KING ISLAND COUNCIL

The Hon Sue Smith AM
Chair
Future of Local Government Review Board
c/o Department of Premier & Cabinet
GPO Box 123
Hobart TAS 7001

20 February 2023

FUTURE OF LOCAL GOVERNMENT REVIEW

King Island Council appreciates this opportunity to provide feedback and comment on the options paper presented in the Future of Local Government Review. Our elected members and staff appreciate the volume of information made available through this process, as well as the opportunity to engage with the review online.

Section 2 - Enduring importance of local communities

The Board clearly articulates in this section that local government plays an essential role in enabling community and wellbeing. King Island Council agrees with this sentiment and trusts that the Board will keep this front of mind in making their recommendations to the Minister next month.

Section 3-The future role of Local Government

Proposed Role Statement for Local Government

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

In responding to this item, we note that transfer of planning to a regional or state-wide entity has been widely discussed during this process. King Island Council would like to highlight the importance that our community and our councillors place on our ability to inform planning decisions locally. Having councils taken out of the decision-making process for planning is not something that we are able to support with the information available to us today.

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

The Board suggests that "infrastructure and services should be delivered at a regional or state-wide level if it is more effective and efficient to do so". It is King Island Council's experience that it will almost always cost more to provide services in isolated and remote areas. If State Government determines that it is more effective and efficient to leave or transfer responsibility for infrastructure services at a local government level, there should also be allowance made in the funding of Councils to deliver these services.

#3 Representing and advocating for the specific needs and interests of local communities in regional, state-wide, and national decision making

The Board suggests that councils could play a carefully defined role in place-shaping. King Island Council notes that this role is essential for small and remote councils, where Federal, State and even regional decision makers can have limited understanding or direct connection to community. We are keenly aware of the need to speak on behalf of our community and of the resources it takes to do this effectively. There is often more need for small councils to be the voice for their community and for a small number of staff to become expert in a broad range of topics. For example, over the last three months alone, King Island Council has identified a need or been directly requested to review and provide feedback on the Tasmanian Draft Waste and Resource Recovery Strategy and Draft Tasmanian Salmon Industry Management Plan, to provide input on proposed Environmental Impact Plans on two separate oil and gas exploration activities immediately off King Island's shores, to consider the Federal Government's Aviation White Paper terms of reference, and make comment to Federal Government regarding the introduction of mandatory country of origin labelling for seafood sold in restaurants and other hospitality settings.

King Island Council believes that recognition of this important role should be acknowledged through appropriate funding by State and Federal Government of councils to sufficiently resource this function and act as a true voice for their communities in providing information to policy makers in other tiers of government.

Section 4: Reform Outcomes

King Island Council has reviewed and considered each of the outcomes proposed in the options paper, with the key themes being:

- Delegating responsibility to or mandating new responsibilities for local government authorities must be funded if they are to be successful – this funding can not be through rates alone
- Shared services or cooperative arrangements between councils must allow for the different requirements and context of each community involved if they are to be successful
- The cost of delivering services in remote areas is almost always higher, particularly for infrastructure services, and these costs should be amortised across the state rather than covered by the rate payers in those remote areas
- Creating a level of standardisation and considering combined workforce planning across local and statement government could be of benefit to the Tasmanian community

Comment on each of the eight outcomes is provided below:

Outcome #1 : Councils are clear on their role, focussed on the wellbeing of their communities and prioritising their statutory functions

King Island Council sees benefit in the creation of a Local Government Charter.

With regards to undertaking Community Impact Assessments (CIA) we note that this will require additional resources, including staff, time and data. Should this requirement be mandated, it should also be funded and resourced appropriately. We further note that community impacts cannot always be quantified and that any framework created for the standardisation of CIAs should allow for the intangible and qualitative community impacts to be captured as well.

Outcome #2 : Councillors are capable, conduct themselves in a professional manner, and reflect the diversity of their communities

We look forward to being part of a more detailed conversation around this item.

Outcome #3 : The community in engaged in local decisions that affect them

When considering a "public facing performance reporting, monitoring and management framework", Council notes the different community requirements and expectations around the state, as well as the various levels of capability and resource available to local government authorities. We suggest there could be benefit, if this outcome is mandated, in creating a minimum standard framework that makes implementation simple for those councils with insufficient resources to create such a framework in-house. The framework design should also be mindful of and allow for the variance in how different councils categorise and record data. As noted before, councils will need to be enabled in accessing the resources needed to achieve these outcomes, whether that is data, systems, or funding for staff or contractors.

Outcome #4 : Councils have a sustainable and skilled future workforce

It is noted and appreciated that the Board are considering workforce planning in this review. Council reiterates the need for residents to have face to face access to council staff within their communities to allow for the different styles of engagement required by residents. Establishing "virtual" regional teams might provide benefit for regulatory staff, but the design of these teams must be mindful of the workload of each of its members and the increased efficiency that can be achieved when regulatory staff are placed within the communities they service.

The options paper provided and the conversations Council has been part of to date have not addressed how amalgamation or mandating shared services might impact on the local government workforce. Requiring existing staff to relocate or significantly change their role and responsibilities to align with such large scale changes could lead to a significant departure of staff from the sector. The loss of knowledge and experience at a time of such change would make the process of change far harder to implement successfully.

Outcome #5 : Regulatory frameworks, systems and processes are streamlined, simplified, and standardised

Transferring the role of planning authority to a regional or centralised body has been discussed in a number of the online workshops and briefings attended by King Island Council representatives. As mentioned above, King Island Council sees immense benefit in local elected members maintaining a key role in decision making about local development and land use. Should the Board and Minister for Local Government determine that councils will no longer hold the role of planning authority, we stress the need for the voice of local government as elected representatives of our communities to be included in the assessment process.

With regard to delegating planning decisions Council notes that there are occasions that delegating decisions to staff does not avoid conflicts of interest. An example might be a development by Council itself. Currently, planning authorities are only permitted to delegate a decision to an individual in their employment. Providing planning authorities

with the ability to delegate individual decisions to an alternative body where the complexity or potential conflict of interest requires, could improve this situation.

Outcome #6 : Councils collaborate with other councils and State Government to deliver more effective and efficient services to their communities

King Island Council is broadly supportive of shared services as a way of improving the service provided to local communities, by both local and state government.

King Island is a member of the Cradle Coast Authority (CCA) and has engaged in a number of regional initiatives, including contributing to the development of the current Regional Futures Plan. It has proven difficult for King Island to fully engage in delivery of this plan, in part due to our physical separation from the rest of the CCA members. There are obvious arguments against assigning King Island Council's limited resources to projects that will have little direct benefit to our community, and similar arguments against other councils contributing resources to developing a project that will only directly benefit King Island. This balance must be considered in creating any regional shared service model. To be clear, we do not see amalgamation as resolving this issue, it would simply remove a voice from our community and leave our residents competing more directly with other rate payers in a larger council area.

Service Tasmania are currently located within Council's offices in Currie, King Island. While this is currently a simple co-location arrangement, both parties are open to considering additional sharing of service in the future, such as the front counter services suggested in the options paper. Any sharing of services in this respect should be funded, with Service Tasmania supported and funded by State Government to charge fees on a cost recovery basis rather than cost plus. Where provision of service in remote areas is higher, the Board and State Government are encouraged to consider amortising that cost across the state, rather than making the relevant council or resident pay more to account for their location, as they have exemplified with TasWater.

Membership of the Cradle Coast Waste Management Group (CCWMG), a regional waste management operation led by Dulverton and including seven of the nine councils in the CCA, has been considered by King Island a number of times. To date, it has not proven cost effective for King Island to join this group, as the cost of shipping waste and recyclables to mainland Tasmania has been prohibitive vs the cost of sending waste to landfill. The changing landscape of waste management and resource recovery means that Council is again considering membership of this regional initiative. We would stress, however, that if King Island had been mandated to join CCWMG at its inception the cost to our ratepayers would have been extreme. In light of this, we ask that the Board consider appropriate funding to be made available with any mandated shared service, making allowance for the fact that most physical services will cost more to deliver in remote areas than those in close proximity to the base of operations.

On the occasions that King Island has explored shared services with another council, it has been determined each time that it does not offer value for money or improve the standard of service provided to our community. When considering a shared finance service with a larger urban council, King Island management could not be assured that the King Island workload would be completed in instances where the larger council had an increase in their own workload or a change in staff, and so this was not pursued. When considering a shared regulatory role with a similar sized council, the cost of facilitating a part-time in-person presence at both Council offices proved impossible for either Council to justify.

We offer these as examples of the complexity of shared services, especially for small and remote councils. While King Island Council is supportive of shared services broadly and agrees that mandating these for specific functions could be beneficial, we ask that the Board are mindful of the specific needs and context of each and every community in the State.

Outcome #7 : The revenue and rating system efficiently and effectively funds council services

King Island Council notes that providing services to remote and regional locations is always more expensive than providing services to large, urban centres. Further to this, low and dispersed populations often result in less opportunity to raise revenue through rates. These points are inarguably applicable to King Island but are certainly not unique to it.

During conversations with the Board and with the Minister for Local Government, Mr Nic Street MP, there has been general awareness of the divestment of responsibility to Local Government by State and Federal Government in a range of areas. It is very rare that this transfer of responsibility is accompanied with appropriate ongoing funding and resourcing for local government authorities to effectively deliver the resulting obligations. We understand this to be the experience of most, if not all, of the 29 councils around Tasmania.

As representatives of a small community with a different context than much of the rest of the state, King Island Council is often required to do more than its mainland counterparts. During the response to the COVID-19 pandemic, for example, Council was required to advertise King Island-specific restrictions for travel to and from and movement around our Island. Rules were written in Hobart or Burnie, but it was up to Council staff to create the content for distribution to the community. Council was also called upon to endorse or support exemptions for travel to and from the Island, something that few other councils had to consider, and took on the role of Department of Communities in overseeing COVID isolation accommodation. With the volume of information and constantly evolving rules as the world came to grips with the pandemic, the excellent staff on the Tasmanian COVID hotline were not always aware of the specific requirements for King Island, which led to much confusion in our community. As such, council staff became de facto sources of information in our community for the rules applied to our Island, increasing our workload at a time that was already impossible.

King Island Council is unanimous that any delegation of responsibility to local government should be funded by the state, not by the ratepayers. In this way, the cost of servicing remote and low population areas can be amortised across the entire population, as it is when delivered directly by State Government.

In reference to "increasing awareness and understanding of the methodology and impacts of the State Grants Commission's distribution of Federal Assistance Grants", representatives from the State Grants Commission will be visiting King Island in March 2023 and we welcome the opportunity to be involved in this process.

Outcome #8 : Councils plan for and provide sustainable public assets and services

With regard to standardising core asset management systems, process and software across councils, King Island Council welcomes the suggestion that councils be supported in this endeavour. We do ask, however, that standardisation be balanced with reflecting the particular requirements and context of each council.

When suggesting requirements for councils to undertake and publish "full life-cycle cost estimates" and undertake regular service reviews, we note the time and resource required to complete such tasks and ask that the Board again consider appropriate funding for these additional requirements when making their recommendation to the Minister.

Council notes that none of the outcomes specifically reference boundary adjustments or amalgamation and welcomes the focus instead on shared services and clarifying the role and responsibilities of councils. In considering the suggestion of amalgamation, King Island Council – both its staff and elected members – cannot identify a situation in which amalgamation of our council operations or elected representation with any other LGA would result in improvements for our community. Should the Board and the Minister determine that amalgamation is a path that should be pursued for the King Island community, we would stress the importance of maintaining a permanent on-Island presence that residents can engage with face-to-face and reiterate that a local voice is vital to advocating for and representing the needs and opportunities of our community.

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

King Island Council welcomes an approach that improves capability and capacity across the state, within local government staff, elected members, and through collaboration with state government departments. We look forward to being part of this conversation as the Board and Minister progress this project.

The Board comments that 52% of Tasmanian councils are forecast to have a declining population over the next 20 years. King Island Council notes that the official forecast for our Island is a declining population, but suggests that the imminent re-opening of the scheelite mine in Grassy and the extensive investment in tourism and hospitality ventures on the Island will actually lead to an increased population in this time period.

Within this section, the Board notes feedback that, in rural and remote communities, councils can feel compelled to act as the service 'provider of last resort'. King Island Council fully agrees with this statement. A lack of on-Island staff for State and Federal Government Departments means that Council becomes the first point of contact for any government-related query a resident may have.

Further to this, councils are often in a position to advocate on behalf of their communities and this obligation is no lighter in small councils than in large councils. In fact, it can be argued that small councils are more relied upon by their community in these situations because there are fewer other government and non-government organisations present within the community to share their voice.

In response to the suggestion that councils need to be "big enough to be effective" and what should be considered if council boundaries were redrawn to achieve this, we accept there may be examples within Tasmania where a redrawing of boundaries will better reflect the way these communities have evolved since the council boundaries were drawn. However, this should not be done with the objective of reducing the total number of councils. We suggest that the economies of scale larger, amalgamated councils may enjoy could be achieved as easily and efficiently through strategic sharing of services and standardisation of systems. Procurement of services on a state-wide or regional level with costs amortised between member councils would significantly improve the ability of smaller and more remote councils to efficiently meet the needs of their residents, in many cases without noticeable cost to the larger, urban councils. Centralised provision of back office tasks, such as IT support and payroll, would provide a better overall outcome for the sector. And most importantly, communities would retain their voice through locally elected representatives, with community-facing staff placed within the communities they are servicing.

Finally, the Board suggests that in considering amalgamation, small rural councils may be treated differently. There are already significant differences in the level of service provided by different size councils. Creating a situation where there are fewer, larger 'mainland' councils and a small handful of small, remote councils, runs the risk of further increasing the gap in service provided by large councils vs small councils. In light of this and based on the information made available to us so far, King Island Council is not supportive of amalgamation as a preferred framework for the future of local government in Tasmania.

We trust that this submission will assist the Board in their preparation of recommendations for the Minister and look forward to being part of the next stage in this process.

Yours sincerely

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