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Local Government Board
 Future of Local Government Review
 Phase 2 Submission

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To whom it may concern,

RE: FUTURE OF LOCAL GOVERNMENT REVIEW – PHASE 2 SUBMISSION

Thank you again for the opportunity to provide feedback to the Future of Local Government process.

On behalf of our Council, I provide a brief submission which responds to the consultation questions outlined in the Future of Local Government Review Stage 2 Options Paper (December 2022).

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

	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

Council will always have to attend to each of the roles as identified in the table above. The nature and degree of its activity in each role will be situational and in many respects depend on the services which the industry will deliver in the future.

In regards to additional emphasis, funding to assist service provision is critical. Often requests for additional services do not come with additional financial support. The State Government need to consider this issue in greater detail and appropriately resource services that are being shifted to local government.

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?

Our Council does believe that there is general community support for councils continuing to deliver their current range of functions and services. Most Councils will have community surveys that indicate the relative importance and quality of services as assessed by the community. These documents would be useful references for the Board in their research.

There is little faith that the State Government can provide services in a more efficient and effective manner than what is currently delivered by local government. Highway maintenance, or lack thereof, is a good example. Similarly, the underresourcing of government services critical to local government service delivery are a major concern. The establishment of Taswater has done little to increase community satisfaction, with pricing far higher than under Council operation.

The current reliance upon Councils, (by the dearth of leadership from State and Federal government) for Coastal erosion adaption investment in works is not a service that Council should inherit or gain. Partnerships between Council, State and Federal governments are the only way that communities will successfully adapt. The current policy position of state government of no physical intervention on coastal processes is not a sustainable or ethical one for established settlement areas around Tasmania that will face adaption challenges due to coastal erosion.

Local Government rating income Australia wide make up only 3.4% of total tax raised by all spheres of government[^]. The investment required for successful coastal adaption when retreat options cannot be accommodated cannot come from the very limited sources of revenue generation available to Local Government alone.

[^] [Australian Local Government Association Key Facts and Figures \(Link\)](#)

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

Community health and wellbeing is an area where Councils deliver a range of services and programs directly linked to community. Extensive networks and local knowledge places Council is a good position to impact general social determinants of health.

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?

Waratah-Wynyard Council has an adopted Community Health and Wellbeing Plan, setting out a five-year roadmap for promoting and improving the physical, mental and social wellbeing of our community. It is based on the following eight identified priorities:

1. Reducing isolation
2. Supporting mental wellness
3. Valuing difference
4. Reducing socio-economic disadvantage
5. Improving access to the basics
6. Supporting those living with illness
7. Reducing harms from alcohol, tobacco and other drug
8. Building resilience

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Council also plays an important role in building social capital.

To ensure consistency across the state, a clear directive, outlining precisely what Councils should undertake in relation to community health and well-being would be advantageous. In addition, increased funding to support these initiatives would be welcomed, preventing the discretionary nature of the actions from being overlooked due to cost.

Additionally, community wellbeing is underpinned and inextricably linked to good management of the environment and natural resources. Councils collaboration with the community in this regard with its Integrated Community Environmental Plan (iCEP) sets a good roadmap of aspiration, but it must receive funding support from other spheres of government for maximum impact.

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?

Council boundaries are irrelevant to most residents and visitors. That said, the stark differences in service levels and rating policies across Councils make the boundaries more relevant at present. The community travel across boundaries to work, live and recreate. In many respects the number of Councils in Tasmania has led to an oversupply or duplication of assets.

Consideration needs to be given to the balance between Council viability and the area and resources required to deliver services.

Council boundaries that run through urban centres should be rectified.

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 objectives of big enough to be effective and small enough to care are paradoxically opposed in that one relies upon economic rationalism while the other leans more upon social licence and service. Finding the balance point between the two will be tailored to individual communities expectation of level of social licence required by its local government.

Robust mandated performance measures are critical to the success of any model. Scale does not guarantee success and there are many examples showing that merging two struggling organisations only leads to one large struggling organisation without other appropriate controls and improvements.

The concept of each Council, as much as possible, having some rural and urban characteristics, should be explored.

It is important to consider not only whether the design and delivery of infrastructure services is more effective and efficient from a regional/local model but also whether it is economically viable and provides a resilient and fit for purpose infrastructure model for the state.

In respect to financial efficiencies it is recognised that there are benefits in procurement through economy of scale and that those neighbouring Councils that currently work under a 'resource sharing' agreement see the benefits of this practice. However it is also recognised that these procurement practices are generally limited to a regional level and each stage of procurement is separably differentiated to allow for competitive market delivery, such that bridges, road surfacing, grading and material supply etc are isolated procurement activities and that each of these services delivery streams are generally an annual procurement activity.

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Should there be a shift to consolidate these procurement practices into a single stream of service delivery there is a risk of market monopolisation, particularly if a regional model is considered. In the short term both Councils and/or a regional authority would see financial efficiencies from consolidated procurement practices as there would be a number of providers that would have the financial, resource and material capacity to deliver the services enabling a competitive tender process. However, over time the services providers that were unsuccessful in the competitive tender process would slowly become less able to maintain the financial stability to provide competitive tender submission as there would be no subsidiary works packages offered from a local government level to maintain financial viability.

Ultimately this would drive a monopolisation and without a competitive market, financial efficiencies seen early would be lost resulting in Tasmanian communities paying inflated prices for service delivery. Furthermore, this would potentially see many local companies and providers that currently serve and employ people from the local communities default due to market monopolisation. If this model is considered on a regional basis, particularly in terms of a multiple year contract there is potential for this issue to accelerate.

Whilst theoretical financial efficiencies can be gained from a consolidated infrastructure delivery model it is critical to consider what the long term effects may be in terms of economic viability and the impacts to local service industries and communities.

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?

There are many factors that should be considered should boundaries be redrawn in the future. Firstly, equity in size and population should not be a sole determinant, rather an acceptance that the local government landscape will consist of Councils with varying size, scale and differing community needs.

Consideration should be given to growth areas, both industrial and residential, in addition to growth in the commercial and hospitality industries as it relates to regional tourism and the service provisions thereof. Most importantly, communities of interest remain a critical consideration.

Other items to consider include:

- Health and wellbeing outcomes
- Access to service provision
- Equity across service standards for urban/rural and remote areas
- Provision of equitable education opportunities
- Access to face to face customer service facilities
- Provision of competitive market options in the building and construction industry - free from monopolised contracts
- Equitably and consistency in planning and regulatory service provision
- Sustainability and community satisfaction
- Regional and remote areas maintaining identity and voice
- When does travel distance effect consolidation?
- Without equal access to digitisation, transport and services, how do community members participate equally?

Three reform pathways

1. Significant (mandated) sharing and consolidation of services
2. Significant boundary consolidation to achieve fewer larger councils
3. A 'hybrid' model combining both service and boundary consolidation

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

Waratah-Wynyard Council is performing well and continues to provide strong outcomes for the community, coupled with a sound, financially sustainable position. Waratah-Wynyard Council could continue to operate quite successfully under the current governance model without change.

It is recognised that this performance and position is not reflective of the sector. Indeed, it also does not represent the region, and for that reason Council understands that significant local government reform is imperative.

It would be easy for Council to gravitate towards option one, maintaining the status quo of Council numbers and enhancing what is an already established and successful resource arrangement with Circular Head Council. Council, however, feels it needs to show mature leadership in this discussion.

As articulated in the Board's report, there are advantages and disadvantages for each of the options presented and the preferred model can fluctuate on a variety of factors. It is important Councils look at what is important for the entire sector, across the state, rather than what is best suited to an individual set of circumstances.

On that basis, Waratah-Wynyard Council believes Option 2 is the most desirable reform option for the state.

Boundary consolidation alone however, will not achieve the reform and improvement the sector needs. There are a number of other initiatives, including some listed as options within this report, that need to be implemented to drive positive change and increase the likelihood of sustainability. Option 2 allows for shared services and resource sharing to occur, without these being mandated. This can lead to mature discussions and undoubtedly will result in consolidation of services and shared service arrangements at the discretion of the participating Councils.

Option 1 raises a number of concerns. Mandating sharing and consolidation of services will ultimately lead to some Councils becoming unviable and reducing the roles of Councils such that they no longer have the variety to be an attractive place to administer or work. It does little to remove the significant duplication in the sector.

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If regional, sub-regional or statewide entities are created, what remains at the Council level needs to have a meaningful purpose and be viable. If waste, planning, corporate services and infrastructure services are all regionalised, what remains at Council is little more than a community services entity. Not all overheads will be able to be reduced or eliminated in this scenario and the current scale related issues facing councils now will be further increased.

With these points in mind, option 1 will continue to result in Councils that are not financially sustainable. The same thoughts can apply to option 3.

Regional bodies and consolidated services come with some risk, and in our opinion, should only be explored after option 2 has been embedded and implemented.

For example, we need to consider what capacity a regional body would have to coordinate and undertake preventative maintenance prior to a forecast weather event on a state-wide basis. It is important to consider the impacts of climate change and increased intensity of rain events when considering the shift of stormwater infrastructure to a regional model. Should service delivery and preventative maintenance be compromised, particularly for smaller regional Council areas, this may increase the probability of flood inundation and the loss of life or property as a result.

Roads, similarly to stormwater, moving roads/bridges to a regional body inhibits the ability to react and undertake proactive maintenance regimes in a road corridor or infrastructure network. Whilst roads are generally considered static in nature from an asset maturity perspective, they are highly dynamic in their performance nature, particularly unsealed roads where the road condition can change dramatically post a weather event.

It is easy to identify the impacts of a regional infrastructure model in its current state, particularly from a maintenance perspective, with little to no maintenance or preventative works being undertaken on state highways within more regional Council areas.

Financial modelling may illustrate efficiencies in reducing operational maintenance cycles in the short term, however over a longer term period this is proven to be a false economy as the works required to maintain the roads shift from general resheeting and resurfacing to major pavement replacement and/or reconstruction due to deep seeded pavement damage incurred through poor or low level maintenance.

Roads are of particular importance to be considered in terms of resilience and fit for purpose, not from an asset or financial perspective but from a road safety perspective. Reduction in maintenance operations will result in roads falling below adopted service levels and standards compliance, which will ultimately increase hazardous conditions in the road surfaces and pavements and could potentially contribute further to an already high fatality rate on Tasmanian roads.

It is for this reason, keeping services within Council hands is preferred. As stated, Option 3 has some benefit, but the preference is for this to evolve following the implementation of reform option 2 in the first instance.

It is noted community views on the above have not been sought.

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

Change management is difficult. There are a number of concerns that need to be addressed throughout the process –

- **Employees** – Local Government employees need to be provided some direct messaging about the nature of any proposed changes and impact on their ongoing employment. From an attraction perspective, Local Government has traditionally had a competitive advantage in its stability and certainty, however this is no longer the case. Given the significant vacancies in the sector and difficulty attracting new employees, it is reasonable to assume very few employees will not have employment at the conclusion of the process. Messaging of this nature and to counter the inaccuracies being presented by the Australian Services Union, would be welcomed.
- **Timeliness** – at the delivery point of the final report, the process to date will have taken eighteen months. Councils do not need a further lengthy period of government deliberation on the proposed recommendations. A decision on whether the recommendations will be enacted is required quickly. Following this decision, a detailed transition plan will need to be developed.
- **Resources** – change of this nature needs to be resourced appropriately. It is not reasonable to accept that this work can be done within existing Council resources or “off the side of the desk”. The government need to fund and resource the implementation appropriately.
- **Community** - reaction to change is likely to be strong in this municipality. Irrespective of the structural reform option chosen, well-structured and developed communication strategies are essential. Again, this should not be left to Councils to undertake.

Community expectations of the benefits of any change will need to be managed carefully. Understanding cost savings due to greater efficiency is unlikely to equal a reduction of rates to consumers. Financial savings achieved through boundary changes are likely to be quickly consumed as byproducts of broadening boundaries, such as asset management.

- **Self Interest** – it is challenging to have an unbiased position and ask Councils to have a considered opinion free from self-interest. As stated earlier, Waratah-Wynyard Council has little immediate need for reform, however recognises the sector as a whole needs to improve. The Board and Government need to make strong decisions in the best interests of the entire state based on the facts and research they have obtained throughout the process.
- **State Government** – there must be an acceptance that many inefficiencies and compliance issues of Councils are influenced by the State Government. They need to also be willing to work with the sector to improve their outcomes and oversight. Increasing resources in Crown Lands and Parks would be welcomed and having a greater role in proactively intervening when Councils are not complying with legislative requirements is imperative moving forward.

Reform Options

Council has considered the reform outcomes detailed in the Options Paper and supports the majority of the 31 options proposed to achieve reform outcomes. Comments on each of the options are included in the table below.

Council believe Councillors still play an important role in planning, and as such, should continue to have some assessment responsibilities. Council believe the current framework requires minor adjustments rather than wholesale change. The proposed alterations to introduce set or standardized asset lives is also not supported.

	Proposed Reform Outcome	WWC Comment
1.1	Establish a Tasmanian Local Government Charter which summarises councils' role and obligations, and establishes a practical set of decision-making principles for councils	As mentioned in our previous submission, our preference is for the Local Government Act to be the one single reference point rather than more separate documents, with more regular review of the Act to ensure it maintains its relevance and remains flexible and dynamic to growth and change. The suggested content and rationale of the charter is accepted, but the information to be included within the Act
1.2	Embed community wellbeing considerations into key council strategic planning and service delivery processes	Clarification on Councils role in community wellbeing would be welcomed Local government is well placed to support state initiatives. Funding sources for services must also be considered.
1.3	Require councils to undertake Community Impact Assessments for significant new services	The introduction of mandated Community Impact Assessments needs to be supported by consistent, simple templates and training. "significant" needs to be defined.
2.1	Develop an improved councillor training framework which will require participation in candidate preelection sessions and, if elected, ongoing councillor professional development	Support the concept in principle, however as stated, the training should not be so onerous that it is a barrier to prospective candidates. Consideration must be given to the role of online training modules that have been created specifically for new Councillors, reelected Councillors and around special interest topics, such as social media, women in local government.
2.2	Review the number of councillors representing a council area and the remuneration provided	Agreed, however this cannot occur until decision on final Council configuration determined
2.3	Review statutory sanctions and dismissal powers	Stronger sanctions and dismissal powers are supported with clear direction on who has the power to enforce sanctions and oversee the process.
2.4	Establish systems and methods to support equitable and comprehensive representation of communities	Support in principle. This will be important in managing any change to reassure the community that any newly created Council is not simply a "takeover" by the larger

		<p>urban Councils. It is likely that a higher proportion of elected representatives will otherwise come from more populated urban areas.</p> <p>In practice, building contemporary community engagement strategies will provide greater input for communities.</p>
3.1	Require consistent, contemporary community engagement strategies	<p>Agree with this concept. There is much concern about loss of representation as a result of changes in this review. Well-constructed and developed and mandated community engagement strategies will alleviate some of the issues in this regard.</p> <p>Community engagement strategies should ideally be developed for each settlement area. This is an area that WWC has had success.</p>
3.2	Establish a public-facing performance reporting, monitoring, and management framework	An enhanced local government performance reporting framework is supported
3.3	Establish clear performance-based benchmarks and review 'triggers' based on the public-facing performance reporting, monitoring and management framework	Greater scrutiny, monitoring and "triggers" associated with an enhanced local government performance reporting framework is welcomed. Such KPIs need clarification and determination to ensure understanding, acceptance and adherence across the sector
4.1	Implement a shared State and local government workforce development strategy	The development and constant review of a local government workforce development strategy is supported. It is important that sharing this work with the state government does not add unnecessary complication to the document.
4.2	Target key skill shortages, such as planners, in a sector-wide or shared State/local government workforce plan	<p>Agreed.</p> <p>Collaboration required with education providers.</p>
4.3	Establish 'virtual' regional teams of regulatory staff to provide a shared regulatory capability	As stated, this option will not be required if fewer, larger Councils are established
5.1	Deconflict the role of councillors and the role of planning authorities	Noted
5.1 a	Refer complex planning development applications to independent assessment panels appointed by the Tasmanian Government	This notion is supported in principle. Clear rules and criteria for referral need to be determined and Council should continue to administer the majority of development applications either via Council or delegated officers
5.1 b	Remove councillors' responsibility for determining development applications	WWC believe Councillors still play an important role in planning, and as such, should continue to have some assessment responsibilities
5.1 c	Develop guidelines for the consistent delegation of development applications to council staff	Consistent criteria to determine which decision should be made by Councillors and which are to be made by officers, that is applied statewide, would be beneficial

5.2	Greater transparency and consistency of councils' resourcing and implementation of regulatory functions	There are no barriers to including regulatory information as part of an enhanced local government performance reporting framework. Performance against risk-based benchmarks should be included.
5.3	Increase support for the implementation of regulatory processes, including support provided by the State Government	Supported in principle. Potential to increase capability and consistency across Councils.
5.4	Strengthen connections between councils' strategic planning and strategic land-use planning by working with State and Commonwealth Governments	Connections with state and federal government is one aspect, but more importantly, strategic plans need to align with other councils in the region. This is a critical missing link at the moment. We must not lose sight of the fact that the community we live in reflects who we are and reflects our diverse characters, stories and history. We do risk losing what makes our patch special Fewer, larger Councils would facilitate better regional land use strategic planning.
6.1	Require Councils to collaborate with others in their region, and with State Government, on regional strategies for specific agreed issues	Again, this is influenced by the number of Councils determined. History will show that many Councils will not collaborate unless mandated, even when they should be showing leadership. Burnie City Council is a case in point. The theory and rationale of this makes sense, but will be difficult to implement and can be influenced greatly by an individual Councils priorities and resources. The role of regional organisations can be determined once the number and makeup of Councils is finalised
6.2	Establish stronger, formalised partnerships between State and local government on long-term, regional, place-based wellbeing, and economic development programs	These partnerships will not be required if previous options and supported and implemented Partnership agreements between local and state government achieved little and were difficult to deliver.
6.3	Introduce regional collaboration frameworks for planning and designing grant-dependent regional priorities	There are a variety of reasons why Council applies for grants depending on priorities, needs and resources at the time. There needs to remain flexibility in this approach. The Cradle Coast Authority have a Regional development Framework to assess and rank important regional projects. The model of channeling grants through the regional organisation works for these type of larger projects but it is unclear how this would benefit smaller grant programs. Comments above rely on voluntary participation in CCA. It doesn't work effectively when not all Councils participate.
6.4	Support increased integration (including co-location) of 'front desk' services between local and State governments at the community level	There are many improvements that can be made to customer service that will improve consistency across the sector. Greater consistency in processes, fees, forms and policies will need to be improved before Service Tasmania are asked to work through the complexities of each Council. Colocation of front desk services needs to ensure there remains an ability for the community to easily access these

		services. Purchasing software for the sector would result in increased integration capabilities
7.1	Explore how councils are utilising sound taxation principles in the distribution of the overall rating requirement across their communities	Investigation supported
7.2	Enhance public transparency of rating policy changes	Rating information is available to the public now however it is complex and not easily understood. The community may not understand that Councils collect fire and waste levies on behalf of the State Government
7.3	Examine opportunities for improving councils' use of cost-based user charges to reduce the incidence of ratepayers subsidising services available to all ratepayers, but not used by them all	Investigation supported
7.4	Consider options for increasing awareness and understanding of the methodology and impacts of the State Grants Commission's distribution of Federal Financial Assistance Grants	Investigation supported
7.5	Investigate possible alternative approaches to current rating models, which might better support councils to respond to Tasmania's changing demographic profile	Investigation supported
8.1	Standardise asset-life ranges for major asset classes and increase transparency and oversight of changes to asset lives	WWC do not support set or standardized asset lives. Flexibility is required to reflect construction methodology, environment, usage, maintenance and geography. Simply applying a broad range will not improve the current differences.
8.2	Introduce requirement for councils to undertake and publish 'full life-cycle' cost estimates of new infrastructure projects	Currently undertaken by Council
8.3	Introduce requirement for councils to undertake regular service reviews for existing services	Agree in principle. It is assumed this will occur at the local level
8.4	Support councils to standardise core asset management systems, processes, and software	Agree with the notion that statewide improvements are required and accountability needs to be improved to identify and address noncompliance. Standardisation of software is not supported – asset management software must be integrated with other Council systems

Waratah-Wynyard Council welcomes changes as a result of the review that achieve positive outcomes for the Waratah-Wynyard community, including ensuring that service levels are maintained, local

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representation is maintained, and the financial status of the community is strengthened. The continuation of local identity, character and heritage is also important.

We request the government resources the reform process effectively, ensuring costs are not passed onto local government, and develops a supportive implementation plan that involves:

- Ensuring existing employees are given opportunity to be crossed into the new model and employed
- Residents are supported in seamless continuation of services
- Existing Councillors have an opportunity to become representatives as part of a new model
- All new policies, processes and guidelines are expected to be best practice.

Whatever the outcome, Council requests decision are made and enacted swiftly and decisively to remove uncertainty currently overhanging the sector.

Yours sincerely,



Dr Mary Duniam
MAYOR