

Submission to the future of Local Government Reform

The first premise of any review should be, is there a problem in the first place?

If there is a problem, is it specific or is it endemic?

In the findings of the Board there is a focus on future needs, (subjective), preserving place identity, financial sustainability and operational capacity. I would argue, after full engagement in all the public input that this perspective is that of the Local Government bureaucracy and not that of the ratepayers.

All Northwest Coast Councils have a clear identity of place. They have the capacity for financial needs at the present. They have demonstrated that by surviving one of the greatest challenges of living memory. Their capacity to cope with cost shifting by other tiers of government will not be enhanced by scale. The money has to come from the rate payers. We have a regional authority that is supposed to be able to source funding for regional development. There would be argument for and against the effectiveness of this authority, but money retained by councils doing this work inhouse, would need specialized staff who could extend their expertise into other work.

Would the operational capacity of the council staff stand up against the private sector? This is a perennial question and is probably the crux of the debate about the sustainability of Local Government. The public workshops did not afford much debate around this subject.

Future needs must be separated from future wants and while there is no argument that the future will be different the outcome is anybody's guess. Planning around settlement and asset enhancement or protection are a guide and provide a pathway to funding sources but predicting future service requirements is conjecture.

There is only one scenario that makes any sense for the North West Coast and its not in the report. The amalgamation of Latrobe and Kentish is a logical development that in all practical measures is a work in progress already. The creation of a super Council has merit but would destroy all place identity and would take years to be accepted by a large percentage of ratepayers (it's about the rate payers). All evidence from mergers of local government, all over Australia have not reduced rates. The argument of better services is subjective as mergers result in many ratepayers feeling disconnected from their council as many do already in conversations I have had.

The decline of volunteerism is a known fact and reducing loyalty by widening local areas will add to this problem. All the LTAs, Chambers, Auxiliaries and sporting, musical, arts and events will have to be reimagined. The proposed local area voices will not be elected or representational and will have little outcome on decisions.

The review points to a static or declining population in rural areas but fails to identify why. The reason is simple as it is almost impossible to build in these areas as decided by State Government policy (PAL). These regional areas have some of the most stunning residential land and rural industries crying out for workers but if you have to drive miles from a town on rural roads to get to work it is problematic.

Scenario one creates an uneven population base. The scale of the Burnie area is only a slight enhancement from the status quo and destroys Central Coast which has taken many years to obtain its identity.

Scenario two is so close to what is already in place that you would wonder why bother. Devonport is so chalk and cheese to Latrobe and Kentish that the conflict between city and rural interests is too vast to overcome.

Scenario three is like hitting a nut with a sledge hammer. It will suit the ideology of big government but destroys the notion of Local Government. Elected members would be only a small tier below a Legislative Councilor. They would need staff, cars and advisors. This will not reduce rates, make for better local decisions or provide rural representation. Would these representatives have autonomy or would they be bound by only making decision backed by expert opinion. Many questions remain unanswered.

Scenario four is a reverse of scenario one but creates an LGA with even less scale than its neighboring LGA. All scenarios question the role of the Coastal Authority which would indicate it is probably not fit for purpose now or in the future without a serious restructure. In scenario one the board indicates streamlining the Cradle Coast Regional Land Use Strategy, WHY? This uncriticized, out of date, aspirational destroying document has fettered demand development on the North West coast for over a decade. The predictions for future land for development have proved to be spectacularly wrong. If the scale of Local Government rate base is too small the obvious way to fix this is to attract more residents into existing LGAs. The Boards Scenarios contain a lot of could, should, may and a regular mention of community hubs. This is supposed to be how to better manage Local Government?

Some suggestions. Now we have one State wide planning scheme cost shift this to the state. All permitted use development could be streamlined into either one or three planning centers. All discretionary decisions should be made by the councilors by the same decision process as Legislative Councilor's use. Either it's a good idea or its not, move on from these decisions.

Local Government already has three distinct regional identities. One General Manager for each. One Human Resource Department. One Payroll Department. One Plant Procurement Department. One Plant Utilization Department.

Retain Works Managers and allow work gangs to be deployed or hired out to neighboring councils to reduce downtime and create revenue to the most efficiently managed councils. Return Building Inspection to the Council and allow them to tender the private sector.

Make a defined role of Local Council, to limit the areas of rate payer expenditure to excess idealism of both Councilors and interest groups.

Either disband the Cradle Coast Authority or redefine its outcomes and put measurable KPIs as to how it achieves them. If it fails to deliver either it has a change of management or it ceases to operate.

If any agency needs a clear example of why big is not better, they should be aware of the debacle that is Tas Water. The Northwest had a perfectly functioning regional water and sewage system. The administration and maintenance shared between councils was paid for as part of the annual rate demand. It was affordable, could attract other tier of government investment and supplied potable water to most rate payers that were connected. In some cases, it supplied irrigation water to productive agricultural sites in the town areas. Other parts of Tasmania had deficient water supply often caused by a physical lack of rainfall. Instead of targeting these areas with specific grants to alleviate these areas the government of the day decided to take over delivery of water State wide. Try and find a private customer, business or club that is happy with the cost of water and sewage

supply. A few areas, where appalling water quality has been rectified, may be happy with the over capitalization of their water supply but everybody is paying for this excess. Major infrastructure upgrades are still in the two hard basket and should have been acted on years ago when major construction was not as hampered by red tape. They would have looked cheap by today's standards. When local council had control of water and sewage any new areas of subdivision or old unconnected areas were paid for by the residents themselves and borrowings by the council. These intergenerational assets were built on budgets that would seem like fairy tales today.

Page 2 Mercury 13/6/2023 reports that the Tasman LGA poll of their residents, on council amalgamation, showed that 70% out of 80% that answered the poll did not want amalgamation. Their mayor Rod MacDonald said his council would have its "democratic voice" destroyed. I would reiterate that this review is driven by bureaucrats and not rate payers. This process of engagement is not being supported by the rate payers and they will ultimately have their say at the ballot box.

Local Government has a pivotal role in managing assets and providing services but "local government has access to a very narrow tax base. Only 3-4 per cent of the nation's total tax is collected at the local government level – resulting in a major disparity between revenue collection and service delivery/community expectations" (ALGA 2007a). Here is the conundrum how do rural towns and areas retain their town halls, recreation grounds and schools and their workforces. The larger the LGA the more emphasis will be on national standards rather than actual need. This review would be far more effective if it could make recommendations on how to more fairly distribute the total tax take in Australia. It's long been recognised that local government does above its share in providing services and infrastructure. The LGAs in Tasmania that use the percentage of AAV as a rate calculation often rate rural properties way above their actual earning capacity. Amalgamation will mean these communities will have less representation and will continue to subsidise infrastructure and services where they receive little or no benefit.

I suggest that the government assist LGAs that want to amalgamate and don't "fix what aint broke" in the remainder.

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