

10 May 2022

Submission – Future of Local Government

Introduction

It is with pleasure that I submit the following comments for your consideration.

The purpose of this submission is to outline key learnings from previous Local Government reviews and to provide some suggestions as to how the Board should move forward with its current Review.

I worked in Local Government for 40 years in both small and large Local Government authorities so believe I am able to provide an insight into the future shape of Local Government. These comments are not necessarily supported by statistical research but simply from my experience as to what has happened on the ground.

I have concentrated on the southern area of the State, particularly the South – East as this is the area I have most worked.

Observations from previous Reviews

1993 Mergers (46 to 29 Councils)

The 1993 Local Government Review was reasonably successful as the Board was driven by the Local Government industry – the arguments put forward then are generally the same as today – achieve economies of scale, increase capacity to deliver services, increase level of professionalism in Council staff, reduce the heavy dependence on government grants, manage concerns regarding representation, a loss of local offices, negative impacts on local economy, a loss of jobs and so on.

The Board generally at that time followed as best as possible to combine Councils within areas of ‘community of interest’.

I managed a small Council that was amalgamated with a larger one. The experience was that the new larger Council was able to provide an improved level of service for residents particularly in the area of capital works. For example, a new football, cricket and community facility was built at a cost of around \$1M, this would not have been possible by the former authority.

Prior to amalgamation, it was incredibly difficult for the smaller authority to provide the range and appropriate level of advice to Council, particularly given the increasingly complex environment (eg increased regulation and compliance issues).

Following amalgamation, representation issues were addressed with interim arrangements – Councillor positions guaranteed on the new authority and the use of local advisory Committees.

There was no loss of staff other than those who chose to leave.

Post the mergers, there was a significant increase in rates for property owners of the former smaller Council – around 40 % - this differential was phased in over 5 years. Interestingly,

the community in general seemed to accept this given the change in the level of services offered.

At the time of the mergers, there was a review of the Local Government Act – only about half the review was completed due to a lack of resources provided by the then government. This was a considerable weakness in the 1993 review.

1999 Mergers

The 1999 reform proposals failed predominantly because the then State Government had a pre-determined outcome on boundaries and politically the community did not support the proposals. Of course, ultimately court challenges found that the Government could not proceed because of the lack of relevant legislative support for some of the actions required. In any case, there was a change of Government which did not support amalgamations.

The lesson to be learnt is not to underestimate the community support the vast majority of Councils have. Any reform will need to be managed well with an honest and transparent appraisal of the advantages and disadvantages of any change to boundaries.

Local Government today – roles and functions

In my view Councils, large and small, generally operate well within their financial capacity to deliver services. They have strong links with their various sporting, community and business groups and respond generally well when specific projects and new services are requested.

However, their role to strategically plan for their communities has been strongly diminished over recent years due mainly to the loss of provision of water and sewerage services and also the advent of the State-wide Planning Scheme. Council's role is now more about lobbying relevant agencies to enable growth to occur in specific areas of their local government area.

Councils are now more focussed on the provision of local services, for example, tracks and trails, provision of parks, expansion into the provision of community services (health and well-being) as well as the usual roads maintenance and waste management. In many ways Councils were left with a void in terms of their role in service delivery. It has therefore found a need to expand into some new areas.

This leads me to say that the roles and functions of Local Government need to be seriously considered. There remains duplication of effort between State and Local Government in a range of services, for example in the community services space. Unfortunately, this issue is overlooked, as it has historically proven too hard for Government. The ultimate size of local government areas (in financial terms) should be about the capacity to deliver services in the most cost-effective manner. This is where real savings to the taxpayer could be made.

The Current Review

I generally support the issues that have been raised in discussion papers so far – many of which I have also raised.

My fear is that an essential issue about what roles and functions Councils should undertake will be overlooked. For example, ironically it has already been decided to remove the issue of making local planning decisions from the review – a key area of service delivery. As I discussed above – this should include State Government areas of service delivery which

could be delivered more efficiently by local Councils. It may be that regional authorities should be created to undertake some specific areas of service delivery.

The concept of communities of interest as outlined in the discussion paper (named 'catchment areas') is supported. This is significant and should be used as a guide in any boundary change - but is not the only factor. Tasmania's widespread population must be recognised as well as how this may impact upon representation and service delivery.

The community is generally suspicious of change – this is the Tasmanian way. In addition, motivating the community to be actively involved in a review like this is difficult. Until specific proposals are decided, it is unlikely that the community at large will be fully engaged in the review process. Many people feel attached to their Local Government area – this is not easily explained or quantified. However, for example, residents of the Eastern Shore and the Western Shore of the Derwent River appear to see their service provision and priorities quite differently. This again relates to people having a 'community of interest' in their local area. Councils have over many years established strong local links with their community – this is one reason why any proposal to change boundaries can be very unpopular.

Of course, the question is, is there a magic size for a Council? Probably not. I believe this needs to be considered in a Tasmanian context – you could have just one or three regional Councils, consider the size of Brisbane City Council. However, I believe most residents would say this is too big. Most people would say that, at least with their own Council that they can 'have a say' and find someone to talk to relatively easily – either a Councillor or staff member. A Council of a size say 30-50 000 or 60-80 000 population seems sensible. A Council of this size can be both financially strong and viable and yet still able to be 'close' to its community with appropriate mechanisms to ensure representation, appropriate access to administration offices, and so on.

I would like to comment on the likely impact on ratepayers' 'hip pocket' if larger authorities are created. The process followed thus far does not seem to suggest this is a likely outcome and this is supported. In other States when mergers have occurred the experience seems to be that rates and charges have not reduced. The most recent example of creating a large authority to undertake the provision of water and sewerage services – TasWater bears this out. Charges have increased considerably to residents – but of course some important major works have been able to be carried out in both heavily and more lightly populated areas whereas these works would probably not have been undertaken.

Conclusion

Before Local Government boundaries are re-drawn, I believe that deciding what roles and functions Councils should perform must be agreed to. Structure/boundaries and appropriate financial capability and economies of scope/scale can then follow.

However, given past history this is unlikely to occur, I suggest the Board consider the following in its deliberations:

- Although I am supportive of some Council mergers to strengthen financial viability in order to enable Councils to meet the current and future needs of their community. I am not supportive of large Local Government areas being created with say

populations of 80 000 to 120 000 plus. This I believe fundamentally may remove the 'local' from Local Government.

- In particular in the South-East, there should be advantages to the community if essentially a South-East Council was created, as there are strong communities of interest between Clarence, Sorell, Tasman and parts of Glamorgan/Spring Bay. A strong viable Council would be created with the necessary expertise to deliver a wide range of services. The South- East would have a strong ability to lobby Government and other agencies for improved services.
- I have a strong preference for Councils to come together voluntarily if possible. This should be the first option and is more likely to lead to a successful outcome.
- The Local Government Board should be honest and transparent in its discussions with local communities specifically flagging how those issues that may concern people, such as lack of representation, differences in rating levels, differences in level and range of services, are to be addressed. This should include detailed discussions with the Local Government authorities proposed to be merged and their support should be garnered for any change.
- Explain that clearly all Councils have strengths and weaknesses. Any change in boundaries must result in stronger more viable Councils – with the resources to cope with financial pressures, to improve the scope/levels of service including the capability to deliver significant capital works as may be required.
- The Board should acknowledge that while there may be some economies of scale achieved, there is unlikely to be any reduction in rates and charges. Suggestions as to how these differences in rating levels may be managed are also required.
- Council staff need to be reassured that their positions and experience will be needed in any new authority. Job losses should be kept to a minimum.
- It is also suggested that the Local Government Act should be further reviewed, as it remains overly complex and many processes should be simplified.

Gary Richardson

