Local Government Board

Annual Report
2004-05
LOCAL GOVERNMENT BOARD
REPORT TO MINISTER 2004 - 05

Introduction

This report covers the period 1 July 2004 to 30 June 2005, and includes reference to the General Reviews of six Councils: Southern Midlands, Waratah-Wynyard, Meander Valley, Tasman, Derwent Valley and Break O’Day Councils, as well as a Specific Review relating to the number of Councillors for the Kentish Council. In making this report, the Local Government Board (the Board) acknowledges and thank Councils for the considerable work they put into the preparation of their submissions.

The General Review of Southern Midlands Council was undertaken in the 2003-04 year but, as the report had not been published during that year, the features of the review form part of this annual report. The General Review of the Derwent Valley and Break O’Day Councils were undertaken in 2004-05 but, as the reports had not been published at 30 June 2005, their features will form part of the Board’s next annual report. A Special Review was conducted during 2004-05 regarding the number of Councillors for the Kentish Council.

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 9(1) 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;
7. Asset Management;
8. Financial matters;
9. Developing Local Government; and
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 three annual reports.
1. **Constitutional and structural matters covered by section 9(1) of the Act.**

Constitutional and structural matters covered by section 9 (1) 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. In three reviews references were made to amalgamation and boundary adjustments, and in one case a reference was made to a municipal name change and the number of councillors.

In the case of Southern Midlands, the Board was advised that Council were keen to ensure that the town water supply for Oatlands had appropriate controls to protect the water quality, particularly when a section of the catchment area, is located in the adjoining municipal area of Central Highlands. Southern Midlands Council indicated it had decided to pursue, as a priority, the development of a “special area” within the Central Highlands Planning Scheme that would recognise and protect the Oatlands water supply catchment, through a referral mechanism for any developments, as an alternative solution to a municipal boundary change.

A single public submission at Tasman and Waratah-Wynyard, suggested the possibility of an amalgamation with Sorell and Burnie City respectively. In the case of Waratah-Wynyard, Council advised that following consideration of a financial modeling report, assessing a voluntary amalgamation with Burnie City Council, it was decided not to pursue the possibility. In the case of Tasman, Council advised whilst acknowledging there are substantial costs as well as benefits for it to stay alone, there was strong support for the existing municipal area to remain as a single entity. The Council indicated this view was based on strong strategic alliances that had been established and an improved financial position.

The Board noted that in Waratah-Wynyard’s Strategic Plan, reference was made to explore the opportunity to rename the municipal area, and the Board suggested at the same time, it may be an opportune to consider a reduction from 10 elected members to nine, which would be more in line with similarly populated Council areas in the State.

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 and maintenance of registers of information on fees and charges, pecuniary interests, statutory appointments, committees and policies. The Board found that in the case of Tasman, there was a need for greater attention to detail and to the requirements of the Act and other regulatory requirements. The Board noted that the Tasman Council in recent years had undergone a rapid changeover of management and that that has caused loss of continuity and loss of corporate procedural stability. It is acknowledged that Council has made progress in improving its procedures and practices, and the Board was pleased to note that Hobart City Council had undertaken a mentoring role for Tasman Council. However, the Board found it necessary to recommend a further limited review of the Tasman Council in the latter part of 2006.
incorporating governance issues. The Board has commented on the need for a consistent template for policies and removal of the detail of procedures from policy register/manuals.

(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 have not been well attended by residents. The Councils reviewed this year were no exception, having reported low attendances. In one case, the Board suggested that an evening timeframe may provide a better opportunity for attendees. The Board has observed that Councils who have conducted their AGM in conjunction with other municipal functions, have achieved a substantial increase in attendances. 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 and CD ROM, although some minor deficiencies in relation to the requirements of the Act continue to be noted. The use of graphical presentations is considered by the Board to enhance community knowledge and understanding.

(c) Committees and Reporting
The Board has continued to find issues related to Council committees and to reporting back by elected members that represent Councils on outside bodies.

In the case of Tasman, it was necessary to remind Council that it must ensure all the requirements are met for committees created under section 23 of the Act. These are committees that consist of Councillors only. The Board reminded Council that these meetings must be advertised, with the provision of qualified advice if necessary. Agendas and minutes must be made available to the public, and the public must have access to meetings, except when a meeting moves into “closed session” under the prescribed criteria.

Previous annual reports have highlighted the large amount of time that elected members spend representing their Councils on various committees, boards and authorities. 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 effects community accountability and transparency of decision-making, particularly when the representation is on a single or joint authority, which delivers 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 three of Councils reviewed this year, comprehensive guidelines are in place supported by policies defining responsibilities and expectations of committee members.
(d) Delegations
Once again the Board observed differing practices between Councils on delegations. In most Councils, appropriate delegations were in place and delegations 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*;
- are subject to periodic review of delegations
- consideration is given to approving them under seal.

In the case of one Council reviewed, the Board recommended that consideration be given to the introduction of reporting to Council meetings of decisions made under delegated authority, and the subsequent recording of those reports in the Minutes of that meeting.

(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 2003-04, at the time of the last Council elections held in 2002, exceeded the State average participation rate of 57.86%. [Tasman (72%), Waratah-Wynyard (63.98%), Southern Midlands (62.84%) and Meander Valley (59.9%)].

(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. The methods used have varied from a series of public meetings throughout the municipal area, to future directions sessions and invited participation search conferences. The Board suggested that Strategic Plans be reviewed on a constant basis to ensure they remain current.

The Operational Plans are reviewed by Councils throughout the year with achievements or otherwise, being reported in Council’s Annual Report.

(g) Meeting procedures
The Board found that meeting procedures and/or practices were issues in all the reviews relevant to this report. In one Council the Board suggested that, although not required by law, meeting procedures should be put in place to ensure that any procedural issues may be dealt with immediately should they arise at a Council meeting.

In three Councils reviewed, it was considered that the frequency of items being decided by Council as required to be dealt with as a matter of urgency, could not be defended. In the interests of openness and transparency, the Board recommended that Councils only consider items that are listed on the publicly released agenda. One Council had adopted a minimalist
approach to meeting records and there had been some disquiet in the community about the extent to which the minutes provided a comprehensive record of meetings. In this case the Board recommended Council reconsider the level of detail provided in the minutes of proceedings for meetings of Council.

(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 would become 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 in all reviews that no decisions were made in the workshop environment.

In general terms, all Councils reviewed supported the attendance at local government conferences, based in some instances, on a two-year cycle.

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. In the case of one Council, the Board suggested it may be appropriate to repeat its residents’ satisfaction participation survey to obtain a comparison over time.

**(b) 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, some by resource sharing arrangements.

In the case of Tasman Council, the Board recommended that it proceed towards the development of a new planning scheme as a matter of urgency, ensuring there is widespread community consultation in the process.

The Board is pleased to report continuation of the 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 and difficulty 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.

**(c) Waste management**

The Board noted that waste management was being dealt with in a variety of ways by Councils under review. In all cases waste transfer stations were operating with the material from three of Councils going to established facilities outside the municipal area, and in the other case, material is dealt with at a suitably licensed local landfill site. A satisfactory environmental result has been achieved in all situations.

**(d) Water**

In one Council, water quality at the mouth of Sisters Creek did not meet guidelines for recreational activities, but the Board noted that an improvement program was underway with the installation of a sewerage system that would overcome the problem. The project was to be supported by Government funding.

In relation to potable water supplies, it was noted that Mole Creek was raw water only and was not fit for drinking, whilst Westbury/Hagley, Bracknell and Exton in the Meander Valley municipal area were provided with a chlorinated supply as was Waratah in the Waratah-Wynyard area.
(e) 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 does not compel the preparation of a Disability Access Action Plan, it is considered that due to the number of public buildings operated by Councils, there is a responsibility to positively approach appropriate planning for access by the disabled. The Board has recommended to all Councils currently under review that appropriate planning be treated as a priority.

(f) Single, Joint and Controlling Authorities
The Councils reviewed this year were involved in eight Authorities covering Regional Administration (three), Water Supply (three) and Waste Management disposal (two). 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 leading 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 economic development, recreation, tourism cultural activities, social, aged, multi-cultural are indicative of the broad range of subjects that the community were asked to comment on in the municipal areas reviewed this year. The methods used to encourage community participation included quarterly public meetings or forums with the Southern Midlands Council having found “community planning days”, a Sunday meeting with a sausage sizzle and light refreshments, a winning combination.

(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 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.

The Board noted that Tasman Council has more extensive community development and community services than would usually be the case for a small Council, largely due to the
operations of the Multi Purpose Service. Associated with this service, Council employs a part-time Community Development Manager, a part-time Youth Worker and a Community Social Worker, in addition to employees in a wide range of other community services and health occupational groups. Specific services provided cover residential care, acute and emergency care, respite, community services, community nursery, home care, community housing for older people and people with disabilities, community transport, volunteer support, youth programs, social work, community development, activity programs support and coordinator of visiting allied services, and one-off health promotion and community activities.

(c) Natural Resource Management
The Board was impressed by 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.

(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 encouraging Councils to report their in-kind support to show more accurately the valuable contribution they make to their communities.

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.

However, in one review the Board noted following discussions with the elected members and staff, that Council Committees were involved to some extent in detailed operational matters that are properly the responsibility of staff. At the time of the review, the Board noted that the Mayor was attending staff meetings in accordance with a Council directive.

The Board found it necessary to say:

“Taking into account these matters, the Board has concluded, therefore, that there is not a clear understanding of the delineation of roles of elected members and staff at Tasman. The Board has found in past general review, where there remains some confusion about the respective roles and responsibilities, that much of the tension between elected members and the General Manager centres around the function of the General Manager
in the appointment of employees, the allocation of duties, control and direction and the suspension or dismissal of employees, as set out in section 63 (1) of the Local Government Act 1993.

The Board has found these functions of the General Manager are sometimes interpreted as meaning that all employee and human resource management issues are “off-limits” to the elected body. However, this is not the case. Section 63 (2) of the Act puts responsibilities on Councils as follows:

A Council is to ensure that –

(a) all employees are appointed and promoted according to merit without discrimination; and

(b) all employees receive fair and equitable treatment without discrimination”.

Furthermore, as the Board has stated in past reviews, it does not see how an elected Council can fulfill its strategic role without having some say in the organisational structure and level of financial and human resources which will be required to enable objectives in the Operational Plan and budget to be met.

The Board has noted in other general reviews that, even in a well functioning Council, the delineation of roles between elected members and employees can occasionally result in some levels of tension, as the distinctions between these roles are tested. It is the Board’s view that a well functioning Council will develop policies and procedures that guide both elected members and employees in managing that tension. When the separation of the roles and functions of elected members and the operational arm of Council is well understood, a level of certainty is provided to all concerned. For example, while elected members are responsible for developing high-level strategic policy, they usually rely on that policy being, to an extent, initially developed by employees. However, employees are required by relevant Council policies and procedures to provide reports in a certain format, to ensure that elected members receive information and advice, including background, potential risks options, and a preferred recommendation, to support their decision-making.

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 believes that General Managers must recognise that, in appointing and directing employees, they are acting as the agent or the servant of 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. It is also of the view that there is considerable risk involved if elected members were 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 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 and encourage input from a wide range of stakeholders. The Board drew to the attention of the elected members in one review the requirements of section 63(2) of the Act and expressed the view that it “places a responsibility on all elected members to ensure that the General Manager’s performance review is handled fairly, equitably and without discrimination”.

(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 that Councils work as a team, and even when there are disagreements, they remain loyal to each other.

In one case the Board noted there had been 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.

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 Councils reviewed this year, in one case the Board found it necessary to recommend:

“That Council provide adequate support and resources for the new HR Officer position to ensure that its human resource policies, procedures and current practices are
reviewed, updated, implemented and monitored, as a matter of priority and within a reasonable time period.”

(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, 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.

(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, and policy and procedures if necessary, with written material in the form of an information booklet that can be given 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 important 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 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 Southern Midlands, the Board found it necessary to recommend to Council that it ensure that appropriate management software be acquired as a matter of urgency, and that sufficient resources be made available to ensure that revaluation of assets are completed in accordance with their predicted time lines. At Tasman, the Board recommended that Council continue the implementation of a comprehensive asset management system as a matter of urgency. For Waratah-Wynyard Council, it has been recommended that the five-year rolling program needs to be replaced with an Asset Management Plan based on a 20 year timeframe. It is noted that in the case of Meander Valley Council, unsealed roads are not depreciated on the basis that the network is maintained in top condition over a three-year cycle.

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 is 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 it appeared to be a particular challenge for two of the four Councils reviewed.

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.

The Board noted that during the past five years, Tasman Council has returned a total deficit from ordinary services of $6.183 million, which included a write-down of road and bridge costs of $7.047 million in 2001-02. However, the financial years 2002-03 and 2003-04 resulted in operating surpluses, in a turnaround from the operating deficits of the previous three years. The result was achieved by increase rate income of 11% (2002-03 and 20.4% 2003-04).

In the case of Southern Midlands, the Board noted that over the last five financial years Council has been operating at a loss and this entails obvious long term risks. The deficit of $1,958 million for 2002-03 included the loss on revaluation of land and buildings $0.432 million and the write-off of the Midlands Multi Purpose Health Centre assets, totaling $0.67 million, following a transfer of responsibility from Council to the State Department of Health and Human Services. The Council has recognised the severity of the situation and endorsed a detailed 20-year financial strategy and policies to manage its finances. An important feature of the plan is to increase rate revenue by 9% over the next three years to achieve a sustainable level. It is noted that the rate levels in recent years for Southern Midlands have been at a low comparative level.

Waratah-Wynyard has shown operating surpluses but, because some grants have not been individually identified, it was difficult for the Board to identify the true level of Council dependence on Government Grants. As in other Councils with a large rural road base, Council has highlighted its concern regarding the increasing costs of road maintenance.
Meander Valley Council has been reporting consistent operating surpluses in recent years, and is loan debt free. The Board noted Meander Valley Council’s draft ten-year financial plan (2001 to 2010) makes provision for a 1.5% general rate increase each year together with a 1% real fees and charges increase annually supported by an offset of ongoing savings of $90K - $175K per annum for the next three years in service provision and asset disposal.

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 state-wide 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.

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 State-wide agreements.
10. Other Matters
Southern Midlands Council expressed concerns that the Tasmanian Resource Management and Planning System was not sufficiently supported by effective State Policies.

The Tasman Council expressed a concern that Council’s management role of the Multi Purpose Service had resulted in a payroll tax commitment.

These issues were noted by the Board.

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:

<table>
<thead>
<tr>
<th>Council</th>
<th>Number of appearances before the Board</th>
<th>Number of written submissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waratah- Wynyard</td>
<td>6 persons appeared</td>
<td>2 prior written submissions</td>
</tr>
<tr>
<td>Meander Valley</td>
<td>18 persons appeared</td>
<td>7 prior written submissions</td>
</tr>
<tr>
<td>Southern Midlands</td>
<td>4 persons appeared</td>
<td>8 prior written submissions</td>
</tr>
<tr>
<td>Tasman</td>
<td>8 persons appeared</td>
<td>14 prior written submissions</td>
</tr>
</tbody>
</table>

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 2003-04.

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

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

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

Cultural program
  - Glenorchy, Chapter 4
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 - 8
- 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

**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