

- APPROVED REFORMS -

REVIEW OF THE LOCAL GOVERNMENT LEGISLATIVE FRAMEWORK

**Part A – A flexible, innovative and future-focused legislative framework**

Reform	Description
<b>#1 – Principles Based Legislation</b>	Create principles-based legislation that sets the principles of good governance, community engagement and financial management for the governance and operations of local government. Provide supporting detail in regulations where appropriate to provide clarity and flexibility.
<b>#2 – Accessible, easy-to-read legislation</b>	The new Act will be structured logically and be easy to read and understand, while still being legally effective.
<b>#3 – A new Act for electoral provisions</b>	Local government electoral provisions will be separated into a stand-alone Act, to make it easier to understand and administer these provisions.
<b>#4 – Consolidate related local government legislation</b>	Related local government legislation will be examined (such as the Local Government (Building and Miscellaneous Provisions) Act 1993) to identify where provisions intersect and overlap with the current Act, and to remove duplication and consolidate provisions where possible.

## Part B – Representative and Democratic Councils

Reform	Description
<p><b>#5 – Reform eligibility for the General Manager’s Roll</b></p>	<p>The following criteria will apply to the General Manager’s Roll:</p> <p><b>Criteria 1</b> – A person must be an Australian citizen to be eligible to be enrolled to vote in local government elections.</p> <p><b>Criteria 2</b> – Individuals who are Australian citizens and own or occupy property in a municipal area where they are not residents should be eligible to enrol to vote in that area.</p> <p><b>Criteria 3</b> – A person is eligible for enrol to vote if they are the sole nominated representative of a business operating from a property in the municipal area, provided that person is an Australian citizen and is not already on the Roll in that municipal area under any other entitlement.</p> <p>No changes are proposed with regard to eligibility to vote based on enrolment on the House of Assembly roll.</p>
<p><b>#6 – Reform the voting franchise to reflect ‘one person, one vote’ principle in any one municipality</b></p>	<p>No individual owner, occupier or corporation or their delegate will get more than one vote per municipality. Owners of corporations will no longer be entitled to a potential second vote within the same municipal area elections.</p>
<p><b>#7 – Simplify the election process for the positions of mayor and deputy mayor (Not Proceeding)</b></p>	<p>The current voting process for mayors and deputy mayors will be retained.</p>
<p><b>#8 – Make alternative voting methods available</b></p>	<p>Alternative voting methods such as electronic voting will be enabled, in addition to postal voting. The most appropriate voting method will be chosen by the Minister at least 12 months prior to the local government elections.</p>

<p><b>#9 – Simplify the voting process to reduce informal voting rates</b></p>	<p>The voting process will be amended to only require boxes to be numbered 1 to 5 to constitute a formal vote. This will remove the requirement for (but will still enable) voters to mark a preference for every available councillor position and/or candidate.</p>
<p><b>#10 – Introduce caretaker provisions</b></p>	<p>Caretaker provisions will apply to all councils from the time candidate nominations open, to limit councils making major policy or contractual decisions during an election period. The operational business of councils will still continue and caretaker provisions will provide for this (including where councils have to meet statutory timeframes and obligations).Caretaker provisions will also limit the use of council resources to promote or support candidates.</p>
<p><b>#11 – Move administration of the General Manager’s Roll from councils to the Tasmanian Electoral Commission</b></p>	<p>The administration of the General Manager’s Roll will be moved from councils to the Tasmanian Electoral Commission.</p>
<p><b>#12 – Introduce a pre-nomination training package</b></p>	<p>Potential electoral candidates will be required to complete a training package in order to nominate as a candidate. The training packages would be completed in a simple online format and will provide information about the roles and responsibilities of councillors, rather than testing a potential candidate’s knowledge.</p>
<p><b>#13 – Introduce a candidate nomination fee (Not proceeding)</b></p>	<p>This proposal will not proceed. A candidate fee will not be introduced.</p>
<p><b>#14 – Require the disclosure of gifts and donations received by local government candidates during the electoral period</b></p>	<p>All electoral candidates will be required to declare gifts and donations received during the electoral period. .</p>
<p><b>#15 – Align eligibility requirements to nominate as a candidate with State eligibility requirements</b></p>	<p>Eligibility requirements for local government candidates will be more closely aligned with the current requirements for members of the House of Assembly and Legislative Council, as per the requirements of the <i>Electoral Act 2004</i> and <i>Constitution Act 1934</i>, where appropriate.</p>
<p><b>#16 – Remove the title of ‘Alderman’</b></p>	<p>The title of ‘Alderman’, which is currently available to city councillors, will be removed.</p>

## Part C – Councils Connected to their Communities

Reform	Description
<b>#17 – All councils will develop and adopt a community engagement strategy</b>	Councils will develop a Community Engagement Strategy after each election, in collaboration with their communities. The Community Engagement Strategy will inform how councils will engage, involve, consult and inform their communities on plans, projects and policies. Councils will be required to follow their Community Engagement Strategy when engaging communities on their Strategic Plan, in determining their service delivery priorities and when setting their budget (including rating decisions).
<b>#18 – Removing prescriptive consultation requirements</b>	Councils will have broadened capacity to engage with their communities in accordance with their Community Engagement Strategy. Wherever possible, prescriptive requirements to provide reports and information in a specified way, such as by post, will be removed. Some specific consultation requirements will be maintained where necessary to protect the rights of the community and councils.
<b>#19 – Remove requirements for public meetings and elector polls (Amended)</b>	<p>In recognition of strong community views about this Reform Direction, community-initiated elector polls and public meetings will be retained in the new Act. However, the threshold to trigger an elector poll will be increased to 20% of electors (currently the threshold is 10%). It will also be a condition that any elector polls or public meetings must relate to an issue over which local government has decision-making authority.</p> <p>Councils will retain the power to initiate elector polls and a new power will be provided for the Minister to initiate a state-wide elector poll on a particular issue if required.</p>

## Part D – Responsible and Effective Councils

Reform	Description
<b>#20 – Legislate the eight good governance principles</b>	The principles from the Local Government <i>Good Governance Guide</i> will be legislated and linked to the behaviours in the Code of Conduct.
<b>#21 – Set high-level financial management principles that encourage efficiency and value for money in council service delivery</b>	High-level financial management principles will be established to provide a clear expectation for councils when developing their strategic plans and budgets that focus upon transparency, accountability and sound financial management.
<b>#22 – Establish core capability requirements for elected members (Amended)</b>	Core competency requirements for elected members will be outlined with general managers needing to develop and deliver an induction plan for elected members following each council election. It will also be a requirement for councillors to complete training about their role as a Planning Authority.
<b>#23 – Require councils to publicly report the core capability training that each elected member has completed annually (Amended)</b>	Reporting of training completed by elected members will not be required to be reported publicly, rather general managers will be required to develop induction plans for elected members, with meeting procedures training to be completed prior to the first meeting.
<b>#24 – Establish principles for all council staff that set minimum standards of behaviour</b>	Local government employment principles will be set, aligning with the principles applying to employees under the <i>Tasmanian State Service Act 2000</i> . The consequences for a breach of these minimum staff standards of behaviour would be a matter for each council to determine.
<b>#25 – Prescribe minimum standards for general manager recruitment, contracts, performance management and termination</b>	Minimum standards will be set for general manager recruitment, contracts, performance management and termination. The current power to issue a Ministerial Order on the appointment and performance of general managers will remain.
<b>#26 – Include principles on complaints management in legislation</b>	Stronger provisions around complaints handling by councils will be included in the Act, to improve the independence of internal reviews of complaints.

**#27 – Ensure council rating policies consider taxation principles and align with their budget and financial planning documents**

The Act will require councils to consider the principles of taxation such as efficiency, simplicity, equity, capacity to pay, benefit, sustainability, cross-border competitiveness and competitive neutrality when determining how to distribute the rating burden. Councils should reflect outcomes of consultation with the community on council budget and financial planning when developing rates and charges policies, as per the overarching Community Engagement Strategy.

**#28 – Introduce more flexibility for councils to easily transition from one rating approach to another, to manage rating impacts on ratepayers**

The Act will provide improved tools to councils to manage changes in rating approaches and the resulting impacts on individual ratepayers through transitional arrangements.

**#29 – Establish an independent rates oversight mechanism (Amended)**

Rather than the proposed oversight of rates increases by the Tasmanian Economic Regulator, council Audit Panel chairs will be required to review any proposed rate changes that deviate from a council's Long-Term Financial Plan, and/or any changes to a council's Long-Term Financial Plan. Audit Panel Chairs will continue to be independent of their councils and the Panels must have a majority of independent members.

**#30 – Set principles or guidelines for setting fees and charges**

The principles or guidelines will promote greater consistency in the approach to setting fees and charges without prescription of the amounts themselves. Fees and charges should be reflective of the cost of the service being delivered as they are not a tax to raise general revenue.

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

Councils will have greater flexibility to allocate resources as required. Councils will continue to set the budget and priorities, however general managers will have flexibility to move resources around within the overall budget allocation to achieve priorities.

**#32 – Clarify significant business activities**

What is a 'significant business activity' will be better defined so that the commercial operations of councils are transparently reported. Councils will be required to publish reports on the operations and performance of significant business activities.

**#33 – Require electronic recording of council meetings to be made publicly available**

Electronic recording and publication of council meetings will be mandatory to improve public confidence in the integrity, transparency and accountability of council decision-making.

<p><b>#34 – Simplify what is a conflict of interest</b></p>	<p>This reform will remove overlap and confusion in the approach to declaring what are currently termed ‘pecuniary’ and ‘non-pecuniary’ interests at council meetings. Legislative provisions will be supported by clear, easy-to-read and understand guidelines to assist councillors.</p>
<p><b>#35 – Enhance the integrity of council decisions made when exercising statutory powers</b></p>	<p>Councils will be required to manage perceived conflicts of interest when exercising their statutory powers, for example, when a council is submitting and assessing its own development applications under the <i>Land Use Planning and Approvals Act 1993</i>.</p>
<p><b>#36 – Strengthen the information gathering powers of the Director of Local Government</b></p>	<p>Stronger powers will be provided to the Director of Local Government to require Audit Panels to provide their reports upon request.</p>
<p><b>#37 – Create a power for the Director of Local Government to require an undertaking from a council as a measure to address compliance issues</b></p>	<p>The Director of Local Government will have the power to accept an undertaking by a council, councillor or general manager to either correct an act of non-compliance with the Act, or to ensure that there is no recurrence.</p>
<p><b>#38 – Establish a Monitor/Advisor role (Amended)</b></p>	<p>To be renamed ‘Advisor’. The Director of Local Government will have the power to require the appointment of an Advisor to enter a council to review its operations, request information from the council administration (and the Audit Panel), provide guidance to elected members and senior staff, and make recommendations to the council. Councils may also decide that an Advisor be engaged as an early intervention to assist a council before issues result in more serious outcomes.</p>
<p><b>#39 – Establish the power to appoint a Financial Controller (Amended)</b></p>	<p>To be renamed ‘Financial Supervisor’. Similar to Reform Direction #38, the Director of Local Government may appoint a Financial Supervisor to a council to manage serious, demonstrated financial challenges, similar to powers that exist in New South Wales.</p>
<p><b>#40 – Continue to conduct formal investigations by the Director of Local Government</b></p>	<p>The Director of Local Government will continue to have the power to investigate breaches of legislation. Possible outcomes of an investigation will be strengthened to enable the Director to make findings and provide recommendations to the Minister that the council or an individual councillor be dismissed. To support the Director’s investigative role, the Director will be able to appoint appropriately skilled</p>

	and qualified persons to support them, including persons external to the Director's staff.
<b>#41 – Provide for the Minister to dismiss a council or individual councillor</b>	The Minister will have the ability to dismiss a council or councillor on recommendation of the Director. The Minister will retain the power to establish a Board of Inquiry and, in response to findings, recommend the Governor dismiss a council or councillor.
<b>#42 – Create offences for mismanagement and to address poor governance (maladministration)</b>	An offence of maladministration will be created for systemic failures or a major consequence resulting from a single act of impropriety, incompetence or neglect. The offence will be directed to all councillors, individual councillors and general managers but not other senior executive council staff.
<b>#43 – Simplify the complaints framework</b>	This direction will reduce the current overlap between the oversight and regulatory roles of various bodies. The main focus is reducing the overlap in the complaint process between the Director of Local Government and the Integrity Commission to give clarity for complainants, increase efficiency and ensure prompt intervention in serious issues.
<b>#44 – Introduce a local government performance reporting framework</b>	A clearer performance reporting framework will be set to consolidate and make better use of existing data and information relating to councils. Existing key performance indicators will be used as the basis for reporting, but with capacity to have additional key performance indicators over time.
<b>#45 – Require councils to publish a compliance statement in the Annual Report (Amended)</b>	Compliance statements would only be completed for 'material' or 'significant' matters. General managers will be required to sign-off and account for the council's material compliance obligations under the Act and some associated legislation, and report to the community a formal attestation that material compliance obligations have been met.
<b>#46 – Remove prescription around Annual Report</b>	Reforms will reduce the level of prescription about the content of a council's Annual Report with content to be determined by the council through its Community Engagement Strategy.



## Part E – Adaptable Councils

Reform	Description
<b>#47 – Introduce provisions that support efficient and high-quality council operations and collaborative shared service opportunities</b>	Legal and administrative barriers to collaboration across councils will be removed, giving greater flexibility for councils to collaborate. This will include clarification about the extent that delegations can be given and exercised and will enable two or more councils to be serviced by one administrative organisation.
<b>#48 – Introduce the option to create Regional Councils (Not proceeding)</b>	This proposal will not proceed. The option to create Regional Councils will not be introduced.
<b>#49 – Create model by-laws for common issues, with streamlined administrative processes</b>	The Act will reduce the administrative process councils must go through to develop and adopt model by-laws, creating greater State-wide consistency. A model by-law will be subject to a rigorous assessment process and, once approved, any council could adopt the model by-law without the need to go through the assessment process again. Councils will simply need to consult with the community on any municipality-specific issues before adopting the by-law.

## Part F – Strategic Reviews

Reform	Description
<b>#50 – Strategic reviews of councils</b>	The Local Government Board will be retained and will undertake strategic reviews of local government at the direction of the Minister. At a minimum, the Board will be required to undertake regular reviews of councillor numbers and allowances and ‘State of the Sector’ reviews. It will no longer be able to review the operations of a council, with these being carried out by the Director of Local Government.
<b>#51 – Voluntary amalgamations</b>	Voluntary amalgamations of two or more councils will be able to occur, without the need for a Local Government Board review. Councils will need to develop a business case to explore amalgamations but will no longer require a report from the Local Government Board, which is time and resource intensive.