



17th February 2023

The Hon. Sue Smith AM
Chair – Local Government Review Board
Via Email: lgboard@dpac.tas.gov.au

Dear Chair

Re: Local Government Board – ‘The future of local government review – Options Paper (Review Stage 2 – December 2022)’

The Southern Midlands Council has considered the Board’s Report and has taken this opportunity to provide comment in response to some of the issues and questions posed in the Options Paper.

This submission records the comments made through a Council workshop process and subsequent input provided by Councillors.

This Options Paper is divided into seven sections. Draft comments are provided in response to each:

Section 1- The journey so far – information only.

Whilst no specific comment is required, the following dot points reflect Council’s discussion:

- Council noted the limited number of submissions received, both from within local government and external. This level of input (or interest) does not seem to reflect the importance that is being placed on the whole issue of (and need for) local government reform by the State Government and/or the Board.
- Minimal feedback from the community is due to lack of awareness
- Survey of almost 500 Tasmanians (aged 16 – 44) – is a very limited focus group - is this number of surveys sufficient to obtain an accurate reflection and be statistically valid?

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- Median age for the southern midlands is 44 (median age of the postcode 7120 is 52) – a large proportion of our Municipality not captured (i.e. median age outside the survey range)
- No information available regarding the outcomes of the various consultation sessions and workshops. The paper mentions 33 ‘divergent views’ – no detail.

Section 2 – The enduring importance of local communities

The commentary provided in this section of the report does not require any specific response however; the following key statement is highlighted in this section:

“The adaptation of local government to meet changing community needs is not just desirable, it is essential”.

From Council’s perspective, the need to adapt is an ongoing issue that Council is already responding to through regular review of its Strategic and Operation Plans. These changes are influenced through a range of community consultation forums and direct feedback.

A number of examples were cited in Council’s previous submission to indicate its preparedness and ability to respond to changing community needs.

Section 3 – the future role of local government

3.1 Breaking down councils’ roles and functions

For information, the reference to the model adapted from the *Brighton Council’s 2050 Vision* is very similar to the model adopted and reported in the Southern Midlands Council’s Strategic Plan (refer attached extract). The SMC’s plan also seeks to identify the potential partnership options and relationships.

The Options Paper indicates that there is support for developing a Tasmanian Local Government Charter which would be included within the Local Government Act.

As a principle, any documentation that can provide clarity and raise awareness of the role and responsibility of local government for communities should be supported. In addition, support is provided for the Charter to include detail to clarify the relationship, roles, and responsibilities of local government in relation to, and in collaboration with, other spheres of government, particular around funding.

Having said that, the level of detail which would be required to draft a Charter that is meaningful and provides the desired level of clarification (and allocate funding responsibility) would be considerable and no doubt mean another lengthy formal review process. History has shown that the extent of work that went into the review of the financial relationship between State and Local Government extended over a long period of time.

3.2 Supporting wellbeing – ‘core business’ for local government

The commentary provided in this section of the report does not warrant any specific response.

3.3 Strategic, structured, and sustainable partnerships

There are numerous examples whereby partnership arrangements have delivered improved outcomes and benefits for the community. These include single project partnerships (e.g. funding of significant capital projects such as the Oatlands Aquatic Centre and refurbishment and reconstruction of the 1837 Callington Mill). There are many other ongoing relationships for the provision of health and wellbeing programs; and community services in general.

Consultation Questions:

Which of the four core roles of councils needs more emphasis in the future? Why?

- This question infers that Councils are not doing well in these areas. Further detail, or evidence, is sought.
- The need to be a ‘service provider’; ‘regulator’; facilitator’ or ‘advocate’ will vary significantly between individual councils; will consistently change; and be influenced by local circumstances.
- A simple assessment of the roles (and focus) between urban vs rural is evidence of the above.

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?

- The delivery of functions and services is influenced by ‘local knowledge’ and through consultation with communities. It is suggested that direct feedback will inform a Council if it is delivering services that they shouldn’t, or alternatively, be funding services that should be, or can be better provided, by another level of government or service provider.
- Concern raised that organisations are being funded to provide services within the southern midlands that are not delivering
- Councils do however need to be conscious of long-term financial impacts and ability to resource services on a sustainable basis

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

- The need to respond and recover from natural disasters is becoming more evident. Local Government could certainly benefit from additional resources in this area.
- Community Services – particularly youth and recreational

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?

- This is an extremely broad question.
- In order to respond, Council considered the definition of 'community wellbeing':

“Community wellbeing is the combination of social, economic, environmental, cultural, and political conditions identified by individuals and their communities as essential for them to flourish and fulfill their potential.”

- In terms of what Council is currently contributing, following examples were recorded to demonstrate Council's contributions:
 - o Oatlands was named the overall winner for the 2022 Tasmania Sustainable Communities – Tidy Town Award. The award is for demonstrations of sustainability, care for the environment, pride in amenities and facilities and community spirit and inclusiveness.
 - o delivery of a range of Arts and Cultural programs;
 - o Council Community Small Grants Program - From an historical perspective it is interesting to note that since the inception of the Southern Midlands Community Small Grants Program in 2007, Council have paid out to Community Groups through this Program \$397,697.00, supporting \$1,264,410.00 worth of Community Projects. School Holiday programs – coordinating programs and providing transport assistance due to remoteness and lack of public transport
 - o Senior Week Activities, Encouraging Active Ageing - These activities provide opportunities for our community to participate in activities that provide them with social benefits, allowing them to socially interact, be part of a community and develop close relationships.
 - o Southern Midlands Council was responsible for the initially establishment of Rural Alive and Well Inc. (RAW) and continues to provide financial and 'in-kind support' – this organisation supports individuals, families and rural and remote communities to build resilience and capacity to be navigate challenging life circumstances. RAW has now been reaching out and providing assertive outreach for over 13 years across Tasmania. It is a unique suicide prevention program.

As a final comment, having examined each of these questions, Council did ask how structural reform will enhance the ability to address these circumstances.

Section 4 – Reform outcomes

The Board identifies eight reform outcomes:

Reform Outcomes	Comments
<p>Councils are clear on their role, focused on the wellbeing of their communities and prioritising their statutory functions</p>	<p>Support for a Local Government Charter on the basis that it provides clarity and identifies responsibility for funding.</p> <p>A Charter does however appear to be a retrograde step going back to the period prior to the 1993 legislation. During the development of the 1993 Act, the focus was on reducing the level of prescription and providing Council with enterprise powers (Section 20) to enable it to carry out a range of functions in order to respond to community need (not dissimilar to what the Board is aiming to achieve now).</p> <p>In the absence of greater detail, Council is unable to comment in regard to the proposal to require Council's to undertake a 'Community Impact Assessment' for significant new services or infrastructure (assuming that some form of regulatory requirement is envisaged).</p> <p>Will this be expanded upon in Stage 3?</p>
<p>Councillors are capable, conduct themselves in a professional manner, and reflect the diversity of their communities</p>	<p>In general Council is not in favour of mandatory training. Each Council should however facilitate and ensure that reasonable training options are available to elected members depending upon need and individual circumstances.</p> <p>Any mandatory training should be uniform across both State and Local Government. If deemed unnecessary for State elected members, then Council is strongly opposed.</p> <p>Number of Councillors representing a council area – Southern Midlands has undertaken a voluntary review in the past</p>

	<p>resulting in the reduction in the number of elected members to 7. Remuneration is outside the scope of local government.</p> <p>How - Question raised by Council: To try and ensure that Councillors reflect the diversity of their communities, is this inconsistent with the principals of democracy?</p> <p>The key issue is here is to ensure that no reasonable barriers exist to prevent or deter nomination.</p>
<p>The community is engaged in local decisions that affect them</p>	<p>Fully support the principle of engaging the local community in decisions that affect them which is a current practice.</p> <p>General support for the introduction / implementation of a performance reporting and benchmarking system on the basis that it would add value and complement existing reporting (e.g. CDCS). Support is however subject to a cost/benefit analysis to assess the value of performance reporting, compared to the actual cost to prepare reliable and robust information for benchmarking.</p>
<p>Councils have a sustainable and skilled future workforce</p>	<p>The current skills shortage is not limited to local government. It reflects the current environment and possibly the lack of planning by other levels of government.</p> <p>Council has introduced and maintains a very flexible employment 'mix' combining full-time; part-time; contract; casual and resource sharing arrangements (both provider and receiver). These arrangements are extremely efficient, cost effective and ensures that Council can readily adapt to changing needs and circumstances.</p>

<p>Regulatory frameworks, systems and processes are streamlined, simplified, and standardized</p>	<p>The Southern Midlands Council strongly opposes any proposal to establish a regional planning authority (or similar). Statutory planning should be the responsibility of the local authority. Similarly, strategic land-use planning should also be done at the local level and is an absolutely critical role of local government.</p> <p><u>External referral body</u> Council thinks there is a role for an external assessment body (e.g. another Council or skills based entity) for some applications where:</p> <ul style="list-style-type: none"> - Council is the applicant or has had a significant role in advancing the proposal. - there is potential for conflict of interest <p>The question was raised as to who would fund this proposed Tasmanian Government appointed panel? Would it be funded by the State or based on a 'user-pays' system?</p> <p>Major project (i.e. State) assessment options are not currently attractive to developers due to long time frames and uncertainty.</p>
<p>Councils collaborate with other councils and State Government to deliver more effective and efficient services to their communities</p>	<p>Agreed.</p> <p>In terms of increasing integration (including co-location) of 'front desk' services between local and state governments at the community level, it should be noted that:</p> <ul style="list-style-type: none"> - Service Tasmania is already co-located at the Council's Oatlands Office. - Tasmania Police is also co-located at Council's Kempton Office.

	<ul style="list-style-type: none"> - A significant percentage of SMC employees are active volunteers with TFS and SES (or both)
<p>The revenue and rating system efficiently and effectively funds council services.</p>	<p>General agreement with all comments provided in relation to this reform outcome.</p> <p>In terms of achieving an equitable distribution of the rates liability, there is an urgent need to review the existing 'Exemption from rates' provision within the <i>Local Government Act 1993</i> to ensure that all entities contribute equitably to the funding of services (e.g. charitable organisations).</p>
<p>Councils plan for and provide sustainable public assets and services</p>	<p>Whilst there is merit in standardising asset lives for performance benchmarking and consistency. This is however inconsistent with, or in opposition to, the engineering perspective that asset lives vary depending upon a range of factors, including level and type of use; terrain; climate; and a range of other considerations.</p> <p>Publishing of 'full-life-cycle' cost estimates for new infrastructure projects – it is assumed that this requirement would include a dollar threshold or relate to a percentage of revenue (or similar). Any requirement to publish should be limited to electronic means as there is clear evidence that publication in local newspapers does not achieve anything (i.e. few persons still read the hard copy of 'Notices Section' local Mercury newspaper).</p> <p>Regular service reviews for existing services - agreed in principle</p> <p>Asset management systems, processes and software – agreed 'in-principle' subject to a cost/benefit analysis.</p>

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

5.1 Anticipating future needs

Based on the report, it is clearly apparent that the Board is focussed (and concerned) about the more regional and remote communities. It states that many of these councils have the lowest levels of structural sustainability, capacity and capability.

Whilst the Board suggest that there is broad agreement from the sector that the status quo is not an optimal model for the section as a whole given the growing demands, complexity and sustainability challenges local government is facing, this is not a view shared by the Southern Midlands Council.

As stated in its earlier submission, Council does not support any form of merger (or major boundary adjustment). Council has created a strong and cohesive 'brand' and 'community of common interest' since the creation of the municipal area in April 1993 and the community's expectation is that this will be maintained. The Southern Midlands being an amalgamation of the former Green Ponds and Oatlands Councils, and the rural areas of the previous Brighton and Richmond Councils.

This position is based on the firm belief that it has the resources, ability and structure that can readily adapt to future community needs and changing circumstances. In fact, the Southern Midlands has demonstrated on numerous occasions that it has been proactive in a number of unique areas and activities. A prime example being management of the vast array of heritage assets that exist within Oatlands and the surrounding areas.

Council is extremely concerned that large or significant boundary adjustments will impact on its ability to maintain strong connections with its existing communities. Localised democracy, being a strength of local government, will be lost.

Any proposal impacting on the southern midlands will not be supported (voluntarily or otherwise) unless there is clear evidence (based on reliable and robust information) that confirms significant improvement and benefit.

5.2 Emerging capability gaps

Again, the focus seems to be on smaller councils, particularly in rural and remote areas.

In relation to the four 'capability gaps' listed in the Options Paper, Council has already been able to ensure that any skills shortages are addressed through existing resource sharing arrangements (not mandated) which include the following"

- Animal Control – SMC providing services to the Central Highlands Council
- Development Engineering – Brighton Council providing development engineering services to SMC

- Heritage Project Management – SMC providing services to the Derwent Valley Council
- Land Use Planning – SMC providing statutory land use planning services to the Central Highlands Council
- Plumbing Surveying – SMC providing relief services to the Brighton Council (and vice versa) and to the Glenorchy City Council for a period of time that it experienced a shortage;
- Strategic Land Use Planning – SMC providing services to the Central Highlands Council
- Development Services and more recently, the Tasman Council

Having said that, it is acknowledged that there is a severe shortage of resources relating to the enforcement of building and plumbing regulations. This purely relates to the current work environment where there is evidence of shortages across a range of professional and skilled services.

5.3 Building capability the benefits of consolidation and scale

The Southern Midlands Council does not agree with the Board's statement that it is necessary to reform Tasmania's local government system to enhance capability and capacity across the sector so that councils can provide or advocate for the quality services and facilities communities, need, expect and deserve.

Council, with full support of its community (including significant funding contributions), has demonstrated that it is more than capable of advocating for the local community where a particular need has been identified. There is a major risk that wholesale reform will lead to a loss of community involvement and preparedness to develop local solutions.

Consultation questions:

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

- No - This is a meaningless question posed by the Board.
- Can the Board clarify or explain the difference between 'contemporary Tasmanians' and 'other Tasmanians'?

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?

- History suggest that maintaining sense of 'place' and 'commonality of interests' is a major factor to retain the 'local' in local government.
- This is not necessarily influenced simply by a minimum population number or budget.

- A Council needs to be 'small enough' to have an intimate knowledge of its community, particularly relevant when looking at its ability to increase revenue (i.e. rate setting) and factoring in the ratepayers 'capacity to pay'

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?

- Refer comment provided under question 2

It is however evident from the Board's paper that it has concluded that amalgamation, provided it is well planned and properly supported by the State government, is essential. The only issue that the Board has identified as being in doubt is determining the size and scale in order to achieve the economies of scale without placing at risk 'loss of community'.

Section 6 – Structural reform – three potential pathways

The Board has identified three reform pathways:

1. Significant (mandated) sharing and consolidation of services

To some extent, consideration of this pathway is premature pending the finalisation of the roles and responsibilities of local government referred to in section 2.

In reference to the range of alternative models, Council believes that the first three components' are the most efficient and cost effective, with the model enabling the provision via a regional organisation of councils being supported where it is evident that this model will enhance compliance; improved services and outcomes for the community. Accountability to the community must be a key factor.

As identified by the Board in relation to a point of caution when assessing **infrastructure and service delivery**. If a regional/sub-regional model (or other model) is considered for the provisions of services, the Board needs to be conscious that the local authority must retain sufficient resources (both human and physical) at the end of the process to satisfy its remaining obligations and be able to respond to local needs.

It is apparent that the Board has shifted away from its position referred to in its earlier paper that refer to 'local approaches'.

2. Boundary consolidation to achieve fewer, larger councils

The Southern Midlands Council has previously stated its opposition to significant boundary consolidation. This position is supported by numerous studies undertaken in the past.

Again the Board is encouraged to consider the report entitled 'Independent Review of Structures for Local Governance & Service Delivery in Tasmania'. It is noted that this

report, prepared by an independent panel consisting of Ms Jude Munro AO (Chair), Mr Saul Eslake; and Mr Stephen Haynes, was commissioned by the Southern Tasmanian Council's Authority.

Whilst this report was focussed on southern Tasmania, the commentary and findings within the Report are relevant to the State as a whole. In particular, referral to the State Grants Commission and the need to review its methodology for the distribution of the FAGS should be a focus of the Review Board when considering financial sustainability. Any proposed changes to the structure of local government should be modelled by the State Grants Commission as part of the decision making process.

The Board is encouraged to examine the entire report, '*Chapter 5 – Evaluation of the Options*' which is included as an attachment to this submission to highlight some of the independent panels' findings and to substantiate the position of the Southern Midlands Council.

3. A 'hybrid' model combining service consolidation with boundary reform

No further comment warranted at this point of time

Conclusion:

In terms of concluding comments, Council is extremely concerned that decisions may be made in the absence of any robust Business Case that will demonstrate and prove any benefits to rural ratepayers.

More specifically, the impact of merging rural Councils will result in the loss of locally based employment opportunities which will then impact on the sustainability of rural towns and villages.

A handwritten signature in black ink, appearing to read 'E C Batt', with a long, sweeping underline that extends to the left and then curves back under the name.

E C Batt
Mayor

**Towards improved local government in
southern Tasmania -
The Southern Tasmanian Economy and
Local Government reform**



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Southern Tasmania



Evaluation of the options

As noted in the previous chapter, the panel was greatly impressed by the quality and range of comments received on the four options published in late August. The following brief evaluation outlines the panel's general comments on each of the options, which underlie the recommendations of this report.

Option 1 – Status quo with shared services

This option sought to respond to the views, often expressed in local government, that a more coherent framework of shared services between councils would avoid the need for amalgamation, as it would achieve the economies of scale of shared service provision, while maintaining the local diversity of smaller scale elected councils.

While congratulating the many councils that have, to some degree, developed shared service models between council areas, and while encouraging their continued efforts in this regard, the panel does not believe that this model offers a solution to the long term needs of local government in Southern Tasmania, for the following primary reasons:

- The real opportunities for Southern Tasmanian councils lie in stronger integrated governance and strategic planning, which require much more than just a cooperative framework between councils.
- Long term and sustainable models of service provision are unlikely to be possible, especially for more complex and politically sensitive areas, through agreements across councils.
- Cooperative arrangements across council boundaries inevitably require the establishment of administrative arrangements that develop their own bureaucracies that are not directly accountable to the community, which is not a principle of strong long term democratic accountability.
- On the other hand, resource sharing that operates on a contractual basis can be effective (that is, where a council is able to piggy back off existing contracts, or staffing resources, in other councils). The panel sees rural councils being able to do this with urban councils in particular, but only if it is financially advantageous to do so. The panel also believes that for such arrangements, which would oblige a larger urban councils to support rural councils through its resources and contracts, to be effective, they need to be mandated.



Option 2 – Single Southern Tasmanian Council

This option was put forward for the sake of showing a full range of possibilities in the options report, and the panel was surprised by the amount of support that it attracted from community submissions.

The panel nonetheless does not believe that this is the most appropriate arrangement for local government in the region, for a number of reasons:

- It is an inappropriate attempt to combine council areas with little real community of interest. The panel strongly believes that effective amalgamations can only proceed on a 'like with like' basis that distinguishes between urban and rural areas.
- Such a council would be of a size in the context of Tasmania that would rival the State Government, and would be unlikely to be considered appropriate by Parliament.



- The issues of communication and travel in rural areas for such a council would be significant, and it would add considerably to the costs of governance.
- There are few perceived benefits that would not also accrue under a less radical proposal such as option 3.

Option 3 – Greater Hobart and no change in rural areas

The panel believes that this model offers the most significant benefits to the region, and forms the basis of the recommendations contained in this report.

The principal grounds for this view include:

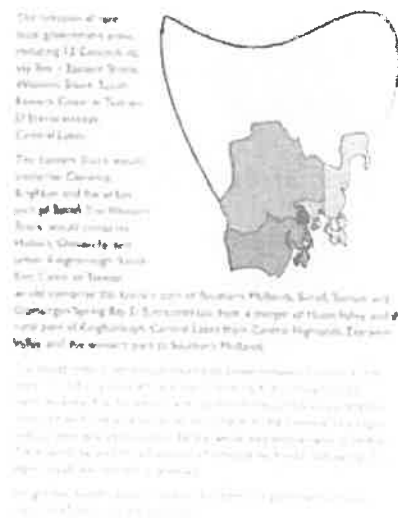
- The strength that the metropolitan area of Hobart would gain in advocacy for the region with the State and Commonwealth Governments.
- The opportunities that would flow from the better strategic planning and integration of projects and services across the metropolitan area.
- The greater potential to achieve the very best professional and political representation to service the needs of Hobart.
- The cost and efficiency gains that would accrue from more professional council administration and an increase in the skills of local politicians.



Option 4 – Eastern and western shores and rural mergers

This option picks up on a traditional perceived divide between the eastern and western shores of Hobart. On balance, the panel did not support this divide as a basis for local government restructuring in Hobart for at least three reasons:

- A merger between Clarence and Brighton on the eastern shore and Hobart, Glenorchy and Kingborough on the western shore, would not achieve a great deal in terms of financial benefits for the disruption involved.
- Such a divide in Hobart would miss out on the many benefits noted above from a single metropolitan perspective for the whole of the metropolitan area.
- There was surprisingly little public support for such a divide and a significant number of responses that suggested it was no longer appropriate for Hobart.



The concept of rural mergers was relatively popular in community responses, but the panel remains cautious and has not recommended such mergers at this stage for the following reasons:

- It believes that there needs to be a separate and targeted review of the special needs of rural councils, as simple mergers may not solve their longer term needs, and may even exacerbate them.
- It believes that a reform program should be considered in stages, and that the most significant gains initially will be found in metropolitan Hobart, with potential flow-on opportunities for rural councils becoming evident as a consequence of this change.