

Central Highlands Council

Future of Local Government Review

Stage 3 Submission

1 August 2023



Executive Summary

Central Highlands Council has resolved to reject changes to its boundaries as part of the reform of Local Government.

Rejection of the boundary component of proposed reform does not reduce the need for consideration of other reform in the way Local Government supports community prosperity, liveability, and wellbeing.

To achieve these goals, Council's view is that the greatest benefit to the smaller, more remote communities, will result from building on reforms already underway and from greater Federal, State, and Local Government policy alignment, and intergovernmental collaboration at the program level.

The central point is whether the Tasmanian Government considers Local Government as a subordinate or a partner. Tasmania is at a time where it makes an intergenerational decision on where it positions Local Government for the future – as a level of local representative government or another form of Government Business Enterprise (GBE) called a council.

This submission is based on proposition of “how council fits into and contributes to the community within its boundaries and how it provides value to them”. The same question can be asked of State Government.

The dynamics of the Central Highlands are framed and impacted by the drivers of our future. These have direct and flow-on impacts on individuals, families, communities and Council, and the way in which Central Highlands responds and works.

Our Future

Our submission to Stage 3 of the review adopts this futures perspective and its influences.

Mega-Trends

- Climate change has and continues to alter the way in which primary production occurs across the Central Highlands, resulting in major demographic changes. It has also led to establishment of, and proposals for more windfarms.
- Technology & capital intensity impact our primary industry and energy production. It has altered the demographic characteristics of the Central Highlands. Creating an influx of labour in establishment and up-grades and altering our resident demographic structure from a well-paid manual workforce to a more welfare dependent population.
- Carbon capture, Environment, Social & Governance (ESG) markets - the global pursuit of “net zero” targets and the introduction of ESG markets has blurred the line between the roles of government and private sector. In particular, the private sector investing in projects which deliver environmental and social benefits; and changing the nature of what can be “produced” from land to create a stream of income.



Trends

Central Highlands is subject to a mix of local and wider demographic, behavioural, market trends, and other often less-observable trends such as changing mental health. These impact how individuals, families, organisations, and the place, operates.

The most apparent trends in Central Highlands include:

- Ageing population proportion.
- Population growth in recreational/amenity centres such as Miena, static population in traditional rural service centres such as Bothwell and Hamilton, reduced Hydro, and government agency workforce.
- Changing primary production business models – operations and move to corporate ownership.
- Sector employment increases in hospitality and human services, including changing work patterns such as casualisation and part-time work.
- Increase in part-time residents.

Natural Cycles and Events

Rural locations, wilderness areas and catchments are vulnerable to climatic cycles and weather events in a more direct way than urban areas. The impact is directly seen in production and, through less visible, but critical, flow-on into people's levels of wellbeing, socialisation, and other human dimensions.

In remote places, the response to these risks is not outsourced to a specialist agency, Council, the community, and key organisations are the first responders.

Shocks

Shocks hit a place from different sources. We have experienced 2 major global shocks over the past 15 years. Other shocks might be less universal but hit sectors and places in a specific way - for example, reduction in staff availability, product-market collapse, industry closure, environmental degradation of a key input.

Responses

In combination, these factors create dimensions of need which must be understood, planned for, and resourced across the scope of the protection, response, containment, and rehabilitation cycle, from physical and human perspectives; they shape our future.

To contribute within this dynamic environment, the Central Highlands Council is highly engaged in the community. Whilst our structures look unchanged, Council reforms continuously in response to needs and its priorities. By working in differing ways to reflect our community, we also provide the leadership and facilitation necessary to address day-to-day living challenges and to provide an institutional capability within Central Highlands to support resilience in the face of trends and shocks.

What is clear, is that it at the boundaries between State, Local and Community are where the key reform opportunities to meet community needs collaboratively, seamlessly, and productively, lie.

The Department of Public Health “Lift up Community Grant Program” and process is an action learning example of what Council views as the core relationship between key agencies, Council, and the community. The collaboration priority is also reinforced through our evaluation of the 2019 bushfire response.

Representation

Individuals and communities don't care where services come from, they also don't understand or respect the differences that tie State and Local Government into knots.

In our view, the options pack scenarios arguably lead to a transition from “local democratic representation” towards a less democratic GBE model as a proxy for Local Government.

In the context of Central Highlands, “representation” has multiple meanings and impacts:

- The use and investment of locally generated rates through locally made strategic and operational decisions.
- Community members are well serviced and supported and as need arises equitably represented in the range of State and Federal programs.
- The interests of the Central Highlands is politically integrated with State and Federal Government decision making and programs.

Intergovernmental Program and Delivery Reform

The linkages between community wellbeing and liveability determinants, and the associated services and supports, is very apparent in smaller, rural communities. Council's view is that it is necessary to reform the way in which agencies and associated non-profit and private providers interact and work within remote and rural places to ensure equitable access to support services, and to address the fundamental development; prevention; treatment balance.

The success of this collaborative approach in community programs in Central Highlands demonstrates, that when applied to specific programs, it works. This collaboration should occur as a formal policy position and ongoing practice.

How we evaluate the operations and capability of Local Government should, in our view, include how well it brings the intergovernmental and intracommunity resources together.

Resource Sharing

Central Highlands has an informal arrangement with Southern Midlands Council to provide Planning and Animal Control Services.

It is recognised that there is a wider scope of delivery available.

Local Government peak bodies across many jurisdictions provide services to member councils. Key options for such arrangements include:

- Industrial Relations.
- Provision of HR recruitment support and structured Continued Professional Development (CPD) programs for councillors, management, professional and operational staff.



- Community data sets and analytical support

State Legislation and Policy Constraints

These focus on the key mega-trends which are impacting and creating potential risk to, and opportunity for the Central Highlands community. They highlight a gap between our potential and our capacity to exploit opportunities and capture community benefit.

The Central Highlands Council, and as a result the community, “miss out” on rate income because of inequities built into legislation, for example:

- Windfarm investment, whether through leasehold or freehold increases the productive value of land and income to the owner **BUT**, is not generating a flow of rates to Council, let alone on an industrial rating level.
- Hydro operates as a corporate in the national energy market, Transend criss-crosses Central Highlands **BUT**, neither pay rates on the value of the infrastructure located in Central Highlands.

It is critical that Federal and State Government Legislation and Policy directly supports Council's and our community's ability to benefit from, and participate in, the above industries and mega-trends if they “roll-out” as forecast. Specifically, to ensure Council does not continue to miss out on potential rate revenue; ensure employment is localised; and to enable access to training so locals can participate.

Whilst these factors are critical for Central Highlands, they are also important from a whole-of-Tasmania perspective. State Policy relating to the active development of these opportunities could underpin the creation of further scientific, technical, and operational employment across Central Highlands. These jobs are consistent with the “new economy & 4th industrial revolution” employment.

Without State Policy support, the potential income and employment opportunity for the Central Highlands community in utilising publicly owned natural resources for international carbon and biodiversity offset and intervention markets is likely lost. At one level this can be viewed as unfortunate, from a local community perspective, this can be viewed as negligent.

Planning

It is of concern that planning is primarily viewed through the development approval lens, that part of the process that establishes the “go – no go” decision.

This approval stage is arguably a subordinate process to strategic planning but is positioned as the most important through its regulatory weight. At times this results in a disconnect between the scheme, the community and market dynamics, preferences, and strategy, potentially limiting appropriate and strategic development.

These are indicators of the need to retain Local Government as the principal local planning authority.



Financial Sustainability

Understanding how rural and more remote councils work (Drew K, 2022), in particular, the cause-and-effect relationships of financial, organisational and development support to key community organisations is central to framing financial sustainability. This requires a transition from reliance on statutory reporting to utilisation of broader evaluation (Drew J, 2023).

The future of Local Government (from a remoter, rural council dependent on natural resources financial perspective) will be based on:

- Contemporary, contextual service delivery.
- Council's key relationships with the community in leading and supporting community-based development, prevention, and responsive support.
- Intergovernmental collaboration in innovative, robust models to ensure equitable, accessible, and productive service delivery.

The current financial and performance KPIs only provide a partial picture. When used to compare Council performance they exclude the facilitated community sourced service and emergency recurrent investment people make in their own communities as a result (in part) of being engaged with Council.

Introduction

Council's Position

Boundary Alteration Proposals

Central Highlands Council has resolved to reject changes to its boundaries as part of the reform of Local Government.

Rejection of the boundary component of proposed reform does not translate into reduced need for consideration of other reform in the way Local Government supports community prosperity, liveability, and wellbeing (Drew K, 2022).

To achieve these goals, the need for reform is not limited solely to Local Government. In Council's view, the greatest benefit to the smaller, more remote communities, will result from building on reforms already underway; from the further Federal, State, and Local Government Policy alignment; and intergovernmental collaboration at the program level. In the Central Highlands case, reform also includes a more robust vertical sharing arrangement between Councils and the Local Government Association of Tasmania (LGAT), and removal of barriers to rating utilities and emerging natural capital market income. Combined, these will provide a systemic reform which delivers a more productive and resilient Central Highlands.

The reforms we identify will deliver immediate and significant community benefit. These are considered to reflect real reform compared with the speculative, potential benefit from boundary reform, particularly when it is identified that boundary reform is questionable in returning community benefit (Byrnes L, 2010).

Purpose of this Submission

Local Government does not work in isolation, and whilst enabled by State Legislation, it fulfills a traditional role in Australia's system of government, providing a direct connection between communities, State and Federal Government which complements the electoral and governance system.

Local Government identifies and allows factors that impact at the detailed, community scale to be introduced directly to State and Federal elected members and in doing so, assists in ensuring interests and priorities are met and legislation can be practically implemented.

As the scale of Local Government increases, it is arguable that this local, community based intergovernmental connection is diminished as politicians continue to use councils as a primary conduit to communities.

Councils are like the communities they serve; they evolve, are subject to new pressures for support in line with community challenges, opportunities, and expectations, incrementally reforming their approach and focus.

Much reform has occurred since the previous boundary review and continues.

The review process highlighted strong reform principles, which in terms of process, performance and productivity goals are generally supported. What is not given significant focus in the options is the critical aspect of intergovernmental relations - the processes, benefits, costs and constraints of State Government legislation, and regulation on Local Government.

This submission addresses these aspects of reform. This is a response relating to the future, it integrates the community perspective, the Local Government “fit & contribution” perspective, and the intergovernmental perspective.

It is based on Council, Councillor, Council management input, a small-scale community survey, documentation review, and a strategic assessment of Central Highlands and the factors impacting its future.

Key Reform Question and Perspectives

The key question not addressed in Local Government reform documentation is “what is the benefit of boundary adjustment/amalgamation to our community compared with the current municipality”. This is a multi-dimensional question. A key public policy decision making principle is making people “better off” without making others “worse off”. This differs from “zero sum” thinking where a decision is acceptable if the benefits to those better off, outweighs the costs to others, an efficiency, rather than an equity consideration. Equity should be positioned at #1.

“We are already isolated (in the Central Highlands), and now they want to make us even more isolated. It’s far away enough already” (Survey Respondent)

Crucial to our submission is the consideration of “how council fits into and contributes to the community within its boundaries, and how it provides value to them”.

Councils are an employer, a “go to” organisation and supporter, a responder to events, a purchaser, a developer, a service provider, and a local tier of representative government. Council is part of a place’s “community capital” - the mix of natural resources, individuals, groups and networks, skills, financial capacity, endeavour, and organisations that make a place prosperous, liveable, and resilient. Within this mix of community resources, Council has a particular place and advantages based on legislation and our tradition of intergovernmental and political relations.

Within council governance and operations, value is delivered and further generated by:

- Provision of physical services, roads, facilities, and asset management – the infrastructure which supports economic and social connections and production,
- Compliance services – operational, planning, building,



- Professional management services,
- Planning authority, and
- Governance – how community challenges are identified, analysed, and responded to, how resource allocations are prioritised, how new funds and other resources are harnessed to delivers council's strategic/community plan.

The Review Board identifies 4 key principles guiding the options identified:

1. Place and Representation,
2. Future Needs and Priorities,
3. Financial Sustainability, and
4. Operational Capability.

The narrow way these principles are interpreted and presented with the options packs provided, infers that larger LGAs are the source of the governance, operability, and resourcing robustness sought. The community catchment packs condense these factors into:

- A financial perspective based on economies of scale & population growth.
- A community perspective based on travel patterns and proximity to service centres.
- A professional perspective based on larger and more professional direct employment pools and thus capability and service levels.

Broadening the scope of factors, challenges the scale conclusion as being the best in all situations.

Within the options pack, each of these characteristics are assumed, without evidence, as being the benefits of boundary reform. These criteria are arguably partial and simplistic. The options are provided without detail of how the State would fund and support interventions to offset the potential costs of removal of local governance, and the investment to implement the reform model - the beneficial potential is largely speculative as to community benefit.

The proposed boundary options argument is effectively the rationale for the establishment and operations of GBEs; on their own do they form the basis for reform of a level of government?

Tasmania is at a critical point where it will make an intergenerational decision on where it positions Local Government for the future – as a level of local representative government or another form of GBE called a council. Local Government, as a direct service and operations provider, reflects the qualities of both, but it is the balance which is in question. This duality was recognised in the “modernisation” of Local Government in 1993.

A key question within this reform is the degree to which State Government views Local Government as a subordinate, or as a partner in delivering prosperity, wellbeing, and liveability.

Reform Proposal - Guiding Principles and Factors

1. Future Needs and Priorities,
2. Place and Representation,
3. Operational Capability, and
4. Financial Sustainability.

This part of our submission focuses on the FoLGR principles. Given the intergenerational nature of such reforms, the submission is framed in the context of the future for Central Highlands and how reform within the enabling factors is viewed.

It is recognised and highlighted that reform has and continues to occur within Local Government. Part of what is identified in this submission builds on this change and its specific application to smaller, remoter, natural resource-based communities.

1. Future Needs and Priorities

The world operates in an increasingly interconnected, dynamic, and contested manner. Trends and shocks test our veneer of capability to handle these changes and the factors which cause them. The future will not necessarily be what is expected or projected.

Council recognises the sources, scale, and importance of change, its' impact on the community across short, medium, and longer time horizons, and manages in this context. Council also recognises that what we plan for will not necessarily be what happens, and so our combined community capacity needs to be flexible and adaptable. Creating community capability, prosperity and resilience is our focus.

Resilience is a pre-requisite to flourishing in this dynamic world, and the foundation of sustainability. Resilience is broadly defined as a place's relative capacity to evolve, adapt, respond, and innovate through individuals, networks, and institutions across multiple people, economic, social, and environmental spectrums.

To consider future needs and priorities, it is necessary to develop and apply an understanding of the characteristics of a place, how it operates to deliver livelihoods, employment, and wellbeing results, whilst also setting it up for the future. This requires thinking and acting across multiple time horizons.

The following diagram provides a way of representing, analysing, and explaining how Central Highlands operates to deliver the future the community seeks and, how it adapts to circumstances.



On a day-to-day basis, community operability is based on the way people engage in their everyday activities. In the diagram below, the place's activities are represented as a summary of the ANZSIC statistical industry codes. This enables us to identify, for example, how the community engages with our natural resource base, how it then supports production, how many people are employed in production? how many in health? how many people utilise health services? what do people earn? etc. In combination, this data and analysis creates understanding of how the workings of the community helps us meet our needs locally; do people have to travel to access services or bring them in from outside the municipality (or indeed need to relocate to access them)? The way these components and our social/cultural values and behaviours combine with them, supports determination of the critical policy and program interventions that will contribute to achieving a more liveable community.

The Central Highlands' focus of activity and relative strengths (green) are in primary production and utilities (generation), complemented with recreation (blue), primarily reflected in fishing, hunting and tourism. In the housing, services, and tertiary sectors the community has access to basic services and gaps such as the development and services necessary to respond to policies such as "ageing in place".

The outcome of this is that we have a robust natural environment and a strong product/market mix in primary production. We generate a large and potentially increasing proportion of Tasmania's energy from a mix of hydro and rapidly emerging wind power generation whilst not receiving commensurate community benefit from the value of this resource development. There are individuals, families, key groups, and specific locations within the community experiencing day to day living challenges.

Central Highlands Council – Future of Local Government Review Submission

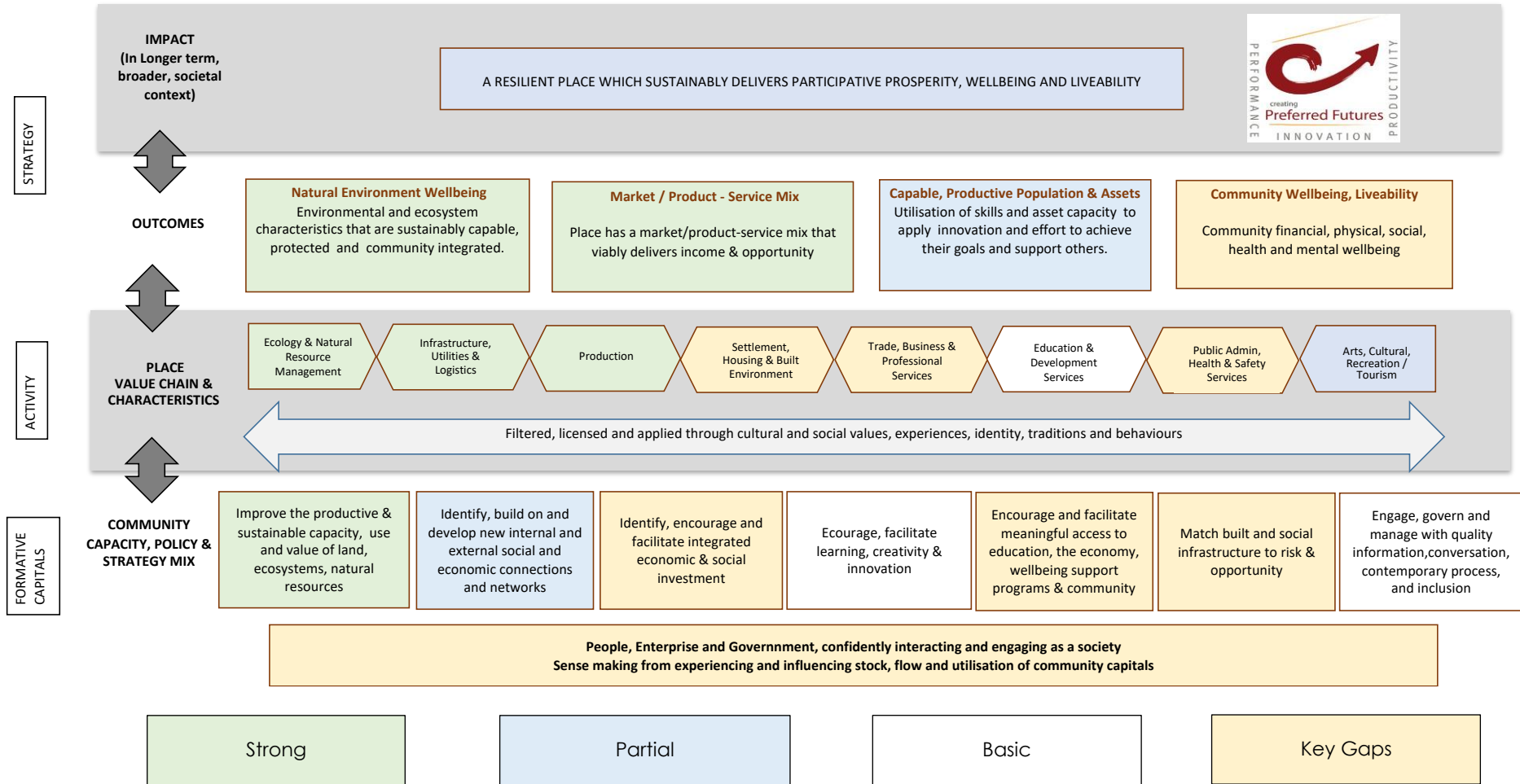


Figure 1. Central Highlands core operability characteristics

Figure 1. above, provides insight into the way Central Highlands operates and provides the logic supporting our case for reform. Key questions which arise from this diagrammatic representation is “so what now? – how do we collectively respond to make a meaningful difference? how do we harness and develop the full spectrum of resource? who contributes?”

Our resilience is determined by how we apply, leverage, enhance our community capacity and apply the necessary tools to address these challenges. Council views its role as central to this futures focus, it frames our submission and conclusions.

Major **future** challenges in living in the Central Highlands area identified by survey respondents include:

- Lack of Medical Services available, an aging population
- Roads and safety, Transport – to live here you need to be able to drive, public transport is very limited
- Employment opportunities, seasonal tourism – we need things for tourists to do
- Technology and communications
- Education – closing of schools, before and after school care, childcare and day care facilities
- Social isolation
(Survey Respondents)

The FoLGR is focused on the future. For Central Highlands Council, the future trends and recurrent issues identified below, indicate the importance of local empowerment, collaboration, and support in exploiting and responding to opportunities and risks inherent in these changes. Unless change occurs, the following will remain true:

According to survey respondents, people leave the Central Highlands area for many reasons, predominately because of:

- Employment
- Medical requirements
- Age related issues
- Too isolated
(Survey Respondents)

In broad terms the dynamics of the Central Highlands are framed and impacted by:

- Mega-Trends – large scale global changes emerging and gaining momentum.
- Trends – changes in the structure of our population, the way our condition/behaviours alter, how markets for our products and the amenity we offer alters, how we fit to surrounding places and the visitor expectations and behaviours. Importantly how services, and the way they're provided alter in the face of these drivers.
- Natural Cycles and Events – drought, fire, flood, individual emergencies.
- Shocks – 2008 financial crisis, COVID, a major new investment/closure.

These have direct and flow-on impacts on individuals, families, communities, Council, and the way Central Highlands responds and works. Within the need for a “localness and humanness” of response,

a known and trusted Local Government providing the basis for systemic collaboration with other levels of government and the support sector, is arguably central to managing these dynamics.

Mega-Trends

- Climate change has had a significant impact on Central Highlands. It has altered the way in which farming occurs, reduced the way people are employed and interact with the highlands, and most recently has resulted in the establishment of the “Cattle Hill” windfarm, a pre-cursor to further proposals and/or concepts in the design/approval process.
- Technology & capital intensity are the key factors in the development of Central Highlands primary and energy production. Whilst utilising significant labour in establishment and up-grades, enterprises tend to have low operational employment levels – rather than living locally, operational service support personnel now travel in. This has changed Central Highlands structural demographics, a transition from well-paid employment to high welfare dependency.
- Carbon capture, Environment, Social & Governance (ESG) markets. The global pursuit of “net zero” targets and the introduction of ESG markets is blurring the line between the roles of government and private sector. In particular, the private sector investing in projects which deliver environmental and social benefits. This investment occurs to either offset environmental impact or to market their corporate values as a pathway to increased sales. Carbon sequestration through forest/land management provides some potential first-round impact on Central Highlands, the value of forest increasing from the ability to sell carbon credits. In agriculture the codified ethical production principle is extending into direct supply arrangements between primary producers, intermediate and end markets. The associated price levels and stability increase the value of the land used to produce these products. In some circumstances local environmental and social initiative or social enterprise can attract this private ESG investment or project funding. Local Government cannot afford to “miss-out” on the resultant rate income and, local development potential of emerging opportunities, increases in the value of land, the ability to these to create new, local jobs or to widen potential funding sources for community development and environmental regeneration.

Currently Central Highlands is significantly disadvantaged from State Policy settings or lack of them, this cannot be allowed to continue. This includes the following:

- Windfarm investment, whether through leasehold or freehold increase the productive value of land and income to the owner BUT is not generating a flow of rates to Council, let alone on an industrial rating level.
- Hydro supposedly operates as a corporate in the national energy market, Transend criss-crosses Central Highlands BUT neither pay rates on the value of the infrastructure located in Central Highlands.
- Forest, vegetation, and soil-based carbon sequestration is a rapidly growing market across privately owned land, there is no mechanism to capture the resultant increase in “production value” and land value in Council's rating income.

- There is no policy framework or mechanisms to utilise publicly owned forest land to generate carbon offset or and biodiversity based ESG income from international markets, and to provide a resource sharing arrangement with the associated Local Government.

Whilst these factors are critical for Central Highlands, they are also important from a whole-of-Tasmania perspective.

State Policy relating to the active development of these opportunities could underpin the creation of new scientific, technical, and operational employment across the Central Highlands. Applying these skills to both public and private land as farmers also engage in new farming practices. In addition to a new source of training and employment in the active management and regeneration of the environment, this potentially brings opportunity in learning/experiential tourism. These jobs are consistent with the "new economy & 4th industrial revolution" employment.

These mega-trend opportunities sit squarely across Central Highlands, they provide income for some but, in the absence of State Policy, a potential community opportunity cost and lost strategic potential.

Trends

Like all places, Central Highlands is subject to a mix of local and wider demographic, behavioural, values based and market trends (and other often less observable trends such as reduced mental health) and how they impact on how individuals, families, organisations, and place operates.

"People don't think about the health implications of the isolation." (Survey Respondent)

From a demographic perspective, the most obvious Central Highlands trends include:

- An ageing population proportion.
- Population growth in recreational/amenity centres such as Miena, static population in tradition rural service centres such as Bothwell and Hamilton, reduced population at Tarraleah, less government agency resident employment.
- Changing primary production business models – in terms of operations and corporatisation, changing the relationship between business and the community.
- Sector employment increases in hospitality and human services. Transition to part-time and casual employment.
- Increases in part-time residents.

Our relative ageing is also related to people retiring to their "shack" or relocating to Central Highlands fishing/outdoor locations as a tree change. In some instances, this is a transitory period, the length of residency framed by health and wellbeing factors, for others this is a long-term home, where the goal of ageing in place becomes challenging.

"I'm 62 and I've moved here to semi-retire but who knows how long that can be once I get older. I know of older people, in their 70's, who are going to have to move out of the area so they can have access to the medical care they need." (Survey Respondent)

Such trends and dynamics have resulted in new forms of decentralised services, in home supports provided by both non-profit and private providers. This has also resulted in for example, larger scale aged care facilities experiencing reduced occupancy rates, length of occupancy and increased care intensity. In some ways these reflect the concept of prevention vs treatment intensity, lowering cost of support to chronic condition and reducing the critical care period factors affecting our future decisions.

“We have some Independent Living Units that were built in Bothwell and Ouse, and I believe there are some going in at Ellendale.” (Survey Respondent)

Central Highlands is responding to ageing challenges, the provision of supports to younger people and people's access to the basics, evidenced by our “Health and Wellbeing Plan” and its key activities.

Council's “Being Well and Staying Well” strategy supported by the Department of Public Health “Lift Local Grant Plan” and in collaboration with the Health Action Team, Central Highlands (HATCH) demonstrate the potential of Council engaging to support community identified and led actions, extending the use of community assets as local venues for programs and events with a large volunteer base. Working with specialist providers to introduce community awareness and interventions and establishment of emergency response capabilities in Ouse and Miena.

Our focus on future wellbeing through our children programs building on both community and The Premier's Program demonstrates collaboration and our facilitation capability.

These initiatives demonstrate the importance of local connections and Council's commitment to employing this capability. This is an action learning example which reflects Council's position on State/Local intergovernmental reform.

Whilst the above examples support need and demonstrate our combined community capability, we don't know who is “falling through cracks” either in terms of current intense need or transition phase where timely, focused support can reduce risk and enhance wellbeing and capability. Service gaps also exist across other important areas, such as childcare.

“When I was a paramedic in the area, most of the time we were just doing wellness checks on people we hadn't seen for a while.” (Survey Respondent)

Behind the numbers are the less visible aspects of people's living conditions, income, subjective wellbeing, and the cultural factors which will influence their likelihood to seek out or otherwise engage in care and support programs in times of need. ABS statistics and dashboards, such as produced by Primary Health Tasmania (PHT), whilst describing condition and changes in key factors such as population, health condition and employment, are signals that other causal and flow-on factors are at play within the community.

Councils and their community are well placed to “join the dots and translate what signals mean at the human level” within communities. The productive design, implementation and evaluation of home

and community focused support and development program at this level requires a level of local sense making based on a sense of belonging in the community, trust, and credibility, using its available resources.

In rural/remoter places, Council also creates this link, either directly through officers or through elected representatives. It is a two-way engagement that allows qualitative input and wellbeing causality to be better understood and responded to.

Natural Cycles and Events

Rural, wilderness areas and catchments are vulnerable to climatic cycles and weather events in a more direct way than urban areas. The impact is directly observable in production levels and floods, for example, but less visible from its debilitating flow-on into people's levels of mental health, socialisation, and other human dimensions.

These multi-dimensional resilience perspectives are captured in an organisational sense within Councils Risk and Emergency Management Plans. In remote places, the response to these risks is not outsourced to a specialist agency; Council, the community, and key organisations are the first responders.

“When we had some massive flooding, I have all the equipment needed to clear the road so people could get through. I spoke to our Council rep and he accepted my help to get the road cleared.” (Survey Respondent)

Council purchases its plant fleet with an eye to recurrent activity and its role in the event of emergency.

These create a dimension of necessity which must be understood, planned, and resourced across the scope of the protection, response, containment, and rehabilitation cycle from the physical and human perspective.

Shocks

Shocks hit a place from different sources. Globally the 2008 financial crisis and the 2019 COVID pandemic impacted in different ways. The latter, generated a significant response from 3 levels of government, demonstrating their interdependence and the importance of operating at those 3 levels.

Other shocks might be less universal but hit sectors in a specific, significant, way, for example product-market collapse, industry closure, environmental degradation of a key input.

Conclusion

The Central Highlands Council is highly engaged in the community, with Council providing and utilising a wide range of facilities and services to creating the community glue around which engagement, socialisation, support, and wellbeing is developed and maintained.

Whilst our structures look unchanged, Council reforms continuously in response to needs and its priorities. By working in differing ways to reflect our community, we also provide the leadership and

facilitation necessary to address day to day living challenges and to provide an institutional capability within Central Highlands to support resilience in the face of trends and shocks.

What is clear is that the boundaries between State, Local and Community are where the key reform opportunities in collaboratively, seamlessly, and productively meet community needs, lie. The Department of Public Health “Lift up Community Grant Program” and process is an action learning example of what Council views as the core relationship between key agencies, Council, and the community.

Individuals and communities don't care where services come from, they don't understand the differences that tie State and Local Government together in knots.

From a Central Highlands perspective, this also extends to removing rate income anomalies and community subsidisation by ensuring GBEs, utility providers and those exploiting new and emerging markets opportunities such as ESG pay rates or rate equivalents.

Without State Policy support, the potential income and employment opportunity for the Central Highlands community in utilising publicly owned natural resources for international carbon and biodiversity offset and intervention markets is likely lost. At one level this can be viewed as unfortunate from a local community perspective, but this can also be viewed as negligent.

2. Place and Representation

The idea of place and how it works to deliver prosperity, wellbeing and liveability is central to thinking about Local Government. Different places work differently and how Council fits and works to support these outcomes also differs as a consequence.

At the place level, the interconnection between environmental, economic, and social perspectives is clear from an individual, personal perspective. It's where silo approaches are challenged, and it's where Council's community focus joins the dots in a way that other levels of government struggle to work.

Local Government and its relationship with State Government is where the universal challenge of connection macro (State) policy to micro impact (on-ground/Local) can improve dramatically.

Place

Central Highlands is the roof of Tasmania, its rainfall provides the primary headwaters of the River Derwent system and the easterly flow into the South Esk River. It is a natural resource-based place, the “Big River People” traditionally utilised these resources on a seasonal basis and plateau's slopes and river flats supported early and continuous agricultural and timber production. European settlement patterns established towns and villages to support primary production on travel routes and to service this production; these towns and villages largely remain as the current settlement structure, augmented by new and re-used settlements based around recreational fishing.



The Central Highlands plateau's high rainfall and water flows led to the creation of Tasmania's hydro power advantage, which continues today. The mix of geography, climate, large landholdings, and the establishment of wind farming, continues this tradition of natural resource utilisation and transformation. The investment for this development initially occurring through government and continuing through GBE and increasingly private investment.

"The Lakes" has for over a century supported fishing shacks. Over the past 50 years these clusters have grown, or transformed from hydro villages, into settlements based on fishing and creating a unique highlands lifestyle/amenity. These support a permanent resident population, (Central Highlands major source of population growth), a part-time population and visitors.

Central Highland's population base has always reflected the economics and amenity of the natural environment and its resource utilisation. Initially with labour intensive farming, forestry and construction of the hydro schemes, subsequently declining with the increased capital intensity of farming and forestry, and on completion of construction projects as they move into their operational phases.

The community reflects this practical doing, coping and adapting culture.

Respondents typically live (or move) to the Central Highlands for the peace and quiet, the remoteness, sense of community and the lifestyle. Within that "we accept the good and the bad, the increased reliance on having your own vehicle." (Survey Respondent)

Unlike urban and peri-urban communities, population growth/change within Central Highlands is largely directly related to the natural environment and its resources. This is based on a mix of recreational fishing, local primary production, tourism, and energy; with dynamics that reflect development, economic conditions, and individuals' abilities to continue to live remote from, for example, health services in periods or life stages which increase their vulnerability.

Survey respondents are attracted to the Central Highlands area for a number of reasons, largely:

- *Environment – wildlife, peace, quiet*
 - *Lifestyle – fishing, bush, solitude*
 - *Sense of Community and village atmosphere*
 - *Retirement*
 - *Business opportunities*
 - *Family*
 - *Affordability of housing*
- (Survey Respondents)*

Representation

The core of Local Government is community representation in highlighting and influencing factors which affect the day-to-day liveability of a place.

“(Our Council) does a good job. They provide all the basics, get on with it and you feel as though they are on your side.” (Survey Respondent)

As LGAs increase in scale, an individual's cost of election increases, more travel time, increased promotional costs, potentially skewing (if unconsciously) representation to those with greater resources and networks, despite allowances.

Although the concept of elected representative is central to reform discussion, the degree to which the community is represented through locally elected officials and in government programs is also important.

Representation includes being represented in intergovernmental relations – how local issues are represented between and across government responsibilities. The removal of diverse local representation from local communities lessens this important democratic interconnection between levels of government.

The single-minded pursuit of scale efficiencies runs the risk of generating a transition from a representative Local Government to a GBE form of Local Government and the loss of local democratically elected oversight and support. As identified (Marques RC, 2015) water and sewage services were identified as the key candidate for scale efficiency, a move already undertaken. The modelling shows little further opportunity of achieving scale economies across other services, apart from shared IT systems and other basic infrastructure, which can occur without creating larger LGAs.

A critical challenge within remote and rural communities is the degree to which citizens are represented in core service provision and in specific community support programs. Deficits in representation negatively impacts the wellbeing and liveability of a place.

COVID highlighted the need to jointly address both mental health with physical health as determinants of wellbeing, and its flow-on impact to people's and place's performance and productivity.

The Tasmanian PESRAC Report emerged in response to the impact of the pandemic. However, the Local Government reform dimension of PESRAC, and how it has evolved into the options pack, inadequately considers the concepts of belonging - people's experience of place and what is a multi-perspective human scale relative to a Local Government area. The Options Pack adopts a primarily technical stance to reform. Central Highlands has a strong sense of place identity reflecting cultural heritage factors which are arguably more central to rural and remoter life, than in an urban setting. While basic needs are similar across communities, the “local” in local representation and decision making is central to the balance of technical and social dimensions,

Council's community survey has identified the importance of education, health, and community support, and the challenges of access to the appropriate levels and scope of base service and specific needs support. People not wanting to leave Central Highlands in the face of increased vulnerability, being forced to do so – is in contrast with the adopted principle of “ageing in place” as long as practical. Education and health challenges are identified, along with in-home care and respite through the not-for-profit sector which provides federally funded programs.



“The closure of the Medical Centre at Ouse made a huge difference. I now have to drive to Risdon Vale to see the Doctor.” (Survey Respondent)
“Council tried hard to attract a new doctor by providing a residence, vehicle and subsidy for them.” (Survey Respondent)

Community wellbeing is at the centre of the reform, its determinants were the drivers of the PESRAC brief and recommendations. People's physical, mental, and subjective senses of wellbeing are influenced by their condition, capacity and support across the wellbeing/health determinants summarised below.

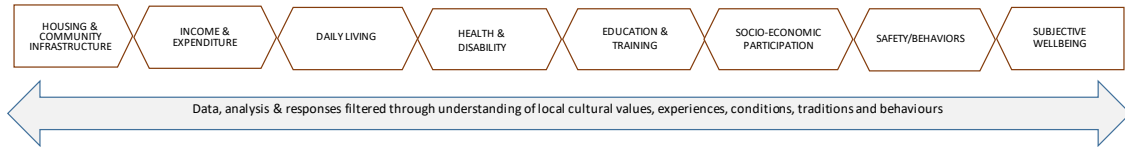


Figure 2. Wellbeing Determinants

These determinants represent the characteristics of a liveable community. The profile of the population and the ability of the place to deliver on these factors in a way that provides a sense of wellbeing and a liveability that attracts and retains population, is core to Local Government. Within this, a key role of government is to deliver policy settings, supports and services to complement people's and communities economic and social endeavours to deliver high levels of life-stage wellbeing and liveability. Central Highlands operates with a mix of Local Government and community endeavour.

“We create our own opportunities within the community. Parents organise events within the community such as dance classes, where if you can afford to pay more you pay more to allow everyone the opportunity to attend, otherwise you miss out if you can't travel to Hobart.” (Survey Respondent)

“The Sheep Station Cup is a golfing tournament held each year by the farmers to raise funds for the community. It has been known to raise as much as \$50-60,000.” (Survey Respondent)

This year it donated to causes DonateLife and the Bothwell School.

Whilst there is demonstrable cohesion between Council and formal/informal community groups in terms of delivering on these wellbeing determinants, there is a lack of cohesion between the role of local and State Government, not for profit and private providers within places and communities.

How our community is represented and positioned in terms of access to services, and the quality of service, is a critical input to their wellbeing. This is central to the joint responsibilities of State and Local Government, albeit with different, but complementary roles. At the State and Federal agency level, the above wellbeing determinants are managed as agency silos. Within a community such as the Central Highlands, the linkages between the determinants are starkly, humanly obvious, as is the flow-

on impact of a shortfall in one factor, on the others and the liveability of the place. Council recognises and responds to these linkages.

The majority of survey respondents described the Central Highlands Council as “approachable, accessible, transparent and quick acting”. Their local knowledge is “invaluable in an area such as this” and they “listen to us” through “frank and honest discussions”. (Survey Respondent)

The principle of vertical and horizontal relationships (Dollery B, 2010) is identified as primary to resource sharing within Local Government; it also provides guidance to the relationship between Local, State and Federal government in more productively delivering on these determinants.

Figure 2. above, represents the linkages between the wellbeing and liveability determinants. This supports Councils view that it is necessary reform the way in which agencies and associated non-profit and private providers interact with remote and rural places to ensure equitable access to support services, and to address the fundamental development/prevention/treatment balance.

The success of this collaborative approach in community programs in Central Highlands demonstrates when applied to specific programs that - it works! This learning should be applied much more widely to guide State and Local Government collaboration and more productive program implementation.

The key to this intergovernmental reform is for agencies and Councils to create a robust and durable form of structured, integrated State and Local Community collective impact. One with clear, purposeful focus and community service/supports access, development, prevention, and response interventions using evidence-based analysis within the Central Highlands context.

Representation within essential support services is an equity/equalisation factor – distance, whilst important, is not always the single most important factor in the age of distributed services, where services come to the home, rather than a centre. Currently councils can be unaware of which providers are operating across the area, people are falling through the cracks, people are unaware of what might be available.

The high utilisation of food distribution and meal services during and following COVID-19 caught many communities by surprise – this provides some evidence of the unknown.

The need for vertical/horizontal on-ground collaboration and integration is clear in Councils observations arising from analysis of the 2019 Great Pine Tier bushfire response which burned over 55,000 Ha, houses, buildings and threatened settlements. In this instance, the collaboration would have involved Emergency Services, Council and landowners including Hydro, Parks, Sustainable Timbers Tasmania, private landowners and key community representatives in addressing key communication, coordination, equipment and associated on-ground prevention and response policies and procedures. Local is critical to this form of collaboration.

Such collaboration, situation analysis, and response design, implementation and evaluation reflect how State and Local Government, key program providers, GBE and private providers can complement their roles in the context of Central Highlands. The roles balanced across:

- Governance
- Influencer – communicator, educator
- Partner
- Investor/developer
- Provider
- Supporter
- Facilitator

In terms of strategic impact, reinforced by the obvious geographic barriers to our north, east and west, levels of service and risk management, the current “Central Highlands” boundary makes complete sense as a discrete LGA. This applies in terms of optimising the above mix of roles and in the preparation and implementation of the range of statutory roles such as Planning and Emergency Management defined within the *Local Government Act 1993*.

Conclusion

The options pack scenarios arguably lead to a transition from “democratic representation” towards a GBE model as a proxy for Local Government, a substitution of election and access to local elected members for an increase focused on structured community engagement processes. It is important to have both, but, as described above, there are intergovernmental organisational options to facilitate a balance and diversity of access and representation to reflect the context.

Representation has multiple meanings. In the context of Central Highland, the critical notions are identified as:

- ***The use and investment of locally generated rates is based on locally made strategic and operational decisions focused on community benefit.***
- ***Community members are well serviced and supported, and as need arises equitably represented in the range of State and Federal programs designed to enable people to develop, achieve and maintain a high level of wellbeing, live and age in place.***
- ***The unique physical, social, economic characteristics and interests of the Central Highlands must be politically integrated with State and Federal government decision making and program. This includes being advocated for by their local elected representatives.***

3. Operational Capability

Central Highlands Council provides a balanced service and governance resource to its community. With 8,010 square kilometres (11.6% of the area of Tasmania), a road network of 739 km, 8 towns and over 35 local settlements there is a need for diverse operational and governance capability.



As with all rural Councils, there is a major focus on provision of infrastructure and community facilities; key community assets providing travel, economic and social connectivity; factors important to the community. Our geography and climate introduce a further layer of challenge, the provision of all-weather access. As identified in the previous section, this infrastructure is critical in emergency response and management.

How Council works in the place is noticed, whilst some aspects of our contribution are physical, increasingly it is more focused on service and wellbeing factors.

“The Councils role has changed over time. It used to be roads and garbage, now they do a lot on the social side of it – they own the community halls, maintain picnic areas and toilets. It’s got a lot to offer in regards to tourism and village infrastructure.” (Survey Respondent)

How Council performs the delivery, facilitation and support roles identified earlier, has changed, and continues to change. As noted in discussion papers horizontal shared services, outsourcing and other mechanisms have a longstanding role in productive service delivery.

Council's resourcing is efficient and functional in governance, compliance, recurrent activity, and a project perspective. Council is challenged in making significant step changes in delivery; however, it utilises the mix of roles identified earlier in this submission to leverage performance and value.

“We have the longest gravel road network, we have our own graders and the same people fixing the roads, they know the roads. They have a local knowledge and pride in their work that contractors just wouldn’t.” (Survey Respondents)

Internal

Central Highlands Council operates with 35 FTE employees. In terms of the delivery of service within the community, this is multiplied many times over through our collaboration, partnerships and support for community organisations providing health and wellbeing services, emergency service response and events, such as Bushfest and the Hamilton Agricultural Show, which bring the community together.

In conjunction with our infrastructure and community facilities, collaboration and support provide our major engagement focus. They operate on different business models, reflecting Councils diverse roles:

- Infrastructure, facility maintenance and capital works is provided through a mix of Council workforce and contractors utilising a blend of rate revenue and grant funds that are available;
- Health and wellbeing programs utilise a support and value leveraging model, combining Council strategy, facilitation, facilities, direct investment, and grant funding to support community organisations to deliver (often in conjunction with NGOs).

Council in partnership with the Health Action Team Central Highlands successfully implemented the Highlands Food Connect Project and the Highlands Healthy Connect Project, which included the Meal Delivery Program that continues strongly with support from community, Council and volunteers. This partnership is extending in the development of other community projects including youth skill development & training, community health education, and building social connections in the community.

The uncertain future we face ensures that we must be multi-faceted, adaptable, resilient, and flexible in our “on-ground” capability. The collaborative model identified above is a reference point for how State responsibilities mesh with Local Government at a place-based scale such as Central Highlands.

This includes direct intervention in places when key community assets are lost to events, for example introducing new community facilities after the loss of the Bronte Hotel.

Central Highlands Council provides the local glue necessary for a strategic focus, operability and reflexivity which integrates and develops wider agency, Council, and community capability in a robust business model.

Our approach delivers strong results on the ground with a focus on how we respond to trends, cycles and events in design, construction, and services/responses.

How we evaluate the operations and capability of Local Government in the future will, in our view, be based on how well Central Highlands Council brings the intergovernmental and intracommunity resources together.

Central Highlands Council's evaluation of the 2019 bushfire response provides a template of how we consider the impact of these changes, emerging risks and how we productively combine resources to ensure Central Highlands wellbeing, liveability, and productivity.

Building this combined vertical and horizontal integration into strategic themes and risks is considered a key part of the reform process. It is an extension of reform which is already occurring in some arenas - the learning is in place, as are the organisational and digital systems to support such a virtual organisation which can be flexibly applied to agreed need and priority.

Horizontal Shared

This categorises shared arrangements between Councils. Historically there have been cooperative arrangements in specialised support services, such as finance, IT systems, planning, building and health compliance. In some instances, these are based on goodwill and common interest. The key is to establish them as equitable and stable relationships that deliver high quality results.

Central Highlands Council has an informal arrangement with Southern Midlands Council to provide Planning and Animal Control Services.

Whilst the arrangement provides value to both councils, it is made on a goodwill basis and should be contractually formalised. If it is to endure.



It is recognised that there is a wider scope of shared delivery available. These require a business case on which to establish value. This analysis includes the determination of the optimum sharing arrangement - informal, a contract defined scope, service level agreement and fees arrangement, through to some form of partnership/corporatized arrangement.

If transitioned corporatized share model, Central Highlands Council will then accrue the compliance cost and mirror the operating option to outsource to private providers. An advantage of private outsourcing is that it does carry the compliance costs of a jointly owned entity.

When formalised, horizontal sharing arrangements provide for the employment of specialists; career paths; and core capability in the same manner as larger councils. The number of professional and specialist staff employed in Local Government is a function of workload, rather than the number of Councils,

Vertical Shared

Vertical resource sharing options include:

- Councils and the Local Government Association of Tasmania (LGAT)
- Regional and sub-regional groups

Councils & LGAT

Local Government peak bodies across many jurisdictions are providers of services to member Councils. These services provide economies of scale, enable “best of breed technology” to be applied; create purchasing efficiencies; provide access to professional and corporate services; and help ensure local Council Officers can focus on direct community impact by having access to a level of support difficult to achieve if each Council was to invest separately. Options for assessment include:

- Industrial Relations – Enterprise Agreements have evolved from their formation principle of linking performance and productivity focused organisation and work design with wage reform to reflect an award structure with pattern bargaining pressures. A centrally managed IR system would reduce the management costs to individual councils and provide a centralised specialisation for other industrial issues.
- Provision of HR recruitment support and structured Continued Professional Development (CPD) programs.
- Community data sets and analytical support – Data is critical to provide the evidence for program design, implementation management and evaluation as the basis for improvement. It is important to advance Local Government data from being used primarily for describing and comparing, to developing a better understanding of cause and effect. This is the basis of understanding what impact has occurred because of our work, and why. Councils would input the critical community qualitative and, for example, the subjective wellbeing data, to “round out” the statistical and KPI data to support the sense making and human focus.

Regional and Sub-Regional

The role of regions and sub-regions recognises the interconnection between places and that some factors are more effectively addressed at an intermediate level between Local Government and State Government.

Within Southern Tasmania, these bodies have a varied record of contribution and success. Primarily cooperative arrangements, they are vulnerable to Councils withdrawing funding, or on specific Councils taking a lead role.

As with the shared services model, these arrangements must be benefit focused, equitable and stable., not being contractually binding carries risks.

Planning and Representation

It is of concern that planning is primarily viewed through the development approval lens, that part of the process that establishes the “go – no go” decision.

The reality is that planning is a multi-perspective consultative process which is highly integrated within Local Government. The land-use planning instruments reflect in legislation how the community, in conjunction with professional planners, retains valued and develops new built character and characteristics.

This is arguably a subordinate process to strategic planning but is positioned as the most important through its regulatory weight. This results, at times, in a disconnect between the scheme and the community and market dynamics, preferences, and strategy, potentially limiting appropriate and strategic development. The community is highly sensitive to this challenge, Council playing an important balancing role to help address this challenge.

“We need new planning schemes to let new people access the area like small acreages. Our planning schemes are not zoned for residential or rural residential. In the new planning scheme farm classification has gone from 20 hectares to 50 hectares.” (Survey Respondent)

“Council needs to approve opportunities for growth. I have a B&B in the area and we need people to invest in tourism things.” (Survey Respondent)

“(They) are trying to get a bike trail around the lake. We need (Council) to get involved in this kind of adventure tourism.” .” (Survey Respondent)

These are indicators of the need to retaining Local Government as the principal local Planning Authority.

Most applications proceed through the process with little problem and within the timelines. Periodically there are applications which become adversarial and proceed through layers of appeal process.

Other projects are clearly strategically aligned to the community's future, or could be more so, if minor changes were made, this reflects a more cooperative approach to development.

Similarly, State Government will conceive of or identify projects of 'State Significance' by default located locally, which although dealt with through State mechanisms need to be respectful of and consistent with local planning.

4. Financial Sustainability

The purpose of rates is to raise money within the capability of the community to provide what's required in just manner, without cross subsidy to factors benefiting outside community.

"I pay \$12,000 a year in rates, farmers pay the bulk of the rates. We have a whinge when they arrive, but we understand that it is part of our community responsibility." (Survey Respondent)

Expenditure

Central Highlands Council demonstrates the capacity of a rural council to:

- Achieve significant financial reserves which can then be applied to discretionary purpose such as shock protection and resilience; and
- Leverage significant community effort towards improving liveability and wellbeing, effectively community expenditure.

Council has begun a process of carefully drawing down on its reserve, the current operational deficit is a conscious decision made in the context of significant financial reserves. The financial management strategy provides a clear pathway to balancing our expenditure and revenue.

Like all rural Councils, Central Highlands faces "budget creep", primarily because of mandated requirements from the State, without any contribution by the State. In other instances, Council's programs are adversely affected by external factors, while often captured through "inflation" rate increases, these factors hit hard because of the significance of Council as an employer and local business, compared with urban counterparts, and our community's demographic characteristics (low SEIFA).

In other instances, the lack of the universal collaboration model as outlined in this submission, results in expenditure by Council, which, if alternatively applied in a shared services model with agencies, could reduce overall cost and improve community outcomes.

Revenue Capacity

Central Highlands has a significant “lost revenue” stream.

- The Central Highlands Community is disadvantaged by the high proportion of assets classed as utilities and as classified, exempt from rates.
- There is a potential that the growth in windfarm development will similarly be exempt or create legal fictions (such as claiming towers are chattels) which lead to the same result.
- Changes of use to, for example forest or soil carbon sequestration, increase the return on land but are potentially invisible as change.

These factors actually and potentially further, disadvantage a community which experiences levels income, employment and education disadvantage which result in it ranking as one of Tasmania most highly disadvantaged communities.

Council's view is that these exemptions are inconsistent with the marketisation of energy, its contestability provisions, and transfers costs from the developer/operator to the community.

Unlike an urban or peri-urban community which generates growth from housing development, Central Highlands economic growth occurs through increased production and value add. It is critical that this value add is captured to local community benefit through rates or rate equivalent income. This is why it is essential for Federal and State Government to address the mega-trend factors impacting Central Highlands and its future.

Investment and operational expenditure through collaboration and volunteering is not reported with the financial accounts, but in communities such as Central Highlands is important to achieving our prosperity, wellbeing, and liveability goals.

Understanding how rural and more remote councils work (Drew K, 2022) in particular, the cause-and-effect relationships of financial, organisational and development support to key community organisations is central to framing financial sustainability. This requires a transition from reliance on statutory reporting to utilisation of broader evaluation (Drew J, 2023).

Conclusion

The future of Local Government (from a remoter, rural Council dependent on natural resources financial perspective) will be based on:

- ***Contemporary, contextual service delivery.***
- ***Council's key relationships with the community in leading and supporting and community-based development, prevention, and responsive support.***
- ***Intergovernmental collaboration in innovative, robust models to ensure equitable, accessible, and productive service delivery.***

The current financial and performance KPIs provide only a partial picture. When used to compare Council performance they exclude the facilitated community sourced service and emergency recurrent investment people make in their own communities as a result (in part) of being engaged with Council.

Submission prepared by Dr Martin Farley in collaboration with Central Highlands Council, Councillors, and senior management, with input from the Central Highlands community.



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