KING ISLAND COUNCIL

The Hon Sue Smith AM
Chair
Future of Local Government Review Board
Board c/o Department of Premier & Cabinet
GPO Box 123
Hobart TAS 7001

25 July 2023

FUTURE OF LOCAL GOVERNMENT REVIEW

Thank you for providing the opportunity for King Island Council to respond to the Stage 2 Interim Report and Community Catchment Information Packs. Our elected members along with staff greatly appreciate the opportunity to participate in face-to-face, online engagement sessions and welcome the breadth of information provided to consider and make comments on.

SUBMISSION OF STAGE 2 INTERIM REPORT AND COMMUNITY CATCHMENT INFORMATION PACKS

King Island Council ('Council') shares a unique distinction with Flinders Council, the other Bass Strait Island municipality, of being the smallest and most remote Tasmanian local government authority with the lowest revenue base.

Since 1907, Council has proudly represented, governed, and delivered essential community infrastructure and services for the health, well-being, and sustainability of our island, our residents, our visitors, and our diversified and productive economy. Council has additional functions unique to a small island, including responsibility for the airport, broadcast television, radio, and two-way radio facilities, quarries, civil construction services, and former government, now heritage-listed, lighthouse, museum, and jetty assets.

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Council services and our island community

Council is one of the largest employers on the island and presently employs 29 full-time staff members plus elected members. A large portion of these staff members bring or have families on the island, who integrate, enrich, boost, and contribute to the Island's economy. Our small staff base undertakes several roles both legislated, and community based.

These include emergency services activation and response teams within the existing staff pool roles such as the Municipal Emergency Coordinator, Deputy Emergency Coordinator, Recovery Coordinator, and Deputy Recovery Coordinator. The local benefits of this legislative requirement are the strong relationships and collaborative arrangements that are formed with our volunteer emergency services, which include the King Island State Emergency Services (SES), Tasmania Fire, and Ambulance, alongside Tasmanian Police, Ochre Health, and King Island District Hospital and Health Service. These local relationships are vital to deliver successful outcomes for our island community when emergencies unfold.

A recent example of this was the COVID-19 response which resulted in a coordinated and successful approach to testing, supporting, and disseminating critical health messages to our community, largely due to the cohesive partnerships between emergency response services.

Staff are also involved in local community organisations ranging from health, wellbeing, sport, arts and culture, education, tourism, chamber of commerce, and multiple business organisations. Transferring the local jobs and families that currently work in this space off-island to another local government area would significantly weaken both the local community and the economy.

The council team also has the intuitive tacit knowledge and know-how, which is rooted in local context, experience, practice, and values which is hard to emulate and communicate. It resides in the learned experience of the council team members. This is one of the council's best sources of long-term competitive advantage and innovation, which is largely transferred through socialisation and mentoring.

Council administers community infrastructure such as the King Island Racecourse and showground for local volunteers and not-for-profit community groups which are an instrumental part of our island's social fabric and residents' well-being.

Stretching the local government boundary outside of the island would make it extremely difficult and impractical to meet the expectations of the island community. The change would make it difficult to control the destiny of our service provision, which currently involves operating an airport, waste management facilities, quarries, cultural centre, telecommunication tower, cemetery, recreational grounds, and racecourse facility alongside the traditional Council services. Future facilities to be delivered by the council on the horizon include the community hub and gym. Our core essential services to our remote island community include a weekly domestic and commercial rubbish collection service, park maintenance, private and public works with our fleet of plant and equipment, and the sale of materials such as gravel.

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Proposing the local government changes boundaries will affect our strong brand identity, its value, and the opportunities they provide for the island. Brand King Island is more than just a marketing tool, it's the experience. Of the utmost importance to our economy is the world-renowned quality and island provenance of our products. These products include King Island beef, seafood, cheese, honey, wallaby, sea salt, whiskey, gin, beer, and bottled water, as well as our natural environment experiences, retailers, caterers, and tourism businesses/operators.

Service delivery

The council maintains the view that only we are best placed for optimum service delivery.
Our community and residents deserve to have a local contact point to directly interact with staff members of the council, especially due to our aging demographic, who represent over 45% of King Island's population and preference to engage and interact directly face to face with Council by visiting our offices or depot.

King Island Council is working towards focusing on emerging community needs, through "creating a local mechanism for emerging local needs" such as the development of a communications and engagement strategy which will be our conduit to our island community aspirations, needs, and future goals. Creating this will help facilitate collaborative service provision which not only meets expectations for both our residents and stakeholders but provides a supportive structure to generate long-term cohesiveness.

Local voices heard by local representation

Our local representatives invest large amounts of their own time and energy working alongside and with our community. The council wants to retain local knowledge, local relationships, and local culture to facilitate the strongest connection with our community. Retaining the island's elected representatives is crucial to continue to represent our community, and to ensure that "place-based" experiences, local democracy and learnings are factored into good decision-making.

At its core it's about our local voices, having a say in the allocation of local resources, involvement in decision-making as well as valuing those local lived experiences. For communities to have trust in the democratic election process we require local representation to represent local interests and identity.

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Financial Considerations

The Federal Assistance Grants (FAG) utilises a fiscal equalization approach, in which we receive a considerably higher per capita amount than larger councils, however, Council would like the State Grants Commission modelling to be reviewed and considered from a King Island perspective and try to capture the intangibles/expectational circumstances of our remote island. These exceptional circumstances include but are not limited to freight, logistics, the airport as our national highway/gateway into the island, and the cost and time comparison of arriving and departing from the Island. There is a commonality between the Bass Strait Island councils being significantly dependent on external funding from state and federal governments and part of the reason is that doing business on a remote island is very different to mainland Tasmania. For example, the extra costs associated with living on King Island are that building construction costs are 30 – 40% higher than in mainland Tasmania and a standard shopping basket is 25% more expensive than regional circumstances of our remote island.

When considering the suggestion from the Board to identify operational gains, the range of service delivery the council provides is due to community needs and it's difficult to determine which department or area to cut to provide such gains to the council. In recent times council undertook preliminary inquiries into the possibility of a waste disposal provider for off-island to run our weekly waste collection for both domestic and commercial operations. The feedback we received was that the economic factors of doing business on the island resulted in the inquiry being rejected and viewed as not a viable service for them to consider.

A suggestion from council to the Board is to look at additional funding sources such as obtaining a fair portion of the royalties reinvested back by the state government from both King Island mines. The royalties generated by the mines could be used to deliver infrastructure and other support directly to the King Island community.

Possible transition regarding staff changes

Council would like the change management process requirements to be mapped out, and once the transition process has been outlined and communicated, Council will be in a better position to provide feedback to the Board. The council has concerns that putting the responsibility of drafting the change management process on existing staff would not be possible due to our limited staff resources.

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Tasmanian State Government

State government departments pay a premium to staff working in remote areas in recognition of the inconvenience of living away from amenities and the convenience of the cities. One local example would be the staff at the King Island District High School. Understandably much of the same legislative, administrative, and compliance elements that apply to state government also apply to local government employers, regardless of the size of the council or the rate player base.

Council suggests that local government staff in small remote communities receive a similar incentive to try and attract and retain professional staff to the workforce, which is funded by the state government in recognition of small communities limited ability to fund such incentives.

An extension to this is, given that State government is increasingly delegating more responsibility and compliance to local councils do they have a responsibility and interest in ensuring there are quality skilled people in those local government roles and provide remote allowance to attract and retain staff? Therefore, would it be in the best interest of the state government to ensure skilled, experienced professionals are being recruited into the local government organisations?

Reform pathways

Scenarios – 2 – Preferred option – King Island Council remain a standalone council with full autonomy

The council would like to ensure that strong local representation continues and that King Island residents have the opportunity to decide who represents and helps shape decisions on their behalf. This is based on the view that King Island is uniquely situated with unique challenges (eg. airport, racing tracks) so having an on-the-ground understanding of these problems and opportunities is going to be very hard to do in northwest Tasmania.

Sitting alongside this is the concern that if King Island was part of a merged local government entity, it would be a minority partner. This would mean that as the smaller partner, there would be a very real chance of being out voted on key decisions based on the numbers alone. This could practically mean that decisions affecting King Island are being made by other representatives who don't have the local knowledge and expertise.

Extending out of the governance side of this, the related view is that having local people and staff on the ground is the only way to ensure that the ratepayers receive good quality service for some of the day-to-day interactions that they have with local government, for example, customer service, planning from a local perspective and understanding and depot operations.

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Council is seeking additional clarification for this scenario:

- What is the impact on the Bass Strait Island councils at the state level?
- Why were the two governance models presented to the two Bass Strait Island councils by the Board?
- Details of the Lord Howe model where the makeup includes a number of local councillors or elected member reps plus appointed state reps. We recognise the possible positive synergies this would create for our council and the State. Could you please outline some of the benefits for both entities?

Options scenario 3 is not our preferred but some of the opportunities are appealing to us such as:

- Greater buying power – insurance, materials plus goods and services.
- One tender one fleet.
- Combined advocacy of the smaller councils has a louder and stronger impact than being alone. An example of this is with our membership and partnership with Cradle Coast Authority (CCA).

Shared services opportunities

King Island Council is always interested in efficiency and service delivery improvements. When looking at shared services, it makes more sense to consider grouping by council size and type, rather than geographically. King Island has more in common with Flinders and Tasman as low-rate bases, and small staff operations than we do with Burnie, Circular Head, or Waratah-Wynyard, which are our closest council neighbours. Regarding shared services models, King Island Council and Flinders Council across the board have more commonality, with regards to the limited remuneration amount and rating (rate base) opportunity. If we went toward a single shared service, how would smaller councils meet the required financial contribution?

We have also revigorated our MOU with Flinders Council and will continue to work closely to find collaboration and shared service opportunities between the two Bass Strait Island councils.

King Island Council recognises the benefits of some shared services, for example, support for a more secure IT system with technical specialists supporting it and having computer platforms that align with other jurisdictions. Similarly, in specialized areas such as legal and engineering services for King Island Council could benefit from having access to a stronger staffing pool. How these shared services would work is of great interest to the council.

Considerable discussion has occurred in the council as to how and which service models would meet delivery expectations, either through a lead council or the creation of a separate entity and therefore we look forward to hearing more about these opportunities.

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Currently, King Island Council has experience with both options, therefore it would be useful to know what the Board is contemplating so we can consider the pros and cons of each, and then present and speak to our preferred model.

The other point discussed is with any shared services the devil is in the detail, and considerable work needs to occur to ensure that shared service arrangements have both flexibility and equity built into them at a foundational level. Unless there is an agreed documented plan that is well understood by all partners, these types of arrangements have the very real possibility of being gradually eroded over time by personalities, personal preferences, change of management, etc., resulting in the initially agreed intent of equitable distribution of services no longer occurring. Building review and checkpoints into any agreement might be one way to ensure that fairness is maintained for the long term. The council is curious to understand would a State Government or Joint Authority model for service delivery to the island be proportionally divided.

Local Government legislation

Creating an accountability system for both staff and elected members would benefit the whole system. Developing these equitable systems would mitigate the disruption to council business, take out the ability to personalise, and significantly reduce relationship management challenges, from any position. This would also mitigate the need to use the state-wide Code of Conduct process which appears to have difficulties in addressing poor behaviour.

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Conclusion

King Island Council is to remain as we currently are, an independent and self-sufficient council with no changes to our local government border and no loss of capability or **autonomy**.

King Island Council acknowledges the work by the Board to undertake such a significant review, and we support strengthening the governance of local government. We are particularly interested in evidence-based, community-specific data, research, and recommendations for reform.

The council is keen to see positive outcomes, especially in the shared service space, and looks forward to discussing it further with the Board. Creating linkages and systems to facilitate increased access to State Government would be of significant advantage for both entities, in developing a stronger mutual understanding and removing the layers to resolve community issues.

We hope this submission provides assistance to the Board in their preparation of recommendations for the Minister and look forward to being part of the upcoming hearings and the next stage in this process.

If you need any further clarification, please feel free to contact Council.

Yours sincerely

Marcus D. Blackie

Cr Marcus Blackie
Mayor

Kate Mauric

Kate Mauric
General Manager

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