

Thursday, 16 February 2023

OFFICE OF THE MAYOR

Sue Smith
Chairperson
Local Government Board
Future of Local Government Review
GPO Box 123
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Dear Madam

SUBMISSION TO FUTURE OF LOCAL GOVERNMENT REVIEW

Glamorgan Spring Bay Council would like to thank the Local Government Board for the opportunity to make a submission to the Future of Local Government Review Options Paper.

Council has discussed the matters contained in the Options Paper at a Workshop held on the 14th February 2023 and provides the following submission for the Board's consideration.

Yours sincerely,



Cheryl Arnol
MAYOR

GLAMORGAN SPRING BAY COUNCIL - SUBMISSION TO LOCAL GOVERNMENT BOARD

The elected members of Glamorgan Spring Bay Council (GSBC) have differing views on the potential pathways put forward by the Local Government Board as part of Stage 2 in the reform process.

The main concern is the lack of detail in relation to the direction of any of the pathways as well as the financial implications. The options paper is very short on detail in relation to the process and the costs to Councils.

Rather than offering an uninformed opinion on any of the pathways, this submission will focus on the broader concerns of GSBC elected members.

GSBC recognises that there is an appetite from the wider community to reduce the number of Councils that needs to be addressed if the report is to deliver the best outcomes from the latest round of reform for local government investigations.

It has to be recognised though that the established principles determined by the Minister for Local Government Tasmania are that reform outcomes should always;

- be in the best interests of the community.
- reserve and maintain local representation.
- ensure financial sustainability of local government organisations.
- improve the level of service for communities.

GSBC has been involved in several reform processes over the years starting in 2009 with a report into the potential merger of Break O'Day and Glamorgan Spring Bay that identified the desired outcome of being in the best interests of the community was not achievable and no recommendation was made by the then Local Government Board.

In 2016 there was a KPMG-led Feasibility Study into the formation of the South East Council which was rejected by Glamorgan Spring Bay. All the reports and investigations over the years have focussed on the question of optimum size and efficiency of local government.

Reports have investigated a range of options including shared services delivery, regional collaboration, boundary adjustments, and voluntary, forced and failed amalgamations, not unlike this round of shaping the future of local government.

If these outcomes cannot be achieved or guaranteed by reform or at least significant improvements made, it begs the question why GSBC should go through another costly reform process less than 6 years after the last one for this local government area.

It is disturbing that many of the pathways for structural reform have been tried and in some cases tested with little success and yet local government is being asked to look at it in another lengthy potential reform process. Examples of well-functioning councils being merged with poor

functioning councils in Queensland and NSW have not always created a bigger and better Council and some are now going through costly de-mergers or de-amalgamations.

Local government is a sector that has significant financial pressures placed on it that then flows over to rate increases for our communities. There is no detail in this Stage 2 Options paper as to what reforms will cost individual councils or the sector as a whole. There does not appear to be any financial data available that provides certainty that economies of scale will be a success.

It is hoped that the report due at the end of March will provide an opportunity for Council to reach an informed opinion on the future of our local government area.

There is no doubt that the stakeholders in local government want a system that meets the future needs of our communities, but it doesn't necessarily follow that it is a one-size fits all for the 29 Councils with varying needs.

Boundary consolidation to achieve fewer, larger councils, may have merits. Again it is important that the aforementioned Minister principles are the ultimate outcomes of boundary consolidation. The opinion of Glamorgan Spring Bays community through historical consultation on amalgamation/mergers, as recently as 2018 needs to be recognised and carefully considered.

A major issue for communities is the loss of local representation and services transferred to a central office and yet the paper suggests that there is agreement from the sector that

- The status quo is not an optimal or sustainable model for the sector as a whole, given growing demands, complexity, and sustainability challenges;
- Some form of consolidation is necessary to deliver greater economies of scale and scope, at least for some services; and
- The scale and extent of the consolidation needed to deliver significantly better services will not occur on a purely voluntary basis within the current framework

It is hoped that the paper due out in March will address the reasons for the various opinions expressed in the dot points and provide financial modelling to support the 'agreement from the sector'.

It will be important for the reform outcomes to not deviate from, or have a negative impact on, the four established principles. If it does, the Board and sector is likely to fail in yet another round of local government reform discussions.

There have been discussions at various levels in Tasmania about the establishment of expert panels to make determinations on planning applications. That system operates in other States where a panel sits across a number of municipalities and elected representatives sit alongside highly credentialed planners, architects etc. Planners still work within each Council and approve the compliant application and refer the non-compliant applications to the panel. Council sees this as a reform initiative that would be easy for the Government to implement with significant positive outcomes. Other areas of shared services that Council believes can relatively easily and effectively be reformed are, information technology and human resources. Such a reform initiative may have implications for council as a Planning Authority, but this does mean the matter should not be considered.

Our communities need and deserve a vibrant Council that can meet their everyday needs. It is important that this reform agenda addresses that need in the most cost effective manner possible.

GSBC has been steadily working towards a sustainable financial model that provides best practice asset management plans through the long term financial management plan and budgeting process. GSBC has not had the benefit of the significant base grants under the State Grants Commission process that our neighbours and other Councils receive and yet with sound financial planning we have set our Council on a path to sustainability and service provision.

GSBC manages two medical practices in the municipality and subsidises a third. In a recent visit to Council, Minister Nic Street mentioned that the appropriate levels of Government need to take over services that rightly belong in their remit. Provision of medical services by Local Government is an obvious example.

Until the sector is provided with the financial modelling that drives the three potential pathways, GSBC is not able to make any definitive decision as to a preferred option.

It is expected that the June final report will provide costings for implementing the recommended reforms. In the longer term GSBC would like to see some form of KPI's to measure the success or otherwise of the reform implementation.

Thank you for the opportunity to provide this submission.

