



City of **HOBART**

02 August 2023

Future of Local Government Review
GPO Box 123
HOBART TAS 7001

Via email: Submissions.LGBoard@dpac.tas.gov.au

Dear Sir/Madam

Stage 2 Interim Report and Community Catchment Information Packs – City of Hobart submission

The City of Hobart welcomes the opportunity to provide feedback on both the Stage 2 Interim Report and the Community Catchment Information Packs. The City of Hobart acknowledges the recent change in focus of the Future of Local Government Review as announced by the Premier on 16 July 2023.

The City's submission highlights the importance of implementing wider reforms underpinned by strengthening the *Local Government Act 1993* thereby aligning this legislation with other local government jurisdictions.

We also highlight that enhancing funding to Local Government, implementing shared services, reviewing funding sources for local government, reviewing accounting standards for major assets and strengthening the Elected Member Code of Conduct must also be of priority for local government sector reform.

The City of Hobart commends the Future of Local Government Review Board on its contributions to date and we look forward to providing further input into the future stages of the Local Government Review process.

Kind regards,

Kat Panjari
Acting Chief Executive Officer

City *of* HOBART

Response to Stage 2
Interim Report

Future of Local
Government Review

Future of Local Government Review

City of Hobart Response to the Stage 2 Interim Report

Executive Summary

The City of Hobart encourages the Board to consider the key principles outlined in the body of this submission specific to Hobart as a capital city. These principles align with the Hobart community vision developed in consultation with our community and are attributes we implore the Board to acknowledge when considering any potential recommended changes to the boundary of the Hobart local government area. This submission highlights:

- The City of Hobart acknowledges the recent announcement from the Tasmanian Government confirming that forced council amalgamations will not occur.
- However, we encourage the Minister for Local Government to proceed with the legislative review to ensure the local government sector is operating efficiently and sustainably.
- Tasmanian Local Government legislation must also be contemporised to be brought into line with other local government jurisdictions, for example reviewing regulations regarding inclusionary zoning, developer contributions and rates and charges must be a priority. The City of Hobart was disappointed with the unilateral approach of the Tasmanian Government in announcing the independent Development Assessment Panel given its direct impact on the remit of the local government sector.
- While the constraints of the current council planning approval and assessment process are recognised, and should be improved, statutory planning responsibilities must remain with local councils.
- Further investigation is encouraged of regional shared service models for services delivered by councils or established authorities on a regional basis.
- Any significant changes to council functions must be adequately planned, communicated and funded by the state to provide certainty for council staff, elected members and the communities they represent.
- The City does not have sufficient evidence outlining Hobartian views on council mergers to form an opinion on the proposed boundary alteration options and whilst the commitment has been provided that boundary changes will not be forcibly imposed, the City considers it very important that should the Board recommend boundary change the following is considered:
- Any local government amalgamations must be presented as a merger and not an annexation; and it is crucial that financial sustainability of catchments be assessed to determine the suitability of amalgamation.
- It is critical that any proposed changes to council boundaries consider economic clusters of activity and their connections to the districts or precincts around them.
- It is vital that the important geographic area of kunanyi/Mt. Wellington be managed by an authority with appropriate knowledge and experience of the mountain's conditions and risks.
- Maintaining community connections and sense of place will be vital in any proposed boundary changes – for example, the inclusion of a rural area within the boundary of a metropolitan area may have negative impacts on the identities and representation of both distinct communities.

- It is critical that any substantial changes made to local government functions whether it is boundary change, mandated shared services or increased collaboration between councils, must be appropriately funded by the state.

Introduction

The City of Hobart welcomes the opportunity to respond to the Stage 2 Interim Report and the community catchment information packs. The City looks forward to working with the Local Government Board (the Board) to provide input into the final package of reform recommendations. The City of Hobart commends the Board on its contributions to local government reform to-date.

Noting the recent announcements from the Tasmanian Government in respect to forced amalgamations, the City strongly encourages the Tasmanian Government to actively and urgently progress contemporing the *Local Government Act 1993* to bring it in line with other local government jurisdictions. The City highlights the importance of implementing wider reforms that include enhancing funding to Local Government, reviewing funding sources for local government, reviewing accounting standards for major assets, such as Doone Kennedy Hobart Aquatic Centre and strengthening the Elected Member Code of Conduct. We emphasise that any comprehensive reviews of local government legislation must also consider the expansion of local government service provision and the shifting of responsibilities from State Government to local government.

In light of the recent independent Development Assessment Panel announcement, the City of Hobart reiterates our view that statutory planning functions must remain with local councils. We have been disappointed with the unilateral approach of the Tasmanian Government in announcing this proposal given its direct impact on the remit of our Councils and the local government sector more broadly.

While the City recognises that the current council planning application and approval process could and should be improved to increase housing supply, local councils understand local issues and the potential planning impacts on a community in a way that other tiers of government do not. The City of Hobart's Community Vision and Capital City Strategic Plan 2019-29 identifies the importance of Hobart keeping a strong sense of place and identity even as the city changes and the City of Hobart – in collaboration with communities and stakeholders – is best-placed to implement city shaping activities and precinct improvements.

We highlight local councils represent the views of their community with the majority of developments proceeding through the local council planning process unimpeded. Additionally, reviewing regulations regarding inclusionary zoning, developer contributions and rates and charges must be a priority.

We now look forward to meaningful engagement with the government and the State Planning Office regarding the Development Assessment Panel proposal, including the draft legislation that will underpin this initiative.

Shared Service models

Shared service arrangements have potential to provide economic and social benefits for councils and their communities. The City of Hobart supports increased collaboration between councils where service delivery is improved. We encourage further investigation of regional shared service models for services delivered by councils or established authorities on a regional basis. Shared service models can be successful if entities sharing services have similar processes for delivering services.

The City sees merit in examining shared service partnerships with Service Tasmania, particularly for transactional customer service interactions.

However, we note there are several factors that require further analysis when assessing the suitability of shared service arrangements. Harmonising service delivery, service frequency and service quality all have the potential to increase operational costs of councils.

We emphasise that any proposed shared service arrangements must be negotiated with Local Government Association of Tasmania (LGAT) on behalf of all councils before being formalised in a service level agreement.

The City of Hobart as the capital city serves as both an administrative centre of government and as an economic centre of the state, generating over 22 per cent of gross regional product in Tasmania. As the capital city, Hobart plays a significant role as a gateway to Tasmania's visitor and tourism economy.

We recognise that Tasmania is not best served by the continuation of 29 councils, yet boundary change has always been difficult to achieve in our state. Although the Tasmanian Government will not proceed with forced council amalgamations, any future amalgamations must be presented as a merger and not an annexation with adequate community education and planning and transition programs to inform communities on how their councils will be affected.

Any significant changes to community representation and council functions must be adequately planned, communicated and funded to provide certainty for council staff, elected members and the communities they represent.

Regarding the options for possible boundary changes as identified in the Stage 2 Interim Report, the City of Hobart does not have sufficient evidence outlining Hobartian views to form an opinion on the options outlined in the community catchment information packs. We also cannot provide comments the alteration of municipal boundaries or any alternative options that the Board should consider.

Should the Board recommend to the Minister that boundary changes proceed, the City of Hobart encourages the Board to consider the following principles specific to any newly establish capital city. These principles align with the Hobart community vision developed in consultation with our community

Principles for a thriving Tasmanian capital city

The City of Hobart encourages the Board to consider the key principles outlined in this submission specific to a newly established capital city.

Local economic clusters/activity centres

Hobart's unique environment plays a key role in shaping our economy from Antarctic science and tourism to creative arts and technology. Hobart's position as the state's international gateway to the Antarctic and Southern Ocean underpins a unique knowledge economy. The Hobart Port and Macquarie Wharf serves as the home of the Antarctic Icebreaker Nuyina and provides critical infrastructure for the capital city to continue to leverage its status as the gateway to the Southern Ocean. Any future boundary reform must strengthen the clustering of this type of specialised economic activity within the current Hobart Port precinct.

As the economic engine room of the state, business and industry connections are one of the City's biggest assets, including strong networks between people, businesses, education and government. We connect industry sectors with jobseekers. We enable clever and resourceful people to find each other and collaborate. It is critical that any proposed changes to council boundaries consider economic clusters of activity and their connections to the districts or precincts around them.

In addition to the natural environment and diverse economic networks, Hobart is characterised by its unique attractions.

It is critical that any proposed changes to council boundaries consider economic clusters of activity and their connections to the districts or precincts around them.

The City of Hobart strongly suggests the Board consider the importance of key attractions such as kunanyi/Mount Wellington, MONA and Salamanca market precinct to the local economy and community when considering municipal boundaries.

Financial Sustainability

Local government provides many core public services in response to the needs of communities. Communities expect services are delivered to a very high standard and regularly expects their local council to expand service delivery. In this context, it is important that Councils have the flexibility to review its services in an order and frequency that makes sense for that Council, rather than a mandated process.

The local government sector is experiencing a range of cost pressures which are impacting long-term financial sustainability and financial circumstances of Tasmanian councils varies across the state. It is crucial that financial sustainability of catchments be assessed to determine the suitability of amalgamation. If certain local councils are not currently financially sustainable, it will be imperative to ensure any future amalgamations do not exacerbate existing inefficiencies and increase operational expenditure.

As a capital city, the City of Hobart is often a critical delivery partner of the State, particularly relating to transport infrastructure. For example, the expansion of the Derwent River ferry service has been enabled by a \$20 million Australian Government investment that the City of Hobart leveraged in the 2022-23 Federal budget to expand public transport options in the capital city.

Recognition of local government as a legitimate level of government, and equal partner with significant expertise needs to be a foundation principle of any State and Local Government partnership model.

In the best interests of long-term financial success of local government, it is critical that any substantial changes made to local government functions whether it is boundary change, mandated shared services or increased collaboration between councils, must be appropriately funded by the state.

Connection to the Community

Local government plays a critical role in creating and maintaining a sense of community that facilitates local connections and makes people feel safe and welcome. As Tasmania's capital city, the City of Hobart is at the forefront of shaping a contemporary capital city that is future fit and able to deliver on the current and future needs of our residents, businesses and wider community while retaining the city's sense of place.

Connection to community is a vital aspect of social identity. Neighbourhoods, suburbs and towns are important units in the physical, historical and social infrastructure and often generate a feeling of community and belonging. Wherever possible, dividing these units between local governments should

be avoided. Any impacts to democratic representation must be carefully assessed to ensure representational equity across local communities throughout any transition periods and council mergers.

To mitigate against the erosion of community trust, a transition process could involve the introduction of place-based council wards at a smaller community scale to ensure community connections are maintained. This ward-based model could be phased out by the end of the first term of a merged council as they consolidate their identity and function within the community.

Tasmanian municipal areas showcase considerable diversity not only in population size but local community preferences, population composition and socioeconomic characteristics. Any recommended mergers should take these factors into account. For example, the inclusion of a rural area within the boundary of a metropolitan area may have negative impacts on the identities and representation of both communities.

Sense of Place

Hobart has a strong sense of place, and, for many community members, it is a part of Hobart life they value highly. The mountain, the river, heritage architecture, a human scale, connections between people, local businesses and the diverse and inclusive community are all qualities that make Hobart a special place to live.

The City of Hobart, through the delivery of infrastructure and services, play a significant role in ensuring the liveability, sustainability and wellbeing of communities. Accessibility of recreational facilities, green spaces, playgrounds and reserves, supporting transport options and community gathering spaces are also provided by the City.

kunanyi/Mt. Wellington is Hobart's beloved mountain that is rich in wildlife and blanketed in forest, woodlands and alpine environments.

It is vital that the important geographic area of kunanyi/Mt. Wellington be managed by an authority with appropriate knowledge and experience of the mountain's conditions and risks. The local government boundary reform process provides an opportunity to 'place' the mountain in one municipal area to ensure that expert knowledge and management practices are overseen by one local government area that can strengthen a partnership approach with the state government.

Furthermore, a key attribute of the capital city's unique topography is the bushland that surrounds Greater Hobart. As a bushfire-prone area, the City of Hobart undertakes a wide spectrum of activities to support disaster resilience for our community, from the prevention perspective in risk reduction and building community readiness; to the response and recovery from natural disasters.

It is vital that local government is supported to continue efforts to mitigate and manage the risks of climate change and to support community resilience in partnership with local communities and that local knowledge and management practices are retained.

Conclusion

The City of Hobart looks forward to further engagement on the progress of the Future of Local Government review. If you have any questions regarding the content of this submission, please contact Glenn Doyle via doyleg@hobartcity.com.au.