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Local
Government
Board

Annual Report
2005-06

LOCAL GOVERNMENT BOARD

REPORT TO MINISTER 2005 - 06

INTRODUCTION

This report covers the period 1 July 2005 to 30 June 2006, and includes reference to the General Reviews of five Councils: Derwent Valley, Break O'Day, George Town, Circular Head and Latrobe Councils. In making this report, the Local Government Board (the Board) acknowledges and thanks Councils for the considerable work they put into the preparation of their submissions.

The General Review of Latrobe Council was undertaken in the 2005-06 year but, as the report had not been authorised for publication during the reporting year, the features of the review will form part of the next annual report. This report discusses issues which have arisen during the last year in relation to the ten sets of issues contained in the Guidelines for general reviews:

- 1 Constitutional and structural matters covered by section 214A of the *Local Government Act 1993* (referred to throughout the report as the Act);
- 2 Governance;
- 3 Regulatory functions;
- 4 Community Development Communication and Consultation;
- 5 Roles and Responsibilities of Elected Members;
- 6 Equity, Access and Human Resource Management;
- 7 Asset Management;
- 8 Financial matters;
- 9 Developing Local Government;
- 10 Other matters; and
- 11 Public Submissions.

In each case the discussion introduces the issues under consideration and recent positive and negative trends or aspects of reviews are identified. Of Councils most recently reviewed, those whose practices in a particular area may be regarded as providing an example that may be applied by others elsewhere have been identified. The report concludes with an updated list of examples of leading practice, as included in the last four annual reports.

1. CONSTITUTIONAL AND STRUCTURAL MATTERS COVERED BY SECTION 214A OF THE ACT.

Constitutional and structural matters covered by section 214A of the Act, such as municipal boundaries and the number of Councillors, did not feature strongly in the general reviews the Board has conducted during the last year. However, in the case of Derwent Valley, it was noted that the Water District for the Westerway and Fentonbury area, serves properties located in the Central Highlands municipal area in addition to those in Derwent Valley. With regard to bridges adjacent to the Derwent Valley and Central Highlands boundary, the two Councils agreed to share the cost of the Meadowbank bridge totaling \$300,000. Derwent Valley Council indicated that there was development potential in the Granton sector of the municipal area for residential purposes, but it was dependent on the extension of water and sewerage infrastructure from the adjacent City of Glenorchy. The Council was encouraged to expedite discussions with Glenorchy City Council to ascertain the potential for the extension of the infrastructure to Granton.

2. GOVERNANCE

In conducting general reviews, the Board has in mind that a basic principle of the Act is that Councils are accountable to their communities. Review of the various accountability measures contained in the Act are, therefore, a major focus of the review of governance functions of Councils. Specific issues reviewed by the Board covered legislative requirements in relation to by-laws processes, maintenance of up-to-date Council maps and lists of Council-owned public land. Registers were inspected covering fees and charges, pecuniary interests, statutory appointments, committees and policies.

(a) Annual General Meetings

In almost all the reviews it has conducted, the Board has observed that, while the requirements of the Act have been met in that Councils hold an Annual General Meeting (AGM), these meetings in some instances have not been well attended by residents. In relation to the Councils reviewed this year, Derwent Valley, Circular Head and George Town proved to be no exception, having reported low attendances. However, Break O'Day reported an improved attendance of 37 residents. The Board observed that Councils who have conducted their AGM in conjunction with other municipal functions, have achieved a substantial increase in the numbers present. The Board has continued to encourage Councils to do more to use the AGM as a means of communication and consultation with their communities. Nevertheless, as indicated in general reviews, the Board accepts that this is a matter ultimately for each Council to determine.

(b) Annual Reports

Previously reported improvements in the quality of these reports continued to be the case in general reviews conducted during the last year, noting the availability on websites in addition to printed copies. Although some minor deficiencies in relation to the requirements of the Act continue to be noted, the use of graphical presentations are considered by the Board to enhance community knowledge and understanding of the Council's activities and its performance.

(c) Committees and Reporting

The Board has continued to find issues relating to Council committees and to reporting back by elected members that represent Councils on outside bodies.

In the case of Break O'Day, the Council agreed to reconsider the establishment of special committees under section 24 of the *Local Government Act 1993* rather than Council committees under section 23 of the Act. Council committees consist only of Councillors, and are subject to all meeting procedure formalities, including meeting advertising and formal debating procedures. Special committees may consist of Councillors, officers or community members, or whoever a Council appoints. A special committee establishes its own meeting procedures, and meeting times need not be advertised.

Previous annual reports have highlighted the large amount of time that elected members spend representing their Councils on various committees, boards and authorities, and this point was amplified at Circular Head with representation on many section 24 committees. The Board has also previously reported that the quality of that representation is compromised when reporting arrangements, by representatives to Councils, are deficient. It also adversely affects community accountability and transparency of decision-making, particularly when the representation is on a single or joint authority which provides a service that is normally delivered by Councils. In a large number of general reviews the Board recommended that Council develop a policy and associated procedures to ensure that formal reports on the proceedings of outside organisations are received from its representatives. The Board has noted two of the Councils reviewed this year have comprehensive guidelines in place to support committees through specific policies and procedures. In the case of George Town, the Board could see no reason why the work currently being undertaken by its Finance and Audit Committee, the only Committee of Council, could not be handled in or at ordinary meetings, on the basis that all Councillors must ultimately accept as a prime responsibility, the financial performance of Council.

(d) Delegations

Once again the Board observed differing practices between Councils on delegations. In most Councils, appropriate delegations were in place and the registers were up-to-date and in order. While the level of delegations (particularly to the General Manager and Council officers) is a matter for individual Councils to decide, the Board continues to encourage or recommend that delegation registers are in place and:

- are in electronic as well as hard copy form;
- are formatted to take account of differences between the Local Government Act and other Acts, such as the *Land Use Planning and Approvals Act 1993*;
- delegations are subject to periodic review;
- consideration is given to a reporting process for decisions made under delegation; and
- consideration is given to approving them under seal.

(e) Voter participation in Council elections

The Board found in the reviews this year that the general pattern of voter turnout continues to be higher in the smaller rural municipal areas than in some of the larger urban centres. It was noted that all Councils reviewed in 2005-06, at the time of the last Council elections held in October 2005, exceeded the State average participation rate of 64.0%. [Break O'Day (73.7%) Circular Head (66.9%), George Town (62.7%) and Derwent Valley (57.0%)].

(f) Operational and Strategic Planning

The Board noted in the reviews a continuation of what was noted last year, that most Councils have adopted what might be termed 'second-generation' strategic plans, which are shorter and more strategic than their original plans, and which have been developed through extensive and, at times, intensive community consultation exercises. In the case of Derwent Valley, the Board formed the opinion that the 2002-2005 Strategic Plan did not appear to reflect the unique needs and concerns of the Derwent Valley community. The Board was made aware that the new Strategic Plan was to be a fresh start and not build on the previous plan, utilising focus groups for community feedback. The Board recommended that the Council ensure that members of the Derwent Valley community are fully informed of the process to be followed in the development of the new strategic plan. The Break O'Day Council has developed its Strategic Plan with four key programs, sustainable development, community building, economic advancement, and organisational issues within the Tasmania Together framework. In the case of George Town, Council has agreed at the time of updating its Strategic Plan to assess whether or not some of the strategies might be better suited to a Council corporate plan.

The Annual Plan, (formerly known as the Operational Plan) is prepared by Councils and adopted at the time of the Budget Estimates. The Annual Plan is reviewed by Councils throughout the year, with achievements or otherwise, being reported in Council's Annual Report.

(g) Meeting procedures

During the year under review, legislative changes became effective requiring changes to meeting procedures, and the Board addressed impending changes when considering Council practices under this heading.

The Board found that meeting procedures and/or practices were issues in all the reviews relevant to this report. In some cases the Board noted the use of “Information Papers” issued to Councillors contained advice regarding decisions made under delegation in accordance with the provisions of the *Land Use Planning and Approvals Act 1993*. As a result of this practice and the concern of the Board that some of the issues mentioned in “Information Papers”, could be for the information of the Council and not the Councillors as individuals. It was recommended that a process be introduced to assess whether or not communications and reports currently circulated in this manner, are in fact for the Council, and if so, they be presented through the Council meeting agenda.

The Board found it necessary to remind one Council reviewed, that items should not be placed on the agenda for Council meetings unless there was an accompanying report. In another case, a suggestion was made that minutes of matters dealt with in closed sessions, be maintained in such a manner as to allow public access without compromising the confidentiality of items dealt with in closed sessions.

With reference to Council agendas, the Board found it necessary to recommend in one case that the agenda documents, complete with attachments and reports, duly certified in relation to qualified advice by the General Manager, form the official agenda record and be bound for future reference and archival purposes.

During discussion with some Councils, the Board became concerned that questions raised during public question time in relation to planning issues listed for discussion on the meeting agenda, had the potential to give support to an argument that natural justice was not being maintained. In such circumstances, it could allow persons hostile to a development to ask questions without providing the applicant equal opportunity to rebut any negative inferences. This situation prompted the Board to make a recommendation to the Council that legal advice be obtained as to whether or not questions relating to planning applications on a meeting agenda, should be excluded from public question time.

During discussion with one Council, the Board became concerned with a regular reference in the meeting minutes that Council had “moved into a committee as a whole”. The Board was initially concerned that this may have meant that Council moved into closed session, particularly because the recorded notation often occurred when Council was considering a planning matter. The Board was reassured that this has not been the case and that, during these sessions, Council continued to discuss the matter in open session, with members of the public present. This discussion prompted the Board to recommend that, in the future, if Council wished to suspend the usual rules of debate, that it does so only after a majority decision supports a motion designed to suspend regulation 22(9) of the *Local Government (Meeting Procedures) Regulations 2005*, which permits

the chairperson to suspend the operation of that regulation, and that the minutes record that the Council has taken that step in order to discuss the matter in more detail, but has remained in open session to do so.

(h) Interests

The Act provides clear responsibilities in regard to the declaration of pecuniary interest. Throughout this year the Board canvassed the view that elected members should declare any pecuniary interests at the beginning of each meeting (an approach which became a legislative requirement on 1 July 2005). The Board also reminded elected members that they were obliged to remove themselves from the meeting room when the particular item was considered and that their final responsibility was to register the interest on the approved form within the required timeframe. In general, Councils reviewed were found to have appropriate practices in place in relation to the requirements under the pecuniary interest provisions of the Act.

Councils were also encouraged to ensure that all policies developed to govern the procurement of goods and services from contractors include disclosure provisions to identify any existing or potential conflicts of interest, or, with those policies already in existence, be amended to include such disclosure requirements if they did not already exist.

(i) Workshops and conferences

The Board continues to find that Councils have vastly different practices in relation to workshops and conference attendances, from very little use of such mechanisms through to a program of frequent and regular workshops. While the Board recognises the need for Councils to workshop some issues, it has a view that Councils' choice of workshop activity should always be balanced against the community expectation to be informed of deliberations by Council. The Board was reassured that these workshops are used for briefings only, and that decisions are not formed during those discussions. The Board is also reassured that the new legislative requirements for workshop topics to be reported on at subsequent meetings of the Council, will provide added assurance to the community that the workshops remain being used for briefings only, and that decisions are not formed during those discussions.

In general terms, all Councils reviewed supported the attendance of Councillors at local government conferences and seminars.

(j) Council Meeting Times

The Meeting Procedure Regulations provide for meetings not to start before 5.00pm unless otherwise determined by an absolute majority of Council. The Board has a view that daytime meetings could well restrict potential candidates for the position of Councillor due to their inability to attend meetings during the day. At the time of their respective hearings, George Town Council was meeting at 1.00pm and Break O'Day Council at 10.00am. It was noted that after each ordinary election in the future, Councils will be required to review the commencement time of meetings.

3. REGULATORY FUNCTIONS

The review of regulatory functions by the Board incorporates consideration of non-financial performance indicator trends, and processes related to animal control, state of the environment and public health report, development approval incorporating planning, building and plumbing control, waste management, emergency management and disability access and action planning. In assessing the success of a Council's regulatory function performance, the Board takes into account facilitating powers relative to enterprises, delegations, service rates and charges, participation in single, joint and controlling authorities together with by-law development and implementation.

(a) Performance Indicators

In all the submissions under consideration this year, the Board has noted the use of performance indicators by Councils to assess their standing at State and comparative authority level as published in the *Measuring Council Performance in Tasmania* (KPI Report) publication. In some cases, individual Council indicators have also been developed for comparative purposes. The Board is interested to note that agreement has been reached for a Customer Satisfaction Survey to be undertaken on behalf of all Councils in the near future. The results of this new work will indicate any progress since the last general surveys in May 2003.

(b) Animal Control

All Councils reviewed have exercised their responsibilities in a responsible manner. The Board noted that in the case of Break O'Day Council, the use of the anti-barking citronella collars had been highly successful.

(c) Building Planning and Development

During the last year, the high level of development associated with renovation and new building projects, together with new subdivision work and associated planning considerations, has placed a considerable burden on the resources of Councils under review.

The Board noted the continuing difficulty of Councils to recruit or access professional planning and building advice, but was pleased to see the reviewed Councils had been successful in securing the services of appropriately qualified staff, but at the same time, noting there was a need in some instances for increased capacity to enable issues to be dealt with in a timely manner. While the performance based planning scheme provided greater flexibility in determining development applications, the Board was aware that additional staff were required to provide comprehensive reports and recommendations for the consideration of Council. Difficulties were noted by the Board in relation to the production of Compliance Certificates for "as constructed works" by some plumbing contractors. In one case, the Board found it necessary to recommend to Council that review of staffing levels be undertaken to ensure that statutory and regulatory requirements were being met. The Board noted with interest, that in the case of one Council, the decision to revoke planning delegations was reversed in order to provide a better pathway for approvals.

The Board is pleased to report continuation of progress in the recognition by elected members of their role as the “Planning Authority”, and their need to come to terms with the provisions of the *Judicial Review Act 2000*. The Board continues to observe that application of planning legislation, which provides for both State Policies and local Planning Schemes, is an area of increasing complexity for all who are involved in the system. Throughout the year the Board has observed that from a Council’s point of view, the twin overriding objectives of encouragement of development and regulating the development of land and buildings in the long-term public interest, frequently conflict.

(d) Waste management

The Board noted that waste management was being dealt with in a variety of ways by Councils under review. There were examples of a Regional landfill site at Port Latta that received waste from transfer stations at Smithton and Wynyard; two landfill sites at Pipers Brook and Georgetown; a landfill site at Peppermint Hill and a transfer station at National Park in the Derwent Valley. At Break O’Day, eight waste disposal sites are located within the municipal area; three of which are landfill sites supported by five waste transfer stations. At St. Helens, there is a public marine effluent pump out facility on the foreshore of Georges Bay. A satisfactory environmental result has been achieved in all locations.

(e) Water

In one Council, water quality at the mouth of Crayfish Creek and Detention River did not meet guidelines for recreational activities.

In relation to potable water supplies, it was noted that a regular testing regime was in place as required.

(f) Disability Access and Action Plans

The *Disability Discrimination Act 1992* set parameters for Councils to improve disability access to their public buildings.

While the Board understands that the legislation requires the preparation of action plans, it does not place a responsibility on Councils to carryout improvement works. Taking into account the area of responsibilities that Councils have in relation to public buildings, the Boards is keen to see a positive approach in relation to access by the disabled. The Board has suggested to all Councils currently under review that appropriate planning and implementation where possible, be treated as a priority.

(g) Single, Joint and Controlling Authorities

The Councils reviewed this year were involved in Authorities covering Regional Administration, Water Supply and Waste Management disposal. These ventures provide value added services for the respective municipal area residents.

4. COMMUNITY DEVELOPMENT, COMMUNICATION AND CONSULTATION

It is a clear requirement of the Act that Councils communicate and consult with their communities. Community development and community services are also areas where the role of Councils is of increasing importance. General reviews provide an opportunity for Councils to demonstrate policies, programs and activities which, while largely discretionary in nature, enable Councils to provide for the health, safety and welfare of the community in the broader sense that is now expected of Local Government. In the Board's view, this is an area where much can be learned by adopting leading practices from other Councils.

(a) Communication and Community Consultation

Reference has already been made to the extensive nature of the consultation that has accompanied the revision of a number of Strategic Plans. The development of Community Plans covering disaster recovery, economic development, recreation, tourism cultural and youth activities, alongside programs for aged, and improved education opportunities are indicative of the broad range of subjects that the community were asked to comment on in the municipal areas reviewed this year.

(b) Community development and services

During the year, the Board has observed the significant involvement of Councils in a range of valuable community development in its broadest sense, including the provision of community services that are not otherwise available, eg community recovery plans, health services and improvement programs supported by specific funding. The Board noted many excellent examples of Council initiation, involvement in or support for economic and tourism development, recreational planning, services and facilities, arts and cultural activities, provision for particular groups such as youth and older people, and of Natural Resource Management activities. In Circular Head, the development of a Regional and Economic Profile, was an extensive publication that showcased the economy and social character of the municipal area and should prove to be an important tool for enticing local economic investment. The Circular Head Education and Training Consultative Committee activities project identified "lifelong learning" as a key issue which highlighted the need to increase post-compulsory education activities. It was noted the project received significant support from the Council and attracted funding from the State and Federal Governments. At George Town, support was expanded for the George Town on Show festival, and a great deal of public interest was generated by the Improvement and Rationalisation of Community Halls. A major community project at Break O'Day, was the development of the Community Recovery Plan that will provide an opportunity to update and formalise arrangements for the management of the recovery process in the event of a disaster/emergency in the municipal area. In its submission, Derwent Valley Council, in outlining its approach to Community and Economic Development, indicated that "Council recognises that, as distinct from provision and maintenance of physical infrastructure, community and economic development activities may be regarded as discretionary. It also recognises that there is a distinction between an economic development role that implies initiation, facilitation, nurturing and support of

other providers and advocacy in relation to services to the Community leading to an increase in community capacity; and direct service provision”. In applying its approach, the Council indicated “the community and economic development role was considered by the Council to be its primary role since such emphasis recognises the strengths of the various communities within the municipal area, and builds upon those strengths to increase the capacity of the community to be self-sustaining.”

(c) Natural Resource Management

The Board noted the varied and valuable roles undertaken by Councils in relation to Natural Resource Management. During the year, it noted many excellent examples of activities, often supported through Natural Heritage Trust funds and involving cooperative arrangements with community groups and other Councils had continued. However, it came under notice that in many instances, ongoing project development was being hampered by the loss of subsidy from other levels of Government.

(d) Grants and Donations

The Board noted that Councils provide varying levels of grants and donations that are of assistance to many community groups. The Board’s chief issues were in relation to the effectiveness of processes in ensuring equity and access to grants, and in reminding Councils of the necessity to report their in-kind support to show more accurately the valuable contribution they make to their communities. In one case, the Board found it necessary to bring to the attention of Council that a delegation to the Mayor to determine grant applications required amendment.

5. ROLES AND RESPONSIBILITIES OF ELECTED MEMBERS

The Board found consistent support for professional development for elected members, including induction processes and encouragement of attendance at training and conferences. Elected members reported that they are satisfied with support and facilities.

(a) Delineation of roles of Elected Members and the General Manager

This issue was covered at some length in the last three annual reports. The Board noted in this year’s reviews that there appeared to be greater understanding of the delineation of roles, although similar issues and concerns were raised by Councils as in past years, such as perceived deficiencies in the Act and expectations that the relevant issues would be addressed in the review of the Act. Amendment to legislation during the year saw changes to section 63(2) of the Act whereby the former responsibilities of a Council to ensure that all employees are appointed and promoted according to merit and without discrimination; and all employees receive fair and equitable treatment without discrimination, were removed. A General Manager now has the responsibility to develop human resource practices and procedures in accordance with policies of Council to ensure employees receive fair and equitable treatment without discrimination. The Board is of the view that, at the very least there should be in place a system of detailed reporting and accountability mechanisms. The Board is strongly of the view that that General

Managers must recognise that in appointing and directing employees, they are acting as the agent or servant of the Council.

On the other hand, the Board consistently reminds elected members that they have no power to appoint or direct Council employees, other than the General Manager, and then only collectively. It is also of the view there is considerable risk involved if elected members try to become involved in industrial matters. If the elected body, or individual Councillors, have concerns to raise in relation to staff matters they should be directed to the General Manager, it would then be the General Manager's responsibility to deal with these concerns. In doing so, he/she would need to ensure that all legislative requirements are met and that all employees are treated in accordance with processes that encompass the principles of procedural fairness.

The Board recognises that a good relationship between a Council and its General Manager is crucial to the functioning of any well-run Council. For this reason, the Board, in its general reviews, pay attention to the accountability mechanisms that exist in the form of the General Manager's annual performance review. The Board has also taken a consistent approach to the performance review of the General Manager, as the one employee of Council who is directly appointed by any Tasmanian Council. Where the process is not in place, the Board has recommended annual reviews that are independently facilitated from time to time, with input from a wide range of stakeholders.

(b) Role of the Mayor and Conduct of Elected Members

In Councils reviewed, the leadership role of the Mayor was universally accepted. The Board received advice from the Councils reviewed, teamwork was generally recognised as a high priority, however, it was necessary to remind Councillors in some cases that lobbying of staff on planning matters was not appropriate. In one case, the Board found it necessary to confirm its view, that Public Question Time was not essentially a dialogue session, but a time for information to be given in response to questions. The Board realised there is the potential for Public Question Time to present an opportunity for criticism of Council staff if appropriate guidelines are not in place.

In one case, the Board noted there had been suggestions of difficulty with issues of confidentiality. The Board is confident that following discussion by the elected members as a group, the issue has been clarified.

(c) Officer Reports to Councils

This issue has been canvassed in previous annual reports, which noted that these had been of variable quality. During the year under review, the Board has viewed some excellent examples. The Board has consistently recommended, and continues to hold the view, that Councils use templates for officer reports (where these are not employed) to ensure that the full range of relevant issues are presented to the elected body when making decisions.

The usefulness of reports to Councils on financial performance has been found to vary widely with the best examples relying heavily on graphical representation.

6. EQUITY, ACCESS AND HUMAN RESOURCE MANAGEMENT

As the Board has consistently stated, it believes that Councils should be exemplary employers. The Board commended many aspects of human resource management at a number of Councils, including examples of leading practice, including commitment to and expenditure on training, induction processes, Occupational Health and Safety and workplace safety and rehabilitation practices.

However, the Board continues to find the need for some improvements in human resource management in Councils. In respect of two Councils reviewed this year, the Board found it necessary to recommend that sufficient resources be made available to support the appointment of qualified staff to assist with the implementation of important human resource management issues.

(a) Occupational Health and Safety

During the year under review, the Board has again noted increased awareness of occupational health and safety and an improvement in practices. There is also increased attention to risk management. While policies and procedures are generally in place, not all Councils follow through consistently with practices in relation to Occupational Health and Safety Committees or in the supervision of contractors. It is essential for Councils to ensure that the same high occupational health and safety standards that are required of Council employees are required of, and monitored in, the practices of contractors and their employees. Councils appear to be aware of the risks and inequities if their practices are deficient in this regard and responded well to the Board raising the issues. In one case, the Board recommended the functions of paymaster be separated from those of the human resource officer.

(b) Training and development

The Board noted a clear trend to recognition by Councils of the value of training for employees and for elected members, both of which are encouraged and supported. In the case of employee training, this has been particularly apparent in relation to Occupational Health and Safety.

The Board noted the acknowledgement of Councils that, in small workforces or specialist areas, there are difficulties in ensuring equal access to training because of lack of suitable training locally or because of difficulties of releasing employees for off-the-job training. The Board has encouraged Councils to look at innovative ways to ensure equity and consistency.

(c) Information to employees

The Board has found good examples during the year of Councils that make efforts to ensure that employees are informed of Council decisions and other relevant information. The main issue noted by the Board was a lack of consistency. The Board reiterated its approach that, while recognising that it is sometimes difficult to treat all sections of the workforce equally in this regard, and that there is an inherent difficulty in relation to employees who work away from the principal Council offices, it is nevertheless good practice to find ways to ensure that all employees are fully informed.

(d) Induction of new employees

The Board noted that most of Councils have good induction policies and procedures. It also noted, however, a need for improvement in some Councils, mainly related to consistency of practices. The Board has made recommendations during the year that Councils develop a structured and consistent process supported by policies and procedures where necessary, with written material in the form of an information booklet for distribution to employees when they commence work. The Board also indicated that the same material could be used in the induction of elected representatives. The Board continued to emphasise that first day instruction on and familiarisation with occupational health and safety policies and practices is an essential requirement.

(e) Enterprise Bargaining Agreements

Most Councils have continued to negotiate successive agreements through the Enterprise Bargaining process. However, as the Board has reported in previous years, Councils have advised that it has become difficult for both management and employees to maintain constructive participation in the process, when there is now little left with which to bargain and an increasingly limited range of items that could be the subject of agreement.

(f) Grievance Procedures

The Board has recommended to a number of Councils that both male and female equal employment opportunity officers and/or contact persons be appointed and that they receive appropriate training and management support. The Board has encouraged Councils to consider a process to enable employees to nominate Equal Employment Opportunity contact persons to contribute to increased effectiveness and awareness of procedures to deal with any grievances and complaints of harassment and bullying.

7. ASSET MANAGEMENT

Councils are the custodians of infrastructure assets that are required to perform over many generations. The Board has found in general reviews that the recognition of asset management responsibilities and the implementation of effective and comprehensive policies and processes by Tasmanian Councils, have generally been slow. It has, therefore, progressively emphasised asset management in reviews. It is increasingly obvious, however, that the level of resources required to both plan and implement asset

management plans for existing assets is a growing demand on responsible Council management.

It is pleased to report that there has been a continuation of the trend noted last year that there are generally higher levels of awareness of Councils of their obligations, and progress towards effective systems and approaches in regard to asset management. It is clear, however, that there remain significant and challenging issues for all Councils, and the capacity to respond adequately is a major problem for some Councils, but a problem that they must face and plan for.

Because the four Councils reviewed have different histories and characteristics, and therefore, asset management issues, the priorities and challenges they face are significantly different.

In the case of Derwent Valley, the Board found it necessary to recommend the preparation and adoption of an Asset Management Policy to ensure that the creation of future assets is linked to its financial capacity and is consistent with the recently prepared Draft Financial Management Strategy. With regard to asset revaluation, the Board recommended to Council that it ensures the April/May 2006 timeframe is met to ensure that depreciation is calculated at appropriate levels. In the case of Break O'Day, the Board recommended that Council consider joining the LGAT sponsored program, "Tasmanian Asset Management Improvement Program", or similar, for the purpose of developing a long term overarching system for asset management, and further, that the existing five year capital works program be expanded to embrace a 20 year horizon. In the case of Circular Head, the Board recommended that the Council prepares and adopts an Asset Management Policy to ensure that future creation of assets is linked to its financial capacity and is consistent with the recently prepared Draft Financial Management Strategy. In the case of George Town, the Board recommends that Council review and adopt a new Asset Management Policy incorporating an implementation plan, with assets to be revalued on at least a biennial basis. The Board further recommended that Condition Assessment and consequential Asset Depreciation Policies be reviewed to reflect accurate asset consumption. In relation to the creation of new assets, the Board recommended that full feasibility plans supported by quantity surveyor estimates and lifecycle costing, be prepared prior to community consultation as part of the asset creation process. The Board noted that the implementation of the new ACEM Asset Management System will require appropriate resourcing to model asset replacement requirements over the next 10 years. The Board recommended the development of an Asset Management Strategy that details the asset replacement funding together with capital funding requirements for each class of asset for the next 15 years.

The Board has found that the availability of grants has been a boon to Councils, particularly the small ones with limited rate bases, allowing them to undertake important works to improve roads, bridges, water and sewerage to the environmental and other standards now required. The Board has received examples from Councils in relation to funding programs including Roads to Recovery, Clean Quality Water and Natural Heritage Trust. While recognising the value to the communities of new or upgraded

assets, the Board remains concerned about the long-term impact on Councils and their capacity to meet the consequent costs of maintenance and replacement.

The management of assets requires the development and maintenance of comprehensive information, adequate maintenance and planned replacement and disposal of assets. The Board's view is that the strategic direction for asset management can only be determined when Council has developed an appropriate level of understanding of its infrastructure assets. The Board acknowledges that the collection of asset details is a time consuming process for all Councils and is a continuing challenge from a resourcing point of view.

For the small rural Councils, their size and resources are major issues. Even with the acquisition of appropriate asset management software and appropriate staff provision to make progress in capturing the required data, a great deal of work still needs to be done in relation to data detail, policies and planning, which require continuing resources. The Board was pleased to note that all Councils under review are converting to "fair value," ensuring a realistic replacement figure as compared to the fixed historical cost method.

8. FINANCIAL MATTERS

The financial effectiveness of a Council is crucial to the manner in which it performs its functions. As commented in relation to asset management, there were both commonalities between Councils reviewed but also significant differences that have impacted on financial matters.

In the case of Derwent Valley, the Board was interested to note the completion of a five year financial plan which includes the determination of an appropriate level of debt to carry so as to maximize the opportunities for inter-generational equity in the provision of infrastructure services. The Council's policy to invite public input during the preparation of its estimates of income and expenditure is a commendable process and attracts a number of submissions. It was noted the Council's revenue from ordinary activities increased by 26.6% from 1999/2000 to 2004/05, with an expenditure increase of 15.9% over the same period. In the case of George Town, over the last 5 years to and including 2003/2004, the Council has shown an operating surplus with a steady revenue growth, but it is anticipated that increased depreciation requirements will require a much larger effort in revenue raising to balance the budget. The Board has recommended a review of the long-term debt strategy as part of the overall Financial Management Plan. The Board has recommended that the current program reporting format, used in Budget Estimates and monthly reporting to Council, be abolished in favour of the traditional basis of reporting as identified in the Council's Annual Report. The Board viewed the Capital Projects Expenditure authorisation form and process currently used by the Council at the time of the general review hearing. The Board was advised that the Council introduced the procedure in less than appropriately resourced times, but the view was formed, that the Council should adopt its annual estimates unencumbered from any other process, allowing management to implement its decisions in the most cost effective manner. The Board believed the Councillors should receive regular reports on budget decisions together with the performance of management measured against the delivery of its

objectives. As a result of its observations, the Board recommended that the Capital Projects Expenditure authorisation process be abolished. In the case of Circular Head, over the last five years the operating account has shown a surplus of income over expenditure, but it is anticipated that a greater revenue effort will be required to offset increased depreciation associated with re-valuation of assets. The Board ascertained that Council was committed to, and has commenced preparing, a long-term financial model with a 20 year timeframe. With regard to financial reports to Council, it was suggested by the Board that consideration be given to a simplified format that assisted Councillors in their awareness of the current situation, while at the same time highlighting any significant variations to the approved budget. The Board noted the Council's rate of return of 16.43% in relation to the water supply account was well above the range of 0 to 7% set by the Government Oversight Prices Commission, and as a result, a recommendation was made asking Council to review the situation. In the case of Break O'Day, over the last five years there have been a series of surplus and deficit results in the operating account. The Board has recommended that Council implement a long-term financial strategy, over a 20-year time frame, embracing new and existing asset replacement needs, rating and charges levels, taking into account other revenue sources and the level of debt.

As reported last year, the Board continues to be concerned that financial statements are not able to provide effective signals of the condition of assets or the level of community equity. The principal reason for this concern is the often tenuous link between asset management and asset accounting.

The Board encourages Councils to fund a significant proportion of the depreciation expense, and has noted a generally higher level of awareness by Councils of this matter. However, as noted in relation to asset management, there are major challenges, particularly for the small Councils. At the same time, there is still no uniform approach to asset valuation and depreciation policies adopted by all Councils. In previous general reviews and annual reports, the Board has raised concerns about the depreciation policies being employed by Local Government in Tasmania. In particular it has been concerned to assess whether the annual depreciation charge is representative of the level of asset deterioration. As the Board reported last year, it remains of the view that no meaningful comparison or benchmarking between Councils will be possible until the necessary definitional problems have been resolved on a statewide basis.

On a more positive note, the Board is pleased to report that all Councils reviewed have given a high priority to risk management, in line with the trend noted in last year's report, and have improved systems and approaches. All Councils are actively dealing with recommendations made by the Insurer in relation to risk factors.

9. DEVELOPING LOCAL GOVERNMENT

Councils do not operate in a vacuum. They have opportunities to work with other Councils, the State Government and with other organisations for the betterment of the community. As in other years, the Board found that Councils reviewed have contributed positively to public policy development through such relationships. This role is exercised through the involvement of both elected representatives and employees, covering National as well as State and Regional contributions to Local Government bodies, joint authorities, professional and industrial bodies.

The Board noted increasing regional cooperation and resource sharing by all Councils reviewed. For example, varied resource-sharing arrangements were provided for computer services, staff training and advice, landfill operations and professional officer advice. The Board commended the extensive participation in such initiatives and public policy development of these small Councils with limited resources. All Councils reviewed had negotiated, or had made a commitment to, a bi-lateral partnership agreement with the State Government. This was in addition to their involvement with regional and statewide agreements.

10. OTHER MATTERS

In response to a request by the Board, all the reviewed Councils gave an indication that the net impact of the recent State and Local Government financial reform was positive.

11. PUBLIC SUBMISSIONS

As part of a General Review of a Council, the Board invites submissions from the public in relation to the manner in which a Council is operating and delivering its services and the manner which it is working with, and meeting the needs of, its community. The Board's role is not one of mediation of disputes nor is it able to comment on the details of claim and counter claim.

Submissions were as follows:

Council	Number of appearances before the Board	Number of written submissions
Derwent Valley	5 persons appeared	7 prior written submissions
Break O'Day	9 persons appeared	11 prior written submissions
George Town	16 persons appeared	10 prior written submissions
Circular Head	3 persons appeared	2 prior written submissions

The Council considers each of the matters raised against its own guidelines. The issues are summarised and submitted to Council for comments. The Council's responses are included in the final report, with Board comments, suggestions and/or recommendations.

Leading Practice

According to the guidelines issued by the Board for the conducting of general reviews, one of the outcomes of such reviews is the identification of leading practice. For the first time, the 2002 report contained reference to a number of such examples drawn from those Councils that had been reviewed since the current guidelines for general reviews came into operation early in 1999. This list on the following pages has now been updated to include those Councils that were reviewed in the last year. There are doubtless examples of leading practice in other Councils that are yet to be reviewed under these guidelines.

Information concerning the practices listed may be obtained from the General Managers of Councils concerned.

Leading Practice in Local Government

The following list has been updated to include Councils reviewed in 2005-06.

Philosophical basis for the role of Local Government: connection, collaboration and a high standard of customer service

- ▶ Launceston pages 3, 9, 10, 143, 146
- ▶ Glenorchy – concept of Community Council

Induction of employees; documentation and policies and practices.

- ▶ Devonport, Chapter 8 page 84
- ▶ Hobart, Chapter 6

Heritage Properties

- ▶ Meander Valley, Chapter 2 page 34
Chapter 4 page 78
- ▶ Southern Midlands, Chapter 3 page 44
Chapter 4 page 66

Human Resource management generally

- ▶ Clarence page 4 and Chapter 6
- ▶ Glenorchy (commitment to and expenditure on training, induction processes, OH&S and workplace safety, rehabilitation, achievement awards and organisational development) Chapter 6

Information to employees

- ▶ Clarence pages 4 and 42

Workplace safety and OH&S

- ▶ Glenorchy pages 280 – 286

Performance appraisal of managers and employees; policies and practices.

- ▶ Central Coast, Chapter 7 page 32
- ▶ Devonport, Chapter 8 page 86
- ▶ Hobart, Chapter 6

Annual Review of General Manager using a 360 degree approach.

- ▶ Devonport, Chapter 8 page 91

Organisational development survey

- ▶ Glenorchy page 297

Asset Planning and Management.

- ▶ Devonport, Chapter 9
- ▶ Hobart, Chapter 7
- ▶ Northern Midlands, pages 4 and 103-104

Financial Management.

- ▶ Devonport, Chapter 10
- ▶ -Derwent Valley, page 150

Resourcing Councillors.

- ▶ Hobart, Chapter 5
- ▶ Brighton page 51

Economic Development.

- ▶ Burnie, Chapter 7 page 55
- ▶ Clarence, page 121
- ▶ Launceston, pages 3, 58, 60, 98
- ▶ King Island, pages 38-40
- ▶ Circular Head, page 72

Community Consultation.

- ▶ Devonport, Chapter 7
- ▶ Central Coast, Chapter 6 page 28
- ▶ Kentish, Chapter 7 page 60
- ▶ Flinders, Chapter 6 page 25
- ▶ Hobart, Chapter 4
- ▶ Huon Valley, Chapter 7 page 59

Development of Strategic Plan based upon research and Community Consultation

- ▶ Clarence pages 3 and 121
- ▶ Dorset

Primacy of the Strategic Plan.

- ▶ Clarence, pages 3 and 44
- ▶ Launceston, pages 3, 7 and 8

Development of Strategic Plan and Partnership Agreement based upon research and Community Consultation

- ▶ Launceston pages 3, 7 and 8
- ▶ Glenorchy Chapter 4

Structure for strategic and operational planning and range of plans including Community and Social Plans

- ▶ Glenorchy pages 71 – 82, and pages 159 - 161

Number of people attending A.G.M. accompanied by promotion of Council

- ▶ Launceston pages 3,14,15 and 16
- ▶ Glenorchy pages 31 - 37

Emergency Management Planning

- ▶ Launceston page 4

Recreation planning

- ▶ Dorset pages 64 – 66

Delineation of roles of elected members and the General Manager

- ▶ Clarence page 166

Governance Framework for Council representation on Committees, Boards and Authorities

- ▶ Clarence pages 3, 13 and 25

Community Development.

- ▶ Hobart, Chapter 4
- ▶ Glenorchy, Chapter 4 (Community Precinct Program is particularly commendable).
- ▶ Dorset, Chapter 4
- ▶ George Town (Community Car Program) pages 74 - 75

Cultural program

- ▶ Glenorchy, Chapter 4

Education and Training

- ▶ Circular Head, pages 60 - 71

Sewage treatment and effluent re-use and wastewater.

- ▶ Hobart, Chapter 7
- ▶ Clarence, pages 5 and 214
- ▶ Brighton, page 2, 47
- ▶ Central Highlands – Shack Sites project page 39

Waste management strategy

- ▶ Dorset page 106

Laboratory

- ▶ Hobart, Chapter 7

Small Town Plans

- ▶ Central Coast, Chapter 6 pages 28-9

Meeting special needs

- ▶ airport (Flinders) Chapter 5 page 22
- ▶ medical practitioners (Glamorgan/Spring Bay) Chapter 11 pages 82-3, Central Highlands page 47
- ▶ aged care (Huon Valley) Chapter 12 pages 137 - 138
- ▶ hospital (West Coast) Chapter 7 pages 64 and 76

Website

- ▶ Hobart, Chapter 2
- ▶ Kingborough, Chapter 4 page 73

G.I.S.

- ▶ Devonport, Chapter 5 page 16

Young People

- ▶ Burnie, Chapter 7 page 68
- ▶ Hobart, Chapter 4
- ▶ Huon Valley, Chapter 7 page 70

D.D.A. Action plans

- ▶ Clarence page 103
- ▶ Launceston page 114
- ▶ Glenorchy (including attention and actions to address access and other issues faced by people with disabilities) pages 149 – 151
- ▶ Derwent Valley, pages 66 - 67

Community Safety

- ▶ Northern Midlands pages 3 and 45
- ▶ Glenorchy pages 155 – 159

Cultural Planning, Queen Victoria Museum and Inveresk Site

- ▶ Launceston page 63

Council publications and information

- ▶ Central Coast, Chapter 6 page 30
- ▶ Devonport, Chapter 7
- ▶ Flinders, Chapter 4 page 17
- ▶ Hobart, Chapter 4,
- ▶ Kingborough, Chapter 4 page 83
- ▶ Launceston, pages 4 and 97

Comprehensiveness of Annual Report

- ▶ West Coast, Chapter 5 pages 20-1
- ▶ Meander Valley, Chapter 2 page 24

Foodsafe and Healthy Options projects

- ▶ Kingborough, Chapter 3 pages 35 & 40

Stormwater treatment

- ▶ Kingston Wetlands - Kingborough Chapter 3 pages 39-40

Healthy Rivers

- ▶ Huon Valley, Chapter 7 page 81 & Chapter 6 page 49

Rotation of meetings

- ▶ Glamorgan/Spring Bay, chapter 7 page 40
- ▶ Kentish, Chapter 7 page 70
- ▶ West Coast, Chapter 5 page 24

Regular visits by senior staff to outlying centres

- ▶ West Coast, Chapter 5 page 26

Customer Service Centre

- ▶ Hobart, Chapter 3

Officer Reports to Council

- ▶ Hobart, Chapter 5
- ▶ West Coast, Chapter 5 page 37
- ▶ Glenorchy – financial reports page 378
- ▶ Brighton – financial reports page 83

Template for officer reports to Council

- ▶ Hobart, Chapter 5

Resource sharing

- ▶ Glenorchy pages 391-2
- ▶ Brighton page 85

Risk Management

- ▶ Clarence, pages 5 and 253
- ▶ Launceston, page 107
- ▶ Glenorchy pages 366 – 371, and Chapter 6

Local Government Leadership, Regionally, State--wide and Nationally

- ▶ Launceston pages 4, 23, 25 and 65

Partnership Agreement with the State Government (achievements)

- ▶ Glenorchy Chapter 9