

9 February 2023

Local Government Board

LGBoard@dpac.tas.gov.au

Dear Local Government Board

West Coast Council Submission on The Future of Local Government Options Paper

West Coast Council welcomes the opportunity to comment on the options paper and the boards recognition that remote/regional communities have different needs than urban centers and therefore need different Councils.

Structural Reform – Three Pathways

West Coast Council supports pathway three and combination of service and boundary consolidation. In relation to boundary consolidation, we firmly believe as the board has pointed out, that new boundaries should focus on bringing together communities of interest. This is vital to enable equitable participation in local government and to achieve improvements in local government delivery by allowing Council's to focus on strategic issues that impact their community. In particular, our experience with communities that are small in population, leads to our strong view that the best outcomes will be achieved by consolidating communities of similar sizes together, rather than adding smaller population towns into local governments with larger centers. Where smaller towns are added to large centers, they often feel left out and left without input into decision making, whereas combining multiple communities more similar in size leads to greater cohesion. In the western part of Tasmania, it is also clear that there is a large community of interest centered on remote/regional communities located in Tasmania's wilderness areas, with an economy driven by: mining, renewable energy and tourism. Being located in remote and wilderness areas, leads to a number of shared strategic issues, such as management of natural environments, and the expense of responsibility over a large area with minimal population. The mining, renewable energy, and tourism basis of the economy also leads to strategic similarities, included a high level of non-resident workers, seasonality of employment (and population) and large impacts from major capital-intensive projects. For these reasons our submission is that the Board should consider looking at a larger Western Tasmanian Council that includes remote mining communities, the majority of Tasmania's wilderness area, renewable energy production areas, and the remote communities that support them.

It is important in considering the size of Council's, to not have fiscal sustainability as the only consideration. It is our submission that there should remain remote regional Council's that draw together communities of similar interest, to allow people in these areas to maintain a voice in local government. It is noted that these Council's will

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likely face greater financial pressure than urban Councils, as it is simply more resource intensive to provide services in remote locations. For this reason, there should be a recognition that the aim of boundary consolidation is to provide the best services to residents and this may mean remote Councils need additional resource subsidies compared to urban Councils.

In relation to service consolidation, West Coast Council submits that an important principle is that any consolidated services should be provided to all Tasmanians on an equitable cost basis, similar to the way pricing for TasWater services works. It is our view that the board could consider consolidating some Council infrastructure services to State or regional entities on this basis, using either existing Government Departments or creating new entities. In this way roads could be consolidated into the State Government (or highway maintenance provided with funding to Councils), stormwater could be transferred to TasWater, and waste collection and management could be provided to an entity similar to TasWater. In remote areas we also submit that the board should consider consolidating some State Government delivered services to Councils, on a fee for service or contractual basis. This could include Libraries and Service Tasmania, both of which could be run effectively in remote areas by local government. At a more ambitious level health funding for remote areas could be consolidated through Council's to deliver a more cohesive service, this could be done in a manner similar to Victoria's primary care partnerships. In this way funding for primary health, community health and district hospitals could be brought together to reduce overlap and wastage. We also believe, statutory planning and building compliance could be consolidated at the State or regional level. We strongly believe that other functions, such as economic development, strategic planning, and community infrastructure management are best performed at the local government level.

In all three pathways West Coast Council submits that the board has not considered a fundamental issue in Tasmanian local government, which is equality of revenue. Currently, local government is funded through rates based on property prices. This means the areas with the lowest property prices, and the lowest socio-economic indicators, and the most need, have the local governments with the least revenue. This must be addressed, particularly if Council's are to do more in the wellbeing space, otherwise inequality in Tasmania will increase. We recommend increasing the amount of funding going to Council's from sources other than rates. This funding should come from the State government and be based on community need and be provided to support Council's to address long-term disadvantage in their communities. We also recommend changing current laws around rating to allow a broader base of rates to be collected, including on Hydro Tasmania assets and windfarms.

Reform Outcomes

West Coast Council agrees with creating a local government charter and including community wellbeing in Council strategic planning. It is likely that the role of remote Council's in community wellbeing will be different to the role of urban Councils and the funding requirements will also be different.

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While we welcome the requirement to undertake community impact assessments, we recommend that this is also required for major private development. Currently we cannot require projects to complete community impact assessments, nor can we place planning conditions on projects from community impact assessments. If Community Impact Assessments are required for Councils, they should also be included in the planning framework.

West Coast Council agrees with the development of a new Councillor training framework, reviewing the number and remuneration of Councillors, reviewing the sanctions and dismissal powers and the establishment of systems to ensure comprehensive representation.

West Coast Council agrees with the need for consistent community engagement strategies and public-facing performance reporting, including benchmarks. We submit however, that this should consider the difference between large and small Council's. If the requirements are the same for both, the financial impost is likely to be greater in the smaller Council's and therefore additional State funding would be needed for small Council's to achieve the same result. Alternatively, the requirements in this area (and in many areas currently in the *Local Government Act 1993*) could differential between large and small local government areas to provide different and more relevant standards.

While West Coast Council agrees that development of a workforce strategy may be useful, the inclusion of this recommendation indicates a view that capability is the primary problem in getting the skills needed for a remote Council. This is not true, we have many talented people that would like to work for the Council, but we do not have the resources to remunerate them appropriately. At least for West Coast Council the problem is not one of access to talent, it is one of a lack of operational funding. One way to address this could be to embed more State Government employees into Councils, this would provide more operational resources to Councils and created a deeper understanding of the issues in remote communities with the Tasmanian Public Service.

West Coast Council support regional teams of staff and we participate in shared service arrangements. However, to be fully effective these will need to be mandated rather than voluntary.

West Coast Council welcome the recommendation to deconflict the role of Councillors as planning authorities.

West Coast Council submits in relation to regulatory functions as we do not control the standards, or the requirements, these functions would be best undertaken by the State rather than Councils. There is no reason for Council's to be involved.

In relation to the options for revenue and rating, we strongly believe that there needs to be a significant reform of how Councils are funded. This should move away from Council receiving funding based on how wealthy their community is, to receiving funding based on the needs of the community and the gap between a community and Tasmanian averages. This should include broadening the rates base, the State Government procuring services from Council on a contract basis (i.e. multiyear

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contracted funding for health, wellbeing or road maintenance), new partnerships between the State and Local government to ensure that direct revenue to the State from industries such as mining, aquaculture and energy production is provided back to local communities to deal with strategic issues.

While West Coast Council welcomes a focus on asset management, again we ask the board to consider that if the same requirements are placed on small and large Councils, the relative cost to small Council's is far greater, therefore, there should be consideration of either equalisation funding or dual standards.

Yours Sincerely



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MAYOR

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