local government. I believe these factors deserve greater focus through this review process.

**“There must be power in the States and the Nation to remould, through experimentation, our economic practices and institutions to meet changing social and economic needs.....
Denial of the right to experiment may be fraught with serious consequences to the Nation. It is one of the happy incidents of the federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.”** United States Supreme Court Justice Louis Brandeis *New State Ice Co. v Leibmann*, Dissenting Opinion, 1932.

Brandesis’ opinion if anything is more pertinent for local governments which operate as monopoly providers of a range of local services that communities are compelled to purchase through rates. The core services that must be provided by councils need to be clearly defined. This will allow for trade-offs to be understood when councillors, the state or community want local governments to provide additional services. It is imperative that councils can innovate, adopt best practice from elsewhere as well as trial new approaches to tackling challenges and delivering services. The ability to innovate could be quashed through reform which delivers homogenised municipal entities or mandated shared service entities.

The Contract City model allows councils to contract out some or most services to other government entities or commercial organizations. This provides the benefits of scale and pooling risk for councils of different sizes. Whilst benefiting from scale councils also maintain the ability to deliver a suite of services to best meet the specific needs and aspirations of their communities. The best example of

this is the California Contract Cities Association which dates back to 1957.

A Contract City model in Tasmania would still allow councils to provide services in house or the voluntary participation in shared service entities. This model is worthy of consideration alongside the other reform options being recommended.

The Tasmanian community deserves the unvarnished data of how their council is performing in a format that is easy to understand. The www.knowyourcouncil.vic.gov.au council comparison website is a great example of how this can be achieved. Performance ranking should be introduced as soon as possible. This helps councillors focus on improving operations and increases accountability. When there are large differences in the performance of like for like councils, it can help bolster the need for reform. A detailed breakdown of council expenditures on rates notices would also help ratepayer scrutiny. At a more basic level a scorecard report should be published and also included on rates notices to confirm if the council is meeting the provision of specific core services. This information needs to come to light. This would help justify major reform to a specific council or councils.

All councils are the recipients of federal assistance grants. These grants can represent a small or major component of a council's revenue base. The grants should be tied to performance and accountability requirements.

If we were starting with a blank sheet of paper, it is implausible that the number of Tasmanian councils and their current boundaries would be considered optimal. We are however not starting from a blank sheet of paper we, are starting from where we are. The report suggests substantial boundary adjustments as a potential reform option. Whilst silent on how that process would occur it is ultimately likely to be involuntary for councils and communities alike.

An alternative contestability model could see boundaries change through local community referendums. A suburb or area that bordered the boundary of a neighbouring council might wish to opt-out of their current council area and opt-in to become part of their neighbouring council. This would require both majority support in a community referendum and approval from the council they wished to be become part of. The contestability model would be more democratic. Even if no community decided to hold a referendum, the mere threat of one would encourage incumbent councils to be responsive to community needs and aspirations as their geographic monopoly would not be guaranteed.

I was a councillor during both the KPMG and SGS studies that occurred in the 2014-208 term. It is important to note that whilst the KPMG report identified savings it did not quantify the costs of the amalgamation let alone the ongoing costs of service harmonisation. The SGS study of greater Hobart touted big savings. However, these were largely nebulous wider health and wellbeing benefits rather than tangible improvements in financial performance. In fact, the only financially rational model that the study identified was a merger of the cities of Glenorchy and Hobart. This was due predominantly to their similar workforce structures and service models.

The options paper identifies major workforce challenges being experience across the local government sector in Tasmania. Rather than restructuring into shared service entities, this gap will be best addressed with councils, training providers and prospective workers collaborating on contemporary training models. Whilst sector wide there is an identified need for more planners,

shortcomings and complexities with the current planning scheme need to also be addressed.

“Consultation and research undertaken by LGAT and the Review has revealed strong support for council’s role in supporting community wellbeing if it is clearly defined, carefully integrated into state and national policies and appropriately resourced.” Options paper page 20.

It should be stressed the strong support for council’s role in supporting community wellbeing has not been canvassed at a councillor level. It appears to exist at the local government officer to state government bureaucrat level. Support at the elected level of council needs to be seriously quantified before a new wellbeing focus is attributed to local government.

Council’s strength in supporting wellbeing is through the provision of physical infrastructure like tracks, parks, playgrounds and accessible beaches. From discussions with my community there is strong support for council to effectively, efficiently and reliably deliver traditional core services plus infrastructure before embarking on new wellbeing programs and initiatives.

“In all that people can do for themselves, the government ought not to interfere.”

Abraham Lincoln

Should you wish to speak further on any matters raised I can be contacted on 0421 320 669 or clr_jwalker@ccc.tas.gov.au

Yours Sincerely

Councillor James Walker

19/2/2023