

Introduction

The Australian Services Union (ASU) is one of Australia's largest unions, representing over 135,000 members across diverse industries. Created in 1993, the ASU brought together three large unions - the Federated Clerks Union, the Municipal Officers Association, and the Municipal Employees Union, as well as several smaller organisations representing social welfare workers, information technology workers and transport employees.

The Victorian and Tasmanian Authorities and Services Branch of the union represents workers in Tasmania's local government sector and counts members at each of Tasmania's 29 councils.

We welcome the opportunity to make a further submission to the Future of Local Government Review, this time in response to the Interim Report released by the Review Board in March 2023. The ASU also appreciates the informative and productive recent discussions with Review Board chair The Hon. Sue Smith and Michael Mogridge since the release of the Interim Report.

This submission draws on the ASU's insight into the local government sector. It is informed by our long-standing role as the principal advocate and representative body for all workers in the sector across Tasmania. Importantly this submission draws on the experience of members of the union who work at councils across the state. The submission first discusses the consultation process following the interim report's release and then comments further on the reform outcomes detailed in the interim report.

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Summary

The obligation of those proposing substantial change is to engage the people most directly affected. In relation to the Future of Local Government Review, local government workers at the state's 29 councils are most directly affected by proposed council amalgamations or centralisation of council services to major centres. Like other members of their local community, each has a strong interest in the performance of their local council. However, they have much more at stake – their livelihood and their families financial security. Despite their intense interest in the future of the local government sector, engagement with local government workers has been extremely poor. Local government workers have even been denied the opportunity to present directly to the Board on the future of local government in Tasmania.

Local government has a unique connection to local communities. The result is councils have a much greater understanding of the service and infrastructure needs of their communities. This granular understanding of communities is at risk with wholesale council amalgamations. The ASU is therefore pleased with Premier Rockcliff's recent announcement that there will be no forced council amalgamations.

However, there are still significant threats to local services and local decision-making. The centralisation or regional delivery of services currently delivered by councils would inevitably lead to services becoming disconnected from communities. And any limit on councils' ability to meet the service needs of their communities would cause some communities to lose essential services that their council provides.

At the same time, councils will continue to struggle with unfunded mandates and the sustainable maintenance and renewal of assets for as long as state and federal governments underfund them.

Community Catchments

The ASU shares the concern of many mayors and councils with the Board's rationale for amalgamation proposals detailed in the community catchment information packs. These proposals rest on identifying functional economic regions through analysis of where people live and work. The Productivity Commission, the referenced source of this methodology, has noted that data analysis alone does not identify the connections communities have to one another. According to the Productivity Commission, "In practice, other factors such as community consultation are also important to take into account social and cultural dimensions that affect whether communities consider themselves more closely aligned with one region or another"¹. Relying on functional economic regions, in the absence of community consultation or even the application of board members' knowledge of Tasmania's regions, has led to amalgamation proposals that would bring together socially disconnected communities. This failure to apply local context has resulted in proposals that would put New Norfolk and Westbury in the same council, George Town and St Helens in the same council, and Queenstown in the same council as Currie. These amalgamation proposals have been rejected by mayors, councils, and council workers at Derwent Valley, Meander Valley, George Town, Break O'Day, West Coast, and King Island councils.

The community catchment information packs highlight some of the greatest fears of council amalgamation: the loss of community voice and a loss of local jobs and local service delivery. Some proposals, such as Scenario 1 in the Western Community Catchment, are clear that service and administrative hubs would be maintained under the amalgamation proposal. However, others, including Scenario 2 in the Central and Midlands Community Catchment, are silent on the future of these vital employment and service hubs, only highlighting the need for "a clear strategy of retaining jobs and teams across the region to maintain local employment...". The threat to local jobs and localised services of council amalgamations in each of the nine community catchments is obvious. Depots and administrative centres in are at risk in many amalgamation scenarios put forward by the Board.

¹ Productivity Commission 2017, Transitioning regional economies, Australian Government, p.5. Retrieved 19 July 2023 at <www.pc.gov.au/inquiries/completed/transitioning-regions/report/transitioning-regions-report.pdf>.

Communities across Tasmania have local councillors who make decisions, informed by their local knowledge and community connections, in the interest of their community. Local voice, through access to decision-makers, is at risk through any amalgamation process. Within community catchment information packs, there is a tacit acknowledgement that smaller communities will lose their voice in amalgamation scenarios. In place of local democratic representation, scenarios suggest "new and more systematic approaches to community engagement to ensure all communities within the larger council areas are heard and represented". In some scenarios, community panels are also suggested. Neither of these suggested systemic approaches to ensuring local communities have a say can replace access to a democratically elected local councillor who is a key decision-maker.

Consultation

The ASU has been pleased with the opportunities to contribute to the Future of Local Government Review through formal submissions at Stage 1 and Stage 2. There have been genuine opportunities for councils, other interested organisations, and individuals to comment on macro-level proposals.

However, The ASU has significant concerns, even considering the extension of consultation deadlines, that there was insufficient opportunity for councils, communities, and workers to engage with amalgamation options and be consulted.

The ASU believes this latest consultation phase, particularly concerning consultation with council workers, has failed.

The Local Government Association of Tasmania's effort to construct consultation opportunities for council staff has been genuine and is greatly appreciated by the ASU. However, the ASU is concerned that these engagements have failed due to insufficient support from the Tasmanian Government. Too few local government workers, from too few councils, were involved in these engagements for a collective view of workers in the sector to be gathered and understood.

In addition to the limited opportunities to discuss, face to face, proposals critical to their work future, the ASU believes the location of consultations and the disregard some councils have for workers' right to have a say on their future has caused the staff consultation to fail.

There are skilled and highly valuable local government workers who are uncomfortable or otherwise limited in using online tools. For these workers, face to face engagements are the only way they can be heard. Limiting face to face engagement to a single consultation in each consultative area has disenfranchised many workers. Most obviously, workers who would need to travel great distances to a consultation venue. Workers discouraged by their employer from attending consultations relevant to their council have also been disenfranchised.

Reform Outcome 1 - Councils are clear on their role, focused on the wellbeing of their communities, and prioritising their statutory functions

The ASU believes councils are clear on their role and focused on the wellbeing of their communities.

The ASU supports commentary in the interim report that a charter for local government requires local-level flexibility. The charter must therefore be constructed to support, rather than hinder, councils' ability to provide services supporting the wellbeing of individuals and communities.

Councils are often the last resort for providing essential services that would not be available otherwise. An example of the community wellbeing services provided by a council, which would be at risk if a Charter was too prescriptive, are the two medical centres, three childcare centres and three retirement villages operated by Huon Valley Council. Similarly, if councils could no longer respond to community needs, King Island would lose mortuary services and Bruny Island would lose its post office, both of which are operated by the relevant council. The risk to communities across the state if councils no longer provided services such as these is significant. At first glance, narrowing the services councils provide to a few codified services

may seem appropriate. However, other levels of government have already shown themselves unable or unwilling to provide many services that fall within their area of responsibility, there is no guarantee this would change if councils ceased providing these services. Rather, there is a significant risk that some communities will lose essential services if councils cannot step in when other levels of government have failed.

However, it is equally important that councils do not bear the financial burden of delivering services that are the responsibility of other levels of government. Instead, a more effective approach would be to support councils to enter into service-specific contracts with other levels of government. Examples could be a contract between the federal government and a council to provide primary healthcare services (a federal government responsibility) in circumstances where there is no other provider, and communities would be without healthcare if not for the council service. Such an approach would fully fund those services where councils have stepped in to fill a service gap. This would ensure communities can access necessary services while allowing councils to focus council resources on areas of more direct council responsibility.

Reform Outcome 2 - Councilors are capable, conduct themselves in a professional manner, and reflect the diversity of their communities

We acknowledge the importance of more robust integrity mechanisms in Tasmania in line with other jurisdictions. The Tasmanian Government is already taking positive steps toward ensuring councillors are fit for the role and act appropriately.

More generally, elected council representatives provide an invaluable connection between communities and the council organisation. The ASU is concerned that through the process of amalgamation, communities that have previously had councillor representatives will be a tiny drop in a large council with councillors elected from and connected to larger centres. This would lead to smaller communities being forgotten around the decision-making table.

Reform Outcome 3 - The community is engaged in local decisions that affect them

The loss of local voice and representation, resulting from the amalgamation of smaller councils into much larger municipal areas, would have significant implications for the democratic legitimacy and accountability of local government. Most importantly, it would limit the chance for communities across the state to have genuine input into decisions that affect them and limit their voice on the actions they believe their local council needs to take.

Local democracy is not just about council elections. The democratic legitimacy of local government rests on the ongoing interaction between councillors and residents of a council area. These informal interactions happen at local events, supermarkets, and even at the post office. Critically, these interactions are truly democratic – they are driven by the priorities of the resident rather than the priorities of the council. Voter-driven priority setting will be lost if councillors represent huge areas with dispersed populations. For instance, in a council that could include the current council areas of George Town, Dorset, Flinders and Break O'Day, councillors are more likely to be elected from the larger population centres. The consequence of amalgamating a smaller council with larger councils is clear - the chance of a resident of Whitemark or Lady Barron bumping into a local councillor at a community event is nearly zero. Residents' opportunity to discuss community priorities with a decision-maker would almost disappear.

The Board's suggestion of 'community advisory panels' to give voice to smaller communities in very large councils is a recognition that the local voice of small communities is at risk. The suggestion that community advisory panels would "ensure constituents enjoy enhanced formal representation and direct influence in the decision-making process" is, at best, a misunderstanding of local democracy. The most that can be hoped for from community advisory panels is a mediated indirect influence on decision-making processes.

Further, any perceived reduction in representation will have an adverse effect on engagement in local decision-making processes. When individuals feel their local concerns are not adequately represented, they may become disenchanted with the process and disengage from civic affairs.

Reform Outcome 4 - Councils have a sustainable and skilled workforce

The ASU supports the Board's reconsideration of a shared workforce strategy with a new focus on a local government workforce development strategy. The starting position for this strategy should be an assumption that directly employed council workers will deliver services.

The ASU believes there are two principal drivers of the skill shortage: a statewide shortage of skilled labour, particularly in highly specialised areas of council operation, and a reluctance among potential workers to work in local government, especially at rural councils.

Tackling the skill shortage in Tasmanian local government requires short-term action to make the local government sector competitive with other sectors and a longer-term solution to identify the sector's future needs and ensure relevant training is available in Tasmania.

The lower wages and conditions available in local government compared to employment in the state government and the disparity in wages and conditions across the local government sector are significant contributors to the sector's skill shortages. Ensuring wages and conditions are comparable with state government employment and also consistent across the 29 councils would go a long way to addressing sector-wide skill shortages. Such consistency could be most easily achieved by returning local government to state-based regulation of wages and conditions. This approach, based on precedent detailed in the ASU's most recent submission, would reduce the burden on local government of skill shortages and allow for greater cooperation across the sector.

Addressing the long-term need for skilled workers in local government will require leadership from the Tasmanian Government, coordination with councils, and collaboration with existing training providers.

A state-wide workforce plan should be developed, informed by council-level workforce plans, to identify current and future workforce and skill needs in regions and across the state. The planning process should be led by the Tasmanian Government and developed in conjunction with stakeholders, including the ASU, to deliver sustained, meaningful and practical solutions with adequate resourcing, data, and reasonable timeframes to act on insights from the plan.

Addressing the need for skills across the sector will require collaboration between the Tasmanian Government, local government, and local education providers The University of Tasmania and

TasTAFE. With a robust workforce plan for local government, The University of Tasmania and TasTAFE could, with confidence in a future pipeline of students, meet the sector's training needs. Some examples include an increase in traineeship, apprenticeship and cadetship opportunities that build the future workforce and incentivise skilled workers to take up opportunities in rural and regional Tasmania.

Reform Outcome 5 - Regulatory frameworks, systems and processes are streamlined, simplified and standardised.

The ASU supports improved and standardised processes across the local government sector. More efficient and standardised work processes and technology would positively contribute to councils' effectiveness and benefit local government workers.

Local government workers gain important skills through their work. These skills make them increasingly valuable to employers the longer they are at a council. However, the seamless transferability of these skills can be limited by variations in systems and processes across the sector. Increasing the transferable value of local government workers' skills through greater consistency at councils would allow them to see career progression as a statewide opportunity not limited by their council-specific on the job experience.

While consideration of councils' role in planning has been removed from the scope of the review and has been the subject of a recent government announcement, the ASU's position is that councils should maintain a role in planning. Local priorities are as crucial to considering how communities develop as they are to decisions about local services.

Reform Outcome 6 - Councils collaborate with each other and State Government to deliver more effective and efficient services to their communities

The ASU supports a collaborative approach to tackling complex issues and providing the services and infrastructure communities need. The ASU also supports more formalised partnerships between local government and other levels of government. Importantly, these collaborations and formal partnerships must be voluntary, without councils being coerced

into agreements against the wishes of their communities. Collaborations and formal partnerships should not remove the essential role councils play in their communities as service providers and as a resource for communities. Rather, partnerships should build on this longstanding role.

The ASU would strongly oppose any recommendations that would see the work of council customer service teams transferred to Service Tasmania. The complex work undertaken by council customer service teams has distinctly local contexts, informed by knowledge of community needs and aspirations. Similarly, a centralised call centre managing inquiries across councils would be inappropriate to the needs of communities and the role of councils. Local knowledge is vital to the high regard communities have for their council. The centralisation of services, including any proposed centralisation of customer service roles, puts this high regard at risk.

Reform Outcome 7 - The Revenue and rating system efficiently and effectively funds council services

The ASU supports communities, through their elected local representatives, determining the rate revenue appropriate to meet the service needs of their community.

Elected councillors do this in a complex and challenging environment where councils' own source income is generally much lower than the cost of services they provide. Cost shifting, unfunded mandates from state and federal governments, and the challenges of climate change adaptation add to this challenge. A recent example where a state government decision had a direct financial impact on councils is the statewide rate freeze during the worst social and economic impact of the COVID-19 pandemic. The blanket rate freezes were not means tested or based on the financial hardship of ratepayers and had a detrimental impact on councils' budget positions. As the state government decided there was a need for a rate freeze, the state should have funded it.

The ASU supports greater funding to local government through a larger pool of Financial Assistance from the federal government to Tasmania and direct funding to councils who deliver services in instances where state or federal governments have failed.

Reform Outcome 8 - Councils plan for and provide sustainable public assets and services

The Board has identified an important issue that impacts councils' ability to provide sustainable public assets and services – the actions of other levels of government. The funding or part-funding of new assets by state and federal governments, without ongoing funding for their upkeep and renewal, places a burden on councils.

As noted above, the ASU supports state and federal governments funding councils when they place a requirement on them. In the case of public assets, which can have a long life and require significant upkeep, there should be ongoing funding to ensure the maintenance and renewal of the asset is sustainable.