



A•S•U
Australian Services Union

ASU Submission

Review of Tasmania's Local Government Legislation Framework – Reform Directions Paper

Tasmanian Government
Department of Premier and Cabinet

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1. Introduction

The Australian Services Union (ASU) is one of Australia's largest Unions, representing approximately 135,000 members.

We are the largest local government union in Australia with our local government members represented by State based ASU Branches throughout the country. Most of the industrial activities are conducted at the Branch level. All local government awards are state-based and many councils have their own enterprise agreements of which the ASU is a party.

Our members roles are varied and include work in administration, childcare, garbage collection and recycling, garden maintenance, home care and road work and as Engineers, Librarians and Truck Drivers to name but a few.

2. The Reform Directions Paper

The Australian Services Union (ASU) welcomes the opportunity to provide written comments on the Reform Directions Paper as part of the Review of Tasmania's Local Government Legislative Framework.

The ASU made a submission to this inquiry on 1 March 2019 and whilst we do not wish to repeat those submissions, we ask the Committee to reconsider the issues we raised in our submission as part of the ongoing review.

We believe there are several Reform proposals that may potentially impact our members and make the following comments:

Reform 4 - Consolidating related local government legislation

This proposal seeks to examine related local government legislation, such as the *Local Government (Building and Miscellaneous Provisions) Act 1993*, to identify where provisions intersect and overlap with the current Act with a view to consolidate the various pieces of legislation where it is deemed necessary.

The current *Local Government (Building and Miscellaneous Provisions) Act 1993* contains Long Service Leave entitlements for "any person employed in any capacity by a council". In particular it allows for a period of long service leave of:

- (a) 90 days for the first 15 years of employment completed before 1 July 1969; and
- (b) 90 days for each 10 years of employment completed after that date.

The above provision is more generous than what is currently provided for under the *Long Service Leave Act 1976* which allows for 8 $\frac{2}{3}$ weeks of paid leave after completing 10 years of continuous employment and an additional 4 $\frac{1}{3}$ weeks of leave after each additional 5 years of employment.

The ASU and its members do not want to see any loss or reduction of long service leave entitlements transpire due to the consolidation of legislation as a result of this Inquiry.

Reform 21 - Set high level financial management principles that encourage efficiency and value for money in council service delivery

Whilst the ASU supports financial management principles that encourage efficiency and value for money, we do not want to see contracting out of local government functions or public-private partnerships involving the private sector in local government service provision.

It is important to ensure that local government is well resourced to meet the needs of local communities. This can be achieved by providing in-house services for the local community such as garbage collection, child care, road maintenance and libraries.

Some of the reasons for maintaining in-house services include: better quality control, flexibility, efficiency in operations, increased staff capacity, better staff morale, and better support for vulnerable citizens. When services are kept in-house local governments maintain community control of public service delivery.

Local communities want local services provided by skilled local government sector workers acting in their interests and not in the interest of private 'for profit' employers.

The ASU will therefore continue to oppose any provision of local services by private interests unresponsive to the needs of local communities and does not support principles that may allow or require privatisation of local services.

Reform 24 – Establish principles for all council staff that set minimum standards of behaviour

The potential introduction of a Code of Conduct for employees represents a significant change to the regulation of local government work. The potential consequences of a breach of a yet to be drafted Code may be significant and may also have the possibility of ending a worker's career.

Local government workers are the people who have extensive experience in delivering services to their community day in and day out. Accordingly, local government workers should be at the heart of the development of a Code, not merely afforded an opportunity to comment on a proposed Code that has been developed without them.

To ensure the efficacy of any Code there needs to be buy-in from the workforce. This is more likely to happen where the workforce are treated as a partner in the development of the Code, rather than having a Code that they were not involved in developing imposed upon them.

Reform 29 – Establish an independent rates oversight mechanism

Rates are a major source of funding for many councils. They are the sole form of local government generated tax revenue and are considered to be an efficient form of generating funds.¹

The introduction of an Economic Regulator could restrict a council's ability to raise sufficient revenue from rates and creates impediments for effective long-term planning as the Economic Regulator may "provide advice back to a council on proposed rating increases and whether other options to alleviate financial impacts on the community appear available".²

The ASU is concerned that the introduction of an Economic Regulator could impose forms of rate pegging (also referred to as 'rate capping'). It is a process which places limits on the total amount that a council could charge its rate payers.³

The impact of rate pegging can include the following:

- It threatens the viability of services provided to local communities
- Puts at risks local jobs and the spending levels in the local community
- It has an overall detrimental impact on local government finance
- Can cause local business to suffer as a result of reduced local spending power

¹ Australian Government, Re: Think; Tax Discussion Paper, Commonwealth of Australia, March 2015, p 149, <http://bettertax.gov.au/publications/discussion-paper/>

² Review of Tasmania's Local Government Legislation Framework, Reform Directions Paper, Phase Two, Page 30, Accessed at: http://www.dpac.tas.gov.au/__data/assets/pdf_file/0007/468592/190132_DPAC_Local_Government_Directions_wcag.pdf

³ For example see Brian Dollery and Albert Wijeweera, 'An assessment of rate-pegging in New South Wales local government', Commonwealth Journal of Local Governance, UTS ePress, issue 6 July, 2010, <https://epress.lib.uts.edu.au/journals/index.php/cjlg/article/view/1619>

- Can limit the ability of councils to take responsibility for their own economic affairs
- Can reduce efficiency
- The practice diminishes local autonomy – as a result of the restrictions imposed at the state level.⁴

Whilst the ASU acknowledges that that rate pegging does not currently occur in Tasmania, we do not wish to see this Review consider rate pegging as part of its scope or to set in place legislation which facilitates the introduction of rate pegging in the future.

Reform 31 – Provide for a more autonomous and less prescriptive budget process

Increased community expectations and demographic shifts suggest that local government will require significant injections of funds to meet a range of challenges in the future, including the growing ageing population; responding to natural disasters; protecting and preserving natural resources; and maintaining and investing in infrastructure to meet future community needs.

There is a risk that allowing councils more “flexibility to move resources around within the overall budget allocation to achieve priorities”⁵ may see councillors using budgeted funds for things which they were never budgeted to go towards.

A concern for the ASU and our members is the potential for employee costs being used towards other budgetary items. By reducing employee costs councils may need to reduce their overall number of staff which in turn would see increased workloads for remaining staff.

We did not wish to see the ability for councillors to amend or move staff budget allocation around in this way.

Reform 47 – Introduce provisions that support efficient and high-quality council operations and collaborative shared service opportunities

On the surface, it often appears that Local Government could offer improved efficiencies by the sharing of resources and services with neighbouring councils within the same region.

The Union notes that many regional councils have developed their own best responses to how their services can be shared and used for the constructive benefit of the community, balanced out against regional independence, local democratic structures and most importantly the continuation of regional employment.

Any legislation that allows for “two or more councils to be serviced by one administrative organisation”⁶ sounds like job losses for administrative staff. It is imperative that local government employees feel secure at work and feel that their work is valued with no redundancies stemming from this Reform.

Reform 48 – Introduce the option to create Regional councils

This Reform appears to be amalgamation by stealth with councils being able to make the decision to implement Regional council status via a Local Government Board review but without approval from anyone else.

⁴ See Australian Services Union – Victorian and Tasmanian Authorities and Services Branch, ‘Rate Capping Campaign’, <<http://asuvic.nationbuilder.com/>>; see also the perspective presented in the Australian Local Government Association (ALGA), Submission to the Taxation Issues Paper, 2015. www.alga.asn.au.

⁵ Review of Tasmania’s Local Government Legislation Framework, Reform Directions Paper, Phase Two, Page 31, Accessed at: http://www.dpac.tas.gov.au/__data/assets/pdf_file/0007/468592/190132_DPAC_Local_Government_Directions_wcag.pdf

⁶ Review of Tasmania’s Local Government Legislation Framework, Reform Directions Paper, Phase Two, Page 42, Accessed at: http://www.dpac.tas.gov.au/__data/assets/pdf_file/0007/468592/190132_DPAC_Local_Government_Directions_wcag.pdf

Like Reform 47 above, it allows for two or more councils to be serviced by one administrative organisation, which again we believe would lead to significant job losses. The ASU has seen time and time again, despite specific employment protections granted to staff who are employed at the time of Council mergers, that jobs are either cut or staff are forcibly transferred into lower paid positions.

Reform 51 – Voluntary amalgamations

The ASU and its members do not support the voluntary amalgamation of local councils unless this takes place with the close co-operation of local communities. We are of the strong view that amalgamations must result in improved and additional services to local communities, plus increased local and regional employment, or there would seem little point to amalgamations.

We believe potential voluntary amalgamations between councils should remain for review by the Local Government Board. This would ensure the Board takes into consideration guiding principles such as: being in the interests of ratepayers; improving the level of service for communities; preserving and maintaining local representation; and ensuring that the financial status of the entities is strengthened.

As a result of the 1993 amalgamations, which saw 43 Tasmanian local government areas reduced to the 29 local government areas. We have seen a significant reduction in service provision and staffing levels in the smaller regional areas in the State. One only needs to take Bruny Island and Penguin as examples where staffing levels have been reduced or eliminated completely in favour of consolidation of resources in the larger council areas or redundancy of employment.

The ASU also does not support any amalgamations that reduce the cost of service delivery by reductions in staff numbers. Additionally, any council amalgamations must not result in any forced relocations of staff as a result of closure of depots and offices or reduction in service.

Where voluntary amalgamations are to be conducted, they should also be done in the best interests of local communities. In particular, citizens must have available to them full information about the pros and cons of the issues at stake and funding must be made available to ensure that this can be done.

Finally, the ASU, including local government workers, wishes to appear at any future stakeholder forums so that we can provide additional evidence.