FLINDERS COUNCIL

Future of Local Government Review Submission

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THE ISLANDER WAY

The first thing you will notice, on Flinders and the Furneaux group of islands, is the breathtaking scenery. In every direction, what you see is like nothing else in the world.

It's deeper than quiet beaches and coastlines, mountains and mist. These islands have a rich and dark history, and an intensely passionate community that wants to reckon with its past and build the right future together. No-one is here because it is the easiest place to live. Everyone is here because it is different. When something works on these islands it tends to be small and special. As the rest of the world chases growth, we chase meaning.

The core of our culture is to be true to who we are, to try to live on what we can find or grow on our rich land and in our waters, to support each other. When a crisis strikes one of us, it strikes all of us. Many of our family businesses have been here for generations, evolving yet never abandoning the spirit of this place. Artists and artisans are here to create and connect.

We have a complex relationship with change because we understand what it can bring. It's different here and we make different invitations to visitors: for an unforgettable time on Flinders Island, learn to be one of us for a few days, a week, or the rest of your life. Slow down, get lost, co-contribute, connect.

Don't try to change this place. Let this place change you.

The Furneaux Festival celebrates our Aboriginal history, our ancient and modern cultural traditions, our art, even our complications. Our Council and Community launched it as a gently provocative and intensely alternative to Australia Day – the first in the country.

Quiet is a word you will hear often on Flinders Island. The Tasmanian story is the quiet pursuit of the extraordinary, and on Flinders it is aged and distilled: quieter, harder, yet more rewarding, more mysterious, more connected, more complicated, more extraordinary.

About Flinders Council

Flinders Council is responsible for governing the Flinders Municipality, encompassing 52 islands within the Furneaux Group, most notably Flinders Island and Cape Barren Island. With a population of approximately 956, around 45% of residents are aged 60 and above. Our jurisdiction is classified as a very remote location – this often means that our required contribution to grant funding is just 10%. This would likely increase to 50% upon amalgamating with a larger council.

The administrative centre, located in Whitemark, serves as the Island's primary hub for community and government services. Agriculture is our primary industry, maintaining nearly 20% of the Tasmanian livestock herd. The burgeoning tourism sector prompted the Tasmanian Government's funding of the "Islander Way" project, a two year initiative designed to collaboratively shape the future of tourism in harmony with regenerative tourism principles, engaging the local community.

Flinders Council prioritises its focus on delivering essential services and robust infrastructure to its residents. These services encompass waste management, local roads and transportation, town planning and development, environmental management, recreational facilities, and community programs. Additionally, the council plays a vital role in fostering economic growth and promoting various tourism endeavours within the municipality.

Being an island-based council, we confront distinctive challenges and prospects. We work closely with diverse stakeholders, including community groups, businesses, and government agencies, to address the specific needs of our residents and visitors. The preservation and sustainable management of our Islands' natural environment are held in high regard, and continuous efforts are made to ensure its conservation.

Flinders Council actively encourages community involvement and engagement through various means, such as public consultations, community forums, information technology and special committees. This participatory approach empowers residents to actively take part in local decision-making processes, ensuring their perspectives are genuinely considered. Through collaboration and community engagement, our council strives to meet our residents' diverse needs and aspirations while nurturing a vibrant and sustainable community.

Our council presently employs 35 community members, establishing us as one of the largest employers on the island. Our staff members undertake a variety of roles, both within the Council and across the community. Even the loss of just five individuals could have far-reaching consequences, impacting our educational institutions, healthcare facilities, and multiple businesses across the island, not to mention the community groups actively supported by our staff. Remarkably, Flinders Municipality boasts one of the country's highest volunteer rates, almost 40%.

Our remoteness necessitates providing services tailored to our community's unique needs. This involves implementing targeted initiatives to address the challenges arising from geographical isolation, limited infrastructure, access to essential services, and community development. Due to these unique circumstances, our council assumes roles not ordinarily performed by most councils, including airport management, funeral directorship, private civil works (previously), maintenance, and emergency works for TasWater and State Growth (Roads). When market gaps arise, our council diligently steps in to ensure the delivery of essential services to our community.

Arguments Against Amalgamation

While the idea of consolidating smaller municipalities into larger entities may seem appealing on the surface, it is essential to consider the potential implications and challenges that such amalgamations can bring. There has been limited detail provided from which we are being asked to make critical decisions that will change the face of local Government for our community. No costings, modelling or benefits to the community have been provided, and we are being asked to provide solutions to problems that have not been clearly articulated or quantified.

Council amalgamations will lead to a loss of community identity and representation. Smaller municipalities often have a strong sense of community and local identity that can be diluted or lost altogether when merged into a larger entity. Residents may feel disconnected from decision-making processes, as those from more populous areas may overshadow their voices. This can result in a loss of local autonomy and a reduced ability to address specific community needs and concerns.

Concerns regarding loss of voice have been consistently raised by members of our community. A notable illustration of this issue the upcoming community hearing, which highlights how challenges faced by those living in remote areas may result in a diminished representation of their views.

For individuals residing on Flinders Island, participation in this session requires considerable expense, including a return flight with an approximate cost of $450, car hire around $100, accommodation $130, plus additional costs for meals etc. For residents of Cape Barren Island, there are additional costs on top of these. This financial burden significantly hinders the ability of community members from the island to effectively participate in the hearing.

While we have arranged for video conferencing as an alternative means of participation in this instance, it must be acknowledged that this approach may not always be a viable or suitable option for everyone, given potential technological constraints and the nature of the matters under discussion.

Similarly, in the event of amalgamation, if an elected member is a resident of any island within the Furneaux Group, the financial burden associated with attending to Council matters would rapidly escalate, particularly considering the frequency of workshops, meetings, special committees, and related obligations. The projected costs for each visit have the potential to be in excess of $1000, rendering such engagements cost-prohibitive for the Council.

While amalgamations might streamline administrative processes and reduce duplication, they can also result in increased bureaucracy and less responsive governance. Larger entities tend to have more layers of management and decision-making, which can slow decision-making processes and make it harder to address the unique needs of different localities. Additionally, the distance between decision-makers and community members will increase, making it more challenging for residents to engage with their local Government effectively.

Furthermore, amalgamations do not necessarily lead to improved service delivery. The promised efficiency gains generally do not materialise due to the complexities of merging different systems, cultures, and service delivery models.

Collaboration and shared services between neighbouring municipalities can effectively achieve economies of scale without sacrificing local identity. This allows for the pooling of resources and expertise while maintaining a closer connection to the needs and aspirations of individual

communities. Flinders Council has been actively sharing services such as planning, accounting, human resources and asset management. We will continue to seek opportunities going forward that are beneficial to our council and community.

Additionally, we are investing in technology and digital infrastructure to improve service delivery significantly. Working collaboratively and embracing innovative solutions such as online service portals, digital communication channels, and data-driven decision-making will enhance our efficiency and accessibility without extensive restructuring. Recent investment in information technology (IT) at Flinders has realised significant staff time and financial efficiencies for Council. A number of further IT efficiencies have been identified but come at a significant cost. In addition to shared services, greater efficiencies realised by IT improvements have the ability to significantly enhance the service delivery capacity and administrative systems and processes of Council.

While local government amalgamations may appear to offer potential benefits, it is important to approach them with caution. The loss of community identity, increased bureaucracy, and potential challenges in achieving the promised efficiencies should be thoroughly evaluated before asking communities to consider the option. We feel exploring alternative collaboration models and leveraging technology would be more effective in improving service delivery while preserving the unique character of individual municipalities.

Loss of Representation

Due to having a population of just less than one thousand, it is unlikely that a candidate from the Furneaux Group will be elected, or we will only have one person to represent our community. There is strong concern that Islanders will lose our voice if we do not have anyone elected to represent our community. A 2-year project on regenerative tourism has just been completed, which had intense community engagement and clearly articulated their hopes and concerns for the island's future. Being amalgamated could see this body of work thrown out the door by a more pro-development Council.

1. **Limited voice and representation:** Councillors are elected to advocate for the interests and concerns of their communities. When representation is lost, residents may have reduced opportunities to voice their opinions, influence decision-making, and participate in local governance processes. This can lead to a sense of disenfranchisement and diminished democratic participation.

2. **Lack of local knowledge and understanding:** Councillors typically have an in-depth understanding of their communities, including their unique characteristics, culture, challenges, and aspirations. Losing local representation means losing individuals who possess this knowledge and can effectively appreciate and address community-specific issues. As a result, decision-making processes may not sufficiently be aware of or able to consider the nuances and needs of the community, leading to less effective governance.

3. **Decreased accountability:** Councillors are directly accountable to the communities they serve. They are responsible for making decisions that align with community interests and values. Without adequate representation, the mechanisms for holding decision-makers accountable may weaken, making it more challenging to ensure transparency, responsiveness, and accountability in local governance.

4. **Reduced community engagement:** Councillors are crucial in facilitating community engagement and involvement in decision-making processes. They act as a bridge between residents and the Government, fostering dialogue and gathering input. When representation is lost, community members may have fewer channels to engage with local authorities, reducing opportunities for community input and participation.

5. **Weakened community cohesion:** Local government representation can contribute to community cohesion and a sense of shared purpose. Councillors often work to bring diverse voices together, bridge divides, and foster collaboration. When representation is diminished, it can lead to a fragmented community, where different groups may feel overlooked or marginalised, eroding social cohesion and the ability to address common challenges collectively.

6. **Inadequate response to local needs:** Councillors are ideally positioned to understand and respond to their communities' specific needs and priorities. When representation is lost, there is a risk that decisions may be made without a comprehensive understanding of the community's unique circumstances. This can result in inadequate resource allocation, unaddressed community concerns, and missed local development and improvement opportunities.

Loss of Jobs

Significant job losses in remote communities can significantly affect various aspects of the community and its residents.

1. **Economic downturn:** Job losses can lead to a decline in the local economy, reducing income levels and spending power within the community. With fewer job opportunities, residents may struggle to find alternative employment options, perpetuating a cycle of economic decline.

2. **Population decline:** Job losses often result in outmigration as individuals and families seek employment elsewhere. This can reduce the population of remote communities, which can have cascading effects on local services (school, hospital, emergency service personnel etc.), infrastructure, and community vitality.

3. **'Brain drain' and loss of skills:** Skilled individuals may be compelled to leave the community for employment elsewhere when job opportunities disappear. This brain drain can result in a loss of expertise and knowledge within the community, making it even more challenging to attract new businesses or industries in the future.

4. **Limited local employment opportunities:** Flinders Council provides employment opportunities within the community. The loss of council will result in job losses and reduced employment prospects for residents in remote areas. This can lead to increased outmigration as individuals seek employment elsewhere, further depleting the local workforce and exacerbating the economic challenges faced by the community.

Loss of Service

As a community-focused organisation, we express significant concerns stemming from the lack of clarity surrounding the service model, particularly regarding the potential implications of remote decision-making. We believe such ambiguity may result in lowering standards, thereby warranting our apprehension.

Our commitment to serving the community exemplifies our willingness to assume additional roles and responsibilities to address market gaps. An illustrative example is our unique function as the sole Council acting as a funeral director. This entails a comprehensive range of services, including preparing the deceased for burial, providing guidance and support to grieving relatives, arranging funeral services, facilitating the delivery of coffins, and, in certain instances, conducting ceremonies. This essential service underscores our dedication to supporting our community during bereavement.

Furthermore, we have been actively engaged in private civil works until recently, setting us apart from many other councils. Additionally, our operation and maintenance of an airport and our provision of services for TasWater and State Growth, including the execution of maintenance and emergency works on their infrastructure, exemplify our commitment to community well-being.

Given these distinctive and essential roles we fulfil, we question whether a mainland Council, if entrusted with decision-making power, would accord the same level of priority and efficiency in delivering these services on behalf of our community. The preservation of our unique service model and unwavering dedication to meeting the specific needs of our community remains of paramount importance to us.

Our Council delivers several community events, such as the Furneaux Festival, the school holiday program, and the Furneaux Futures Forum. These community events play a vital role in enhancing the fabric of a community by promoting social interaction, cultural celebration, education, recreation, and civic engagement. Their impact extends well beyond financial gains, as they enrich the lives of residents and contribute to the overall well-being and resilience of the community.

1. **Reduced access to essential services:** Council plays a vital role in delivering critical services in remote communities, such as water and sewage infrastructure (through TasWater), waste management, health programs through our gyms, and recreational amenities. When council representation is lost, there may be a decline in the availability and quality of these services. Without a local presence, allocating resources and prioritising the specific needs of remote communities can be challenging.

2. **Limited infrastructure development:** Local Government is responsible for planning and developing infrastructure projects to meet the community's needs. Without council representation, there may be a lack of advocacy for infrastructure investment in remote areas. This can result in a stagnation of infrastructure development, including roads, bridges, telecommunications, and community facilities, which are crucial for connectivity, economic development, and overall well-being.

3. **Decreased responsiveness and customisation:** Our Council is more responsive and adaptable to local needs and preferences. Councillors and Council staff have a direct understanding of their communities' unique challenges and aspirations and can tailor services accordingly. The loss of council can lead to a more centralised decision-making process, where services may be standardised and less responsive to the specific needs of remote communities.

4. **Challenges in resource allocation:** Council plays a crucial role in resource allocation and budgeting for services. Without council representation, remote communities may have less influence in determining the allocation of resources, making it harder to secure adequate funding for their specific needs. This can lead to disparities in service delivery between remote areas and more populated regions.

5. **Lack of community engagement and input:** An island-based Council allows for community engagement and input in decision-making processes, including service planning and delivery. The loss of council can diminish opportunities for community members to have a say in local service provision, resulting in a lack of representation, reduced transparency, and limited accountability in decision-making processes.

Our Aboriginal Community

Around 16% of the Flinders Municipality comprises Aboriginal people, including Cape Barren Island. During the engagement held by the Board (consultation with Aboriginal communities was held in Hobart, Launceston and Ulverstone – not on Flinders or Cape Barren Islands nor in Circular Head – the two municipalities with the highest percentage of Aboriginal population), members reported: "their perspectives were not being listened to and considered in decision making." The Aboriginal community also felt under-represented.

1. **Dilution of representation:** There is a risk that the representation and voice of disenfranchised Aboriginal communities may be diluted if Flinders Council is amalgamated into a larger council. Smaller communities may find it challenging to maintain adequate representation within the amalgamated council, potentially diminishing their ability to address their specific needs and aspirations.

2. **Reduced decision-making power:** Amalgamation will shift decision-making power to a centralised authority. Aboriginal communities may face barriers in influencing decisions that affect their lands, resources, cultural heritage, and community development. This can perpetuate historical patterns of marginalisation and result in decisions that do not adequately consider or prioritise the unique circumstances of our Aboriginal community.

3. **Cultural heritage considerations:** Aboriginal communities have distinct cultural heritage, connection to land, and traditional knowledge. Amalgamation may impact the ability of these communities to preserve and protect their cultural heritage, as centralised decision-making processes and resource allocation may not adequately reflect the significance of these aspects.

4. **Access to services:** Consolidation may result in changes to service provision models, resource allocation, and decision-making processes that impact the accessibility, quality, and cultural appropriateness of services.

How the federal and state Government can assist in the sustainability of Councils:

1. **Review and reform funding arrangements:** The state and federal government working with Councils, must review the current funding arrangements for councils and consider reforms that ensure a fair and adequate distribution of funds. This may involve revisiting the formula used to allocate grants and revenue-sharing agreements, considering different local government areas' specific needs and challenges. For example, due to our location, we face an additional charge of 30-40% on projects and works due to freight. The cost of delivering basic infrastructure and services exceeds the capacity of current funding mechanisms. Rather than saying, "We don't want councils imposing 10% rate rises", find out why Councils have to do so. ALGA has been advocating for an increase in the amount of money that Councils receive to 1% of federal tax revenue – currently 0.5%. By contrast, Local Government owns over 30% of the country's assets.

2. **Increase revenue-raising options:** The Government can explore opportunities to provide local governments with additional revenue-raising powers. This could include expanding the range of revenue sources available to local governments, such as allowing them to levy taxes or fees on certain services or activities. Providing more autonomy in revenue generation can help reduce reliance on state grants and enhance the financial sustainability of local governments. A review of the current funding model for very remote communities could explore a greater refund of municipality-based State fees and charges such as the current model for refunding heavy vehicle registration fees to the Council.

3. **Invest in infrastructure and service delivery:** The Government can prioritise investments in critical infrastructure and essential services that benefit local communities. This may involve partnering with Councils to fund infrastructure projects, upgrade facilities, or enhance service delivery. Targeted investments can help alleviate the financial burden on Councils and improve the quality of life for residents.

4. **Recognise the cost of forcing additional responsibilities onto Councils:** Imposing obligations on Councils without appropriate funding places an undue burden on their already limited resources, hindering their ability to deliver essential services and meet community needs effectively. It is only fair and reasonable that the Government provide the necessary funding to support the responsibilities they place on councils. This will enable councils to deliver quality services and programs that benefit the community. An example is the Child Safety Officer. Councils will be required to employ someone suitably qualified, for this role, with no funding to do so.

5. **Ensure Elected Representatives are paid fairly for the role they undertake.** For example, an elected representative of a smaller council may undertake additional duties such as grant writing, policies, Council submissions etc; whereas Councillors in larger Councils will have staff to undertake that work. If we do not fairly compensate people for their work, then people will be unwilling to do the job. This will result in a similar demographic being elected – older, retired etc.

Airport

It is an unreasonable expectation for the two smallest councils in Tasmania to own and manage large, heavily-regulated infrastructure such as airports without assistance from State and Federal Governments.

There are few Councils in Tasmania who own and operate an airport. Those who do are the smallest Councils with limited capacity to generate revenue to maintain CASA requirements. We do not receive appropriate financial assistance to operate the airport and run at a loss to ensure that we have airlines willing to provide regular services to the community.

Operating airports require significant financial resources, and with limited budgets and revenue streams, we sometimes struggle to bear the costs associated with operating airports.
Airports often require substantial infrastructure investment, including runways, terminal buildings, parking areas, and security systems. They are subject to stringent regulatory requirements from aviation authorities and safety agencies. Ensuring compliance with these regulations demands dedicated efforts and resources.

We ask the Government to investigate ways that will make operating this vital infrastructure more affordable for Councils. This could include including airports in remote locations as part of the State highway and being eligible for funding as a road.

Depreciation

We request the Government to examine potential measures to grant dispensation to Councils concerning depreciation, particularly in cases where the asset has been entirely funded through grants, state/federal government allocations, or when the Council has no intention to replace the asset after its useful life. An example is our $3.6 million safe harbour project, necessitating depreciation over a 30-year period, amounting to an annual provision of $120,000. These financial resources could be more effectively utilised within our community to address pressing needs and priorities. Therefore, we seek the Government's consideration for adjustments in depreciation policies to alleviate the financial burden on Councils.

Bass Strait and Tasmanian Freight Equalisation Schemes

We propose refining the Bass Strait and Tasmanian Freight Equalisation Schemes to bring similar benefits to the transportation of recyclable waste that is given to the transport of livestock across Bass Strait. At present, approximately 70% of waste generated on Flinders Island consists of cardboard from packaging materials. Regrettably, there are limited avenues for repurposing this waste, leading to its disposal in landfills, contributing to environmental concerns and un-necessary impact on waste cell space.

A range of advantages can be realised by availing subsidies for the transportation of recyclable waste to facilities equipped for recycling purposes. Primarily, this initiative would significantly reduce the volume of waste accumulated on the island, curbing landfill usage and mitigating the environmental impact. Additionally, it holds the potential to alleviate financial pressures on the Council by diminishing waste management costs.

Subsidised transportation of recyclables opens the door to enhanced recycling infrastructure, boosting resource recovery and minimising waste-to-landfill ratios. Extending the schemes to accommodate recyclable waste transportation serves as a practical solution to the waste management challenges faced by Flinders Island. This sustainable approach allows the Council to operate more efficiently and responsibly in waste management practices.

Working with other Councils to share resources, services and advocacy:

We recognise the practicality and financial feasibility of collaborating with others. As it is not cost-effective or sustainable for us to undertake all tasks independently, we actively seek support from other councils and businesses to share the workload effectively. A notable example is our approach to addressing the need for a planner. Rather than incurring high expenses on consultants or part-time planners, we have established partnerships with other councils. Previously, we collaborated with West Tamar Council in this regard, but presently, we are engaging with another council to avail ourselves of this essential service.

By sharing services, we can pool resources, reduce duplication, and achieve economies of scale. This can lead to cost savings in various areas, such as procurement, administration, and infrastructure development. Our Council uses LGAT procurement and consultants with experience in local Government to deliver services part-time, e.g. accountant, hr advisor. We also collaborate with Devonport City Council in relation to beneficial IT systems and processes.

Smaller or resource-constrained municipalities can benefit from shared services by accessing resources and capabilities that may not be available individually. This can enhance capacity for planning, infrastructure development, or emergency response. Our Council has a Statement of Intent with King Island Council, where we agreed to work together to explore opportunities to improve individual efficiencies, grow our economies and further improve our sustainability.

Councils must have the flexibility to choose which services to share and with whom. This allows them to adapt to their specific needs and priorities, fostering a sense of local control and autonomy. The Northern Tasmanian Development Corporation is funded by a group of Councils working towards several goals. However, our Council did not feel it was the right fit for us, so we withdrew our membership. That freedom is important to any shared service being suitable.

Collaborative efforts encourage the exchange of ideas and best practices among Councils. Municipalities can foster innovation and implement improvements in their operations by learning from each other's successes and challenges. We would like to see the development of a resource depository which shares policies, research, by-laws, benchmarking, etc. available to all Councils for their use. There is no point in each council re-inventing the wheel.

It is important to note that while shared services can offer many benefits, successful implementation requires effective planning, communication, and cooperation among all parties involved. We must be able to assess our unique needs carefully, consider the potential advantages and challenges, and collaborate transparently to achieve the desired outcomes.

We would welcome a central service hub where Councils could access the services of identified skill-shortage roles such as planner (statutory and strategic), engineering (e.g. wastewater), asset management, building and plumbing inspection, human resources and IT. Again, this must be voluntary and in line with the Council's and the community's needs.

Issues that won't go away with amalgamation:

Waste

The current waste facility requires substantial improvements to adhere to the compliance standards outlined by the Environmental Protection Authority. Furthermore, construction of a new waste cell is imperative, as our current cell is near capacity.

Transporting waste off the island remains economically unfeasible, resulting in any prospective Council being obliged to allocate substantial financial resources toward establishing a practical waste solution. This financial burden is particularly significant for a community of fewer than 1,000 residents.

Housing

A pressing concern our community faces is an acute housing shortage, affecting both owner-occupied and long-term rental properties. This housing scarcity has been further exacerbated by several contributing factors, including inadequate tradespeople due to a lack of available living accommodations—creating a self-perpetuating cycle. Additionally, building expenses, prolonged waiting times, and converting residential properties into short-stay accommodations have compounded the housing availability challenges.

Airport

As stated earlier, the airport constitutes an indispensable service for our community as a vital means of transportation to Tasmania and mainland Australia. Our residents frequently travel for medical, educational, social, and occupational purposes. To ensure accessibility and affordability for our community and passenger service providers, the Council operates the airport at a financial loss.

Additional Expenses for Remote Islands

The geographical remoteness of our island necessitates additional freight costs for all inbound and outbound shipments, encompassing equipment, materials, vehicles, and other commodities. This additional expenditure further compounds the financial considerations of servicing remote islands like ours.

In summary, these pressing concerns encompassing waste management, housing shortages, airport operations, and the added expenses related to remote island servicing collectively underscore the unique challenges faced by our community. Addressing these issues requires a concerted effort and significant financial investments, particularly considering our island's relatively small population size. As a dedicated Council, we remain committed to finding practical and sustainable solutions to improve the well-being and prosperity of our community despite the complexities involved.

Acknowledgement of Flinders Island Images: Tasmanian Tuxedo, Chelko