
01 March 2019

To Whom It May Concern:

RE: LOCAL GOVERNMENT REVIEW PROJECT

Thank you for the opportunity to have input to the review. This response addresses those parts of the Discussion Paper considered relevant at this stage of the Review.

Overview of Local Government

Local government is recognised as one of the three tiers of government. Regrettably councils do not always behave in a manner befitting of that status.

The Discussion Paper overview fails to recognise the inherent different levels of financial sustainability between councils, which is imperative in considering local government of the future.

It ignores a crucial point when discussing local government revenues not to include reference to the reliance of councils on funding from other spheres of government for normal works and services and special projects. Local government is heavily reliant on other spheres of government to finance its activities. Whilst local government has for many years sought to be recognised in the Commonwealth Constitution to confirm its legitimacy as a sphere of government with other levels, it paradoxically does not support financial independence.

The level of financial dependence by councils on State and Federal Governments is substantially affected by structural inefficiencies. Structural reform of local government would enable councils to be more financially independent, enable them to standardize services to communities and enhance the relevance of local government as the third tier of government.

Local government currently is significantly different to its traditional origins as road trusts, rabbit trusts, electricity authorities etc. Today, local government is inherently complex and multi-faceted. Property based taxes used to be the principal sources of income to fund services, but councils are now reliant to various degrees on rates, but more reliant on general and specific purpose funding from the Commonwealth Government and to a lesser extent from State Government.

Moving to activities and services driven or determined by communities, as the Discussion Paper canvasses, means that more funding will be derived either from the property tax base for non-property services, or require an even greater reliance on funding from other spheres of government. Property taxes will become an even greater source of "general purpose" funding for non-property related services.

General competence powers allow councils to move away from powers permitted by statute and operate widely and freely as a tier of government constrained only by its income. I do not accept or condone general competence powers for councils if it means they can plunder the property tax base to fund non-property services.

Titles

It is now appropriate for the government to show leadership in mandating the use of the word 'councillor' in place of 'alderman'. Alderman is derived from Old English and comes from a time when all such persons were male. The persons who comprise, e.g. the Hobart City Council, or the Southern Midlands Council, should be councillors.

It is also time to hand in the title of Lord Mayor. This title does not reflect current Australian values and again creates sexist confusion.

Council Governance and Powers

Jurisdictional limitations have a direct detrimental effect on strategic decision making for council areas, sub-regional and regional communities in the conduct of events, providing infrastructure, achieving acceptable environmental standards and delivery of services.

Councils should have consideration for the broader region of which they are part. Moreover, their capacity to act in sub-regional or regional interests is restricted because of jurisdictional limitations. It is becoming apparent that people no longer accept that matters affecting a town or city should be limited purely to the immediate council area. Instead, people from *outside* a council area, who are part of the wider sub-regional or regional communities, want a say in what happens in the conduct and staging of major events, heritage preservation, environmental protection etc.

Aquatic centres, car parking, major landscapes, festivals etc. are examples where people are becoming increasingly frustrated that they are part of a larger urban area. Sometimes people are only across the road, over the hill or on the other side of the river and they cannot participate in the democracy of the city or town they are part of. They are prevented from being part of the decision-making process on an issue to which they have social, recreational or emotional ties.

There are several examples that are cited to underpin opportunities that can be capitalised upon when jurisdictional limitations change.

The first is the structural reform of local government in 1993. Communities such as Evandale, Richmond, Dover, Cygnet, Penguin etc. have benefitted enormously because their current council, as a result of amalgamation, has significantly more capacity and resources to provide services, and undertake functions that were previously not possible.

The second example is the merging of water and sewerage services into a single authority. TasWater has the resources and capacity to remedy public health and environmental shortcomings as well provide and upgrade infrastructure to communities across the State. Under the previous un-integrated model these services were getting worse with no prospect for improvement.

Thirdly, waste disposal is another example where capacity building by establishment of joint authorities (Copping, Dulverton etc.) has enabled member councils to achieve efficiencies, environmental and public health standards that were otherwise beyond their individual reach.

This Review will be incomplete without a forensic examination of the role councils should have, if any, in the land use planning system, especially in making decision on Development Applications (DA).

Even though councils act as a planning authority (i.e. separate from their normal role) when considering DA's, it is not uncommon for them to be seriously conflicted.

At times councils can be the owner of property subject to a DA and stand to benefit from the outcome of a DA. There have also been situations where the submission of a DA has prompted councils to initiate acquisition proceedings, by agreement and otherwise. Whilst elected members are supposed to act with an independent mind, as members of a planning authority, they display obvious bias when acting in the role of elected member.

Councils are known to offer rate concessions and other cash and non-cash benefits to encourage developments, sometimes to the detriment of other property owners or council. How can councils, in offering such benefits, claim they act as an independent planning authority in such circumstances?

There are many other examples, which support the premise that elected members, act with bias to benefit their own self-interest and narrow support base and this is unacceptable. Developers and their professional support teams are entitled to expect that DAs are assessed against planning schemes without bias and undue influence.

The current land use planning system has been operating for 25 years now and nothing in that time has reduced the view of the general public that councils do not act independently in decision-making processes.

In the very least, the assessment of DAs should be undertaken by a separate, regionally based, independent body made up of members with professional planning/development backgrounds.

Councils argue that you cannot take the local out of local government; however, the above examples demonstrate how communities and citizens can be better served by alternative governance arrangements that enhance capacity, cost, services, sustainability, efficiencies etc.

In attempts to provide better governance, local government for the last quarter of a century has been talking about resource-sharing, partnerships, joint authorities etc. to improve equity between communities, to improve the sector's capacity to make regional strategic decisions, and to deliver improved and more efficient services. All this has come to naught however it is measured.

I believe there is a reasonable basis to doubt the genuine will of local government to engage in resource sharing, etc. Its engagement in these discussions only arises when there is a question of council amalgamation and then comes to naught.

Recently there has been discussion on a Cities Act for Southern Councils. The only reason councils seek this is to mask the structural inefficiencies and the incapacity of the current model. One council across metropolitan Hobart, Launceston or Burnie/Devonport, for example, would completely remove any necessity for a special Act of Parliament. One council would also ensure equity across regions for the staging of public events and facilitate the provision of efficient and cost-effective infrastructure and services that meet the needs of the wider community. Good governance starts with structural efficiency.

Local government should be a representative democracy and to this end, citizens must be able to participate in the community of which they are part that is wider than the council area in which we live at present.

Democracy and Engagement

On the matter of the postal voting for elections, this has both advantages and disadvantages: -

Advantages of postal voting include: -

- It is more convenient to participate in the election process
- It increases the number of votes cast

Disadvantages of postal voting include: -

- The three-week postal ballot process takes away from the immediacy and anticipation that is normally attached to elections.
- It must make it more difficult for election candidates to maintain an effective campaign over the ballot period.
- Voters who vote early may well miss important aspects of campaign information revealed during the election period.
- It also brings added costs for candidates and supposedly puts added financial strain on many candidates.
- The three-week voting period also is a contributing factor in calls for the necessity of “caretaker” provisions.

The current system assists incumbents in as much as they have a platform to promote themselves in the lead up to the ballot period as well as during the ballot period. For example, an alderman publicly raising such matters as the legitimacy of a candidate or particular class of voters during the postal ballot period has far more influence in the “court of public opinion” than comment made by a non-incumbent candidate.

It would improve the legitimacy of local government as a sphere of government, if there were added parallels with other democracy arrangements for State and Federal Governments. I would therefore advocate for the reintroduction of in-person voting on a single day, with pre-polling. Similarly, it makes sense to adopt compulsory voting. These changes are particularly more relevant and convenient with the move to all-in all-out elections every four years.

Turning to who should vote and participate as candidates for election, the one point of contention is around the candidacy of overseas students, itinerant workers and non-nationals generally. I understand the principle that these classes of residents are part of the community and it can be argued they have interests in council matters. In paying rent or board there is a rate component, and they have access to councils’ services, public events etc.

Non-nationals’ entitlement to stand for election and be a participant in democratic and political processes at a local level is inconsistent with entitlements at other levels of government. Preferably, there should be consistency between spheres of government on who is entitled to participate in democracy. The Australian tax base supports local government and the spending of this base should be for the benefit of Australian citizens and residents, not visitors. These visitors should not then participate in the democratic election of persons who control part of this expenditure.

If a compulsory system were adopted a difficulty arises in that those who gain enrolment on the General Manager’s roll become *obliged* to vote, and therefore a liable to be penalized if they don’t vote. Those who do not voluntarily enrol (e.g. non-nationals who do not own property or who are not on the State electoral roll) avoid the obligation and the potential of penalty for not voting. It all gets quite messy.

Regarding community engagement and consultation, I revert to comments already about who is the “interested” community. I argue that, in many instances, the “interested” community is wider than

those residing within the boundary of a council area. There are clearly jurisdictional restrictions to engagement and consultation for important suburban and regional matters.

Land use planning processes offer wider participation, but functions such as annual budgeting, operational and strategic planning are restricted, yet they frequently have wider sub-regional and regional impacts.

Council Revenue and Expenditure

The point has been made about the significance of funding from State and Commonwealth governments for general and specific purposes. The relevance of this funding for the provision of infrastructure and provision of services is lost on the community.

Ratepayers should be entitled to clear, concise and unambiguous information on sources of revenue and expenditure thereof. Publication should be made periodically and be mandatory.

Unlike Commonwealth and State governments, councils are not limited in their access to the funds for their budget. They simply increase the amount they require and then divide the pie amongst all ratepayers. The Commonwealth and State must undertake complex taxation procedures to raise the money needed for the budget. They cannot simply increase their budget by CPI or some other number. Sometimes the Commonwealth or State budget must contract to reflect income. A council budget never contracts and hence there is never an incentive to achieve savings through efficiency, reduction in services or amalgamation.

We have argued for many years that there should a review of local government rate increases in Tasmania, like IPART in NSW. We believe that the economic regulator would be the perfect entity to review the rating by each municipality. If local government wants to raise revenue by more than CPI, it needs to be justified by an independent arbiter.

Performance Transparency and Accountability

Current arrangements around lack of transparency of council business are an impediment to accountability. There is an over-reliance on 'commercial in confidence' determinations to prevent the disclosure of critical information. Understandably, legal and personal information should be withheld, however, agreements and contracts, once their terms are determined, should be publicly available. Councils are a representative democracy. That means they represent us and nothing that is ultimately decided should be hidden from those persons who elect councillors to represent them. If the aim is to encourage more people to take an interest and be involved in local government affairs, people need freedom of access to decisions and information.

If the aim is to encourage more people to take an interest and be involved in local government affairs, people need freedom of access to decisions and information.

In-Committee provisions should be reviewed to ensure they are only used to protect matters which are legitimately private and privileged. It seems all too convenient to exclude the public from matters that should rightly be in the public domain because it might be inconvenient to elected members for the public to become aware of matters that vitally affect them.

Thank you for the opportunity to participate in this review. I would like the opportunity to meet with the Review Project Team and discuss my vision for local government into the future.



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