

LOCAL GOVERNMENT BOARD

ANNUAL REPORT

2006-07

February 2008



Tasmania
Explore the possibilities

Local Government Board

ANNUAL REPORT 2006-07

Published February 2008

This publication is available online at

www.dpac.tas.gov.au/divisions/lgo/information/board

The Chairperson
Local Government Board
GPO Box 123
Hobart, TAS 7001

We welcome your feedback on this report.

Send to: lgboard@dpac.tas.gov.au

Minister Assisting the Premier on Local
Government

Local Government Board
ANNUAL REPORT FOR 2006-07

On behalf of the Local Government Board, I
have pleasure in submitting to you, for
presentation to Parliament, the Board's
Annual Report for the year ended 30 June
2007.

A handwritten signature in black ink, appearing to read 'John Gibson', written in a cursive style.

John Gibson
CHAIR

Contents

From the Chair	1
Local Government Board of Tasmania	2
Governance and Operations	2
Overview of Board reviews: General and Supplementary	3
1. Constitutional and structural matters	3
2. Governance	3
2.1. Annual General Meetings	4
2.2. Annual Reports	4
2.3. Committees and Reporting	4
2.4. Delegations	5
2.5. Voter participation in Council elections	6
2.6. Operational and Strategic Planning	6
2.7. Meeting procedures	6
2.8. Interests	7
2.9. Workshops and conferences	7
2.10. Council Meeting Times	8
2.11. Council Map and list of Public Lands	8
3. Regulatory functions	8
3.1. Performance Indicators	9
3.2. Animal Control	9
3.3. Building Planning and Development	9
3.4. Waste management	10
3.5. Recreational Water	10
3.6. Disability Access and Action Plans	11
3.7. Single, Joint and Controlling Authorities	11
3.8. Emergency Management Plans	11
4. Community Development, Communication and Consultation	11
4.1. Communication and Community Consultation	11
4.2. Community development and services	12
4.3. Grants and Donations	13
5. Roles and Responsibilities of Elected Members	13
5.1. Delineation of roles of Elected Members and the General Manager	13
5.2. Role of the Mayor and Conduct of Elected Members	14
5.3. Officer Reports to Councils	14
6. Equity, Access and Human Resource Management	14
6.1. Occupational Health and Safety	15
6.2. Training and development	15
6.3. Information to employees	16
6.4. Induction of new employees	16
6.5. Enterprise Bargaining Agreements	16
6.6. Grievance Procedures	16
7. Asset Management	17
8. Financial matters	19
9. Developing Local Government	21
10. Other Matters	22
11. Public Submissions	22
12. Supplementary Review Tasman Council	23

FROM THE CHAIR

This is the 8th annual report of the Local Government Board. The Board was established under the *Local Government Act 1993* (the Act), to carry out reviews of Councils and Authorities and to advise the Minister on any other matters as required.

The Board reached an important milestone during 2006-07, completing its first cycle of reviews of all 29 Councils in Tasmania. This cycle of Council reviews commenced in 1999 and has contributed to a marked, and continuing, improvement in Council practices across the areas of governance, management, accountability and community involvement.

During the past eight years, the Board has made over 300 recommendations relating to a range of Council governance, financial and asset management and community consultation and engagement matters. As part of its general Council reviews, it has also identified and promoted good practice in Local Government.

It has been pleasing to note the take-up of the Board's recommendations by individual Councils, and the ongoing commitment by Councillors and Council staff to continuous improvement.

It is also noted that the Local Government Office and the Tasmanian Ombudsman's Office have both recorded a reduction in the number of complaints and reviews into Council Practices during the past year.

In 2006-07, the Board finalised General Reviews of the Latrobe, Sorell and West Tamar Councils, together with a Supplementary Review of the Tasman Council to follow-up on matters arising from the 2005

General Review. Reports on these reviews have been published on the Local Government Office's website and provided to the Minister, the relevant Councils and to members of the community who made submissions to the reviews.

These reviews continued to highlight areas where improvements can be made. These include community engagement in Council activities, Council meeting procedures, strategic planning, disability access, human resource management and financial management and reporting.

A review of the Board's operations and functions is being undertaken through the auspices of the Premiers Local Government Council. Whilst this review has not yet been completed, I look forward to the Board continuing to play an important role in the performance of Local Government in Tasmania.

I thank all Board members for their contributions during what was a very busy year. It was a privilege to chair Board meetings during the year and to lead the Board in its deliberations.

The Board has appreciated the support provided to it by the Local Government Office, particularly by Gill Mosmann and Rachel Nielsen who provided the Board with excellent executive, research and policy support.

John Gibson
Chairperson, Local Government Board

LOCAL GOVERNMENT BOARD OF TASMANIA

GOVERNANCE AND OPERATIONS

The Local Government Board is established under the Local Government Act 1993 and is responsible for:

- carrying out General Reviews of all Councils
- carrying out Supplementary Reviews to follow up issues not resolved in the course of a General Reviews
- carrying out reviews of specific Councils or issues across several councils as required by the Minister
- providing recommendations and a report to the Minister at the conclusion of each review; and
- advising the Minister of any other matters the Minister may determine.

In the course of reviews, the Board also makes suggestions to Councils and highlights examples of good practice that it encounters in the course of the reviews. The Board

conducts its reviews in accordance with a set of guidelines, depending on the type of review, to ensure a consistent approach.

In the conduct of a review, the Board must provide reasonable opportunity for public consultation together with the opportunity for any Council affected by the review to make a submission. Councils are also provided with the opportunity to make a submission to the Minister on the Board's draft report before publication. After considering any submission the Minister may request the Board to reconsider any recommendations.

The Local Government Office provides administrative and other support to the Board. The Board's reports are published on the Department of Premier and Cabinet's website under the Local Government Office

Local Government Board Members are appointed by the Minister; current members are:

Board members appointed by the Minister	
Mr John Gibson	Chairperson
Ms Mary Binks, OAM	Nominee of the Local Government Association of Tasmania;
Ms Helen Cooper	Appointed as 'a person who has experience in local government'
Mr Brian Inches	Nominee of the Local Government Managers Australia (Tasmania);
Mr Alistair Scott	The Director of Local Government

Substitute members are appointed in the event that a Board member is unable to attend and scheduled meeting. Substitute members are:

Board Member	Substitute members
Mr John Gibson	Ms Susan Hill
Ms Mary Binks, OAM	Mr Brent Armstrong, Mr Paul Arnold, Mr Frank Pearce, Mr David Sales, and Mr Paul West.
Ms Helen Cooper	Mr Graeme Yeoland.

OVERVIEW OF BOARD REVIEWS: GENERAL AND SUPPLEMENTARY

This report covers the period 1 July 2006 to 30 June 2007, and relates to the three General Reviews published during this period, of Latrobe, Sorell and West Tamar Councils and, additionally, the Supplementary Review of Tasman Council. This later review was undertaken in order to follow up specific issues that arose during the General Review of Tasman Council which concluded in 2005

In making this report, the Board acknowledges and thanks Councils for the considerable work they put into the preparation of their submissions.

This overview of the reviews undertaken by the Board in 2007 is set out under the ten themes on which the Board commented in its reports. These themes are those that were identified in the guidelines as areas of interest for the Board in conducting General Review of Councils:

1. Constitutional and structural matters ;
2. Governance;
3. Regulatory functions;
4. Community development, communication and consultation;
5. Roles and responsibilities of elected members;
6. Equity, access and human resource management;
7. Asset management;
8. Financial matters;
9. Developing Local Government;
10. Other matters; and
11. Public submissions.

The Report sets out issues that were considered in the reviews conducted in the 2006-2007 period and identifies recent positive and negative aspects of Council performance identified in reviews.

1. Constitutional and structural matters

Constitutional and structural matters subject to review by the Board under the Act include matters such as municipal boundaries and the number of Councillors. Constitutional and structural matters were not raised for the Board's consideration in 2007, with one exception, which was a reference in a verbal submission by a member of the public during the Sorell hearing to the possible benefits of amalgamation with the Clarence municipal area.

During the Latrobe Council review, the Board considered the issue of competing interests between the townships of Latrobe and Port Sorell. This conflict was refuted by the Council. The Board noted that the Council has encouraged communication between the communities through the strategic planning process and a wide range of community events.

Constitutional and structural matters did not form part of the Supplementary Review of the Tasman Council.

2. Governance

A basic principle of the Act is that Councils are accountable to their communities. The various accountability measures contained in the Act are therefore a major focus of the review of governance functions of Councils.

The Board's reviews covered legislative requirements in relation to: by-law processes, maintenance of up-to-date Council maps and lists of Council-owned public land. Registers were inspected covering fees and charges, pecuniary interests, statutory appointments, committees and policies. The Boards findings are set out in relation to these matters below:

In its Supplementary Review of Tasman Council the Board considered issues brought forward from the General Review including: the Annual Report content style and distribution, public land identification and listing, together with meeting processes.

2.1. Annual General Meetings

In almost all the reviews it has conducted, the Board has observed that, while Councils have met the requirements of the Act by holding an Annual General Meeting (AGM), these meetings in many instances have not been well attended by residents.

Attendance at AGMs in the Councils reviewed during the 2006-07 period, public attendance was recorded as five for Latrobe, 15 for Sorell, three for West Tamar and five for Tasman. The Board observed that some Councils which have conducted their AGM in conjunction with other municipal functions have achieved a substantial increase in attendance by community members. 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.

2.2. Annual Reports

Previously reported improvement in the quality of these reports continued in the 2006-07 reviews, including availability of

reports on websites in addition to printed copies. The Board noted that all reviewed Councils were aware of recent legislative changes for the Annual Report content, and had received assurances that future changes were programmed where necessary. The use of graphical presentation is considered by the Board to enhance community knowledge and understanding of the Council's activities and its performance.

2.3. Committees and Reporting

In relation to Council Committees and reporting back by elected members that represent Council on outside bodies, the Board has highlighted the need for improvement. The quality of representation is compromised when reporting arrangements, by representatives to Councils, are deficient. Poor reporting also adversely affects community accountability and transparency of decision making, particularly when the representation is on a single or joint Authority which provides a service that is normally delivered by Councils.

In a large number of reviews the Board has suggested that Councils develop policies and associated procedures to ensure that formal reports on the proceedings of outside organisations are received from its representatives.

The Board has encouraged Councils to review the establishment of special committees under section 24 of the *Local Government Act, 1993* rather than Council committees under section 23 of the Act. Council committees consist only of Councillors, and are subject to all meeting procedure formalities, including meeting advertising and formal debating procedures. Special committees may consist of

Councillors, officers and community members, or whoever a Council appoints.

A special committee establishes its own meeting procedures, and meeting times need not be advertised. The Board has previously mentioned, and noted again this year, the role of senior officers and Councillors on outside bodies, and agrees with Councils that these arrangements provide a valuable connection between the Council and its community. The Board has continued to point out, that Councilors must be careful, when discharging their duties as members of an outside body not to incur any Council liability in respect of the activities of that body. While it is not suggested that Councils withdraw from these committees, it is important that the role of the Councillor is clearly understood.

In the case of West Tamar, while there is representation on eleven external committees, Council does not operate a 'committee system'. The Council for some time had been operating six internal Development Units with equal Councillor and staff representation. The Board expressed a concern about the nature and construction of the Development Units on the basis that as established at the time of the review, they presented a risk for the breaching of the boundary between the primary role of the Council, and the management role of the General Manager. The Board strongly suggested that Council review the situation.

It was the recommendation of the Board in its Supplementary Review that:

- Council ensures any Committee established meets the requirements of section 24 of the Act.

2.4. Delegations

Once again the Board observed differing practices between Councils on delegations. 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 1993* and other Acts, such as the *Land Use Planning and Approvals Act 1993*;
- delegations are subject to periodic review;
- consideration is given to a reporting process for decisions made under delegation; and
- consideration is given to approving them under seal.

At Latrobe, the Board recommended that Council should not have as a general condition of its delegations that they are subject to "such policies, policy guidelines and directions as the Council may from time to time approve." The Board considered that any delegation affected by any policy issues, should be redrafted to reflect the change to avoid the need to look outside the delegation itself for any conditions. A further recommendation required "a review of each delegation to determine whether the General Manager was empowered to on-delegate in each case to Council Officers."

In the case of Sorell, the Board recommended "that Council totally review its delegations procedures to ensure they comply with legislative requirements."

Delegation procedures were in order at Tasman Council.

2.5. Voter participation in Council elections

The Board noted that at the time of the last Council elections in October 2005 there was a statewide average voter response rate of 58.52 per cent. Of the Councils reviewed this year, three exceeded the state average participation rates:

Sorell, 59.39 per cent; West Tamar, 59.32 per cent and Tasman, 72.23 per cent. Latrobe recorded a participating rate of 57.60 percent.

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

Latrobe Council's Strategic Plan entitled "Creating Opportunities" is clearly presented and relevant to the work of the Council. The Annual Plan is consistent with the Strategic Plan, each strategy being aligned to particular programs with timelines and performance measures. An appraisal of the Annual Plan is contained within the Council's Annual Report.

Sorell Council's current Strategic Plan was prepared in 2002 and became effective in 2003. A review in 2004 revealed a limited degree of reference to the *Tasmania Together* framework and a lack of alignment between the Strategic (Community) Plan and the Annual Plan. These were subsequently revised by the Council and resulted in greater clarity and linkage on key issues, a substantial review of sewerage infrastructure, a traffic management workshop and an analysis and review of Sorell township land use. The next major review of the Sorell Strategic Plan is scheduled for completion in 2007-08.

The West Tamar Council's present Strategic Plan came into effect on 1st July 2003, expiring at the end of June 2008.

2.7. Meeting procedures

During the year, when considering Council meeting procedures, the Board were mindful of recently implemented statutory requirements on Councils in this area.

The Board found that greater attention was needed to ensure that:

- the reason for Councils and Committees going into closed session was being recorded in minutes of open meetings; and
- in relation to planning permits, the reasons for decisions made while acting as a planning authority where necessary.

The Board has a concern that some of the issues addressed in "Information Papers", should be tabled in public Council meetings and formally noted and tabled in the Council Papers. For example, a monthly Finance Report issued through the "Information Papers" process outside the public agenda, could result in that information not being formally approved or noted by the Council. It

has therefore proposed that a process be introduced to address this.

During the reviews it was a recommendation of the Board that Councils give consideration to:

- Adopting a policy of not accepting questions or statements from the public dealing with applications for planning permits on agenda items;
- At the end of every closed session, making a decision about what business of the meeting is to remain confidential and what information is to be released to the public;
- Councillors being made aware, that when the chairperson asks at the beginning of the meeting if there are any pecuniary interests to be declared or likely to be declared, they must then respond to the question if they know they have an interest or possible interest in one or more agenda items; and
- A copy of each meeting agenda, with attachments, as circulated prior to each meeting, be separately bound and authenticated as part of the official records of the Council to avoid any future doubt about the transparency of the agenda and linkage to the minutes of proceedings.

In its Supplementary Review of Tasman Council, the Board commended staff on the implementation of comments and suggestions from the General Review in 2005. The Board found that the format of Council meeting agenda is clear, consistent and easy to follow and provides adequate detail for both the interest public and Councillors. This process has been assisted by an updated officer report template including a heading for "consultation".

The Board noted the minutes were consistent in format and provides a concise record of proceedings. The Council's website is easy to navigate and provides timely detail on the current agenda and minutes as well as information on Council services and community events.

2.8. Interests

The Act provides clear responsibilities in regard to the declaration of pecuniary interest. The Board has reminded elected members of the statutory requirement to declare their pecuniary interests at the beginning of each meeting and of the need 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.

The Board reminded Councils that recent legislation exempts records of staff pecuniary interests from the *Freedom of Information Act 1991*, and for this reason, it is necessary to keep a Register of Staff Interests separate from the Register of Councillor Interests. 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, and, those with policies already in existence, they be amended to include such disclosure requirements if necessary.

2.9. Workshops and conferences

The Board continues to find that Councils have vastly different practices in relation to workshops and conference attendances,

ranging from minimal use of such mechanisms through to a program of 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 assured by Councils that these workshops are used for briefings only, and that decisions are not formed during those discussions. The new legislative requirements for workshop topics, to be reported on at subsequent meetings of the Council, will provide added assurance to the community that the workshops remain being used for briefings only, and that decisions are not formed during those discussions.

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

2.10. Council Meeting Times

The Meeting Procedure Regulations provide that meetings should not start before 5.00pm unless otherwise determined by an absolute majority of Council. The Board considers that daytime meetings could well restrict potential candidates for the position of Councillor due to their inability to attend meetings during the day. At the time of their respective Reviews, Latrobe was meeting at 5.00pm, Sorell was at 7.00pm, West Tamar at 1.30pm, and Tasman at 10.00am.

The Board notes that after each ordinary election, Councils are required to review the commencement time of meetings.

2.11. Council Map and list of Public Lands

As part of the Supplementary Review of Tasman Council, there was a need for the

Board to assess progress with the identification of public land as well as the municipal map.

The Council presented a Public Land Register which purported to identify all Council owned or leased properties. The Board found it was not possible to determine "public land" within the municipal area. The presentation of the municipal map, described as 'a work-in-progress', was incomplete and it was not possible to identify roads maintainable by the Council as against those repairable by the owner.

The Board recommended that:

- Council establish a separate register of 'public land' and add sufficient information to each property listed to clearly indicate the category of public land as defined; and
- Council ensures the municipal map is completed as a priority, clearly showing all specified details.

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. The Board's findings in relation to these are set out below.

3.1. Performance Indicators

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

3.2. Animal Control

All Councils reviewed have exercised their responsibilities in a responsible manner. The Board noted that in the case of Sorell Council, the use of the anti-barking citronella collars had proved successful.

3.3. Building Planning and Development

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

The Board noted the continuing difficulty of Councils to recruit or access professional planning and building advice, but was pleased to see the reviewed Councils had been successful in securing the services of appropriately qualified staff, but at the same time, noting there was a need in some instances for increased capacity to enable issues to be dealt with in a timely manner. While performance based planning schemes

provided greater flexibility in determining development applications, the Board was aware that additional staff was required to provide comprehensive reports and recommendations for the consideration of Council. The Board is pleased to report continuation of progress in the recognition by elected members of their role as the "Planning Authority", and their need to come to terms with the provisions of the *Judicial Review Act 2000*.

The Board continues to observe that application of planning legislation, which provides for both State Policies and local Planning Schemes, is an area of increased complexity for all who are involved in the system. Throughout the year, the Board has observed that from a Council's point of view, the twin overriding objectives of encouragement of development and regulating the development of land and buildings in the long-term public interest, frequently conflict.

The Board noted that the improvement in the time taken to issue development approvals at Tasman Council appeared to be largely attributed to the appointment of a Town Planner and the provision of delegations to staff.

At Latrobe, all building, planning and development controls are managed by the Council's Development Services Department. Council has been relying on the self-certification process for commercial/industrial building applications, and Planning Scheme amendments are supported by private consultants.

While Sorell Council was undertaking a review of the Planning Scheme with a focus on the business and industrial zoning, it is experiencing major problems with the lack of

available infrastructure in the existing areas for urban expansion of residential development.

Lack of infrastructure in the coastal townships of Lewisham, Dodges Ferry, Carlton and Primrose Sands, an area known as the Southern Beaches, presents extreme pressure for Sorell Council with an estimated cost for infrastructure services likely to exceed \$60 million.

Sorell Council employs qualified planning staff and now requires Certificates of Likely Compliance from private building surveyors in relation to applications for building permits.

At West Tamar Council, internal staff provide building and planning assessments and operate with delegated authority. West Tamar Council is dealing with pressure created by increased building and planning applications, in particular, the impact on local infrastructure covering roads, water and sewerage services.

The Board was impressed with the Council's strategic approach to the community engagement process in exploring options and solutions for the future.

- The General Review of 2005 of Tasman Council recommended that the Council proceeds towards a new Planning Scheme as quickly as possible, while ensuring there is associated widespread consultation and communication about it.

The Board noted at the time of consideration of the Council's submission for the Supplementary Review in October 2006, that the maps for the new scheme had not been finalised and the text was being developed by the Council's Planning Officer and officers of the Resource Planning and Development Commission. When the Board visited the Council in June 2007, advice was received that the new Planning Scheme was scheduled for consideration by Council at a meeting during

June 2007. The Scheme, after adoption by the Council, was to go on display for a three month period during which time, public input would be invited. The Board found it necessary to recommend:

That Council takes all steps available to it to ensure that the new Planning Scheme is implemented as soon as practicable.

3.4. Waste management

The Board noted that waste management continues to be dealt with in a variety of ways by Councils under review. Latrobe provides a fortnightly kerbside collection to urban areas and major routes in the rural sector. A weekly recycling collection service operates in the kerbside collection area, and in the rural area, a fortnightly collection service is provided with the use of a traveling mobile bin service. Transfer stations are provided at Port Sorell and Spreyton.

Sorell provides a collection system to all properties and includes mobile bins for garbage and crates for recycling, supported by a monthly green waste collection and a quarterly hard waste collection.

West Tamar provides a fortnightly bin collection for waste and recycling, supported by an annual bulky goods collection. Waste transfer stations exist at Exeter and Beaconsfield and green waste is accepted at the transfer station sites.

3.5. Recreational Water

Recreational and potable water supplies all have a regular testing regime. No warnings had been necessary in Latrobe and West Tamar.

At Sorell, in the coastal towns of Lewisham, Dodges Ferry and Primrose Sands, on-site wastewater management systems (mostly septic tanks) are not providing adequate

treatment, resulting in potential off-site pollution of surface and ground waters as well as beaches. Council has increased the minimum lot sizes in these localities from 550 square metres to 1,100 square metres, with a view to providing sufficient area for sustainable on-site wastewater disposal.

3.6. Disability Access and Action Plans

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

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

In its review of Tasman, the Board recommended that the Disability Action Plan be finalised by the inclusion of an operative date, the review mechanism and potential budgetary implications.

3.7. Single, Joint and Controlling Authorities

The Councils reviewed this year were involved in Authorities covering regional administration, regional development, water supply, waste management landfill and waste management policy. These ventures provide value added services for the respective municipal area residents.

3.8. Emergency Management Plans

Emergency Management Plans are in place for Latrobe and West Tamar, and undergoing a biennial review. Sorell was proceeding with a major revision.

The Board noted the practical application of the West Tamar Emergency Plan together with the Community Recovery Plan, which paved the way for the setting up of the Municipal Emergency Co-ordination Centre and implementation of the Community Recovery Centre associated with the Beaconsfield Mine rock fall in April 2006. The Plan proved invaluable in connection with the incident.

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 gained by adopting and sharing good practices from other Councils.

4.1. Communication and Community Consultation

Reference has already been made to the extensive nature of the consultation that has accompanied the revision of a number of

Strategic Plans. The development of Community Plans covering disaster recovery, economic development, recreation, tourism cultural and youth activities, alongside programs for the aged, are indicative of the broad range of subjects that the community was asked to comment on in the municipal areas reviewed this year.

4.2. Community development and services

During the year, the Board has observed the significant involvement of Councils in a range of valuable community developments, including the provision of community services that are not otherwise available, e.g. community recovery plans, health services and improvement programs supported by specific funding. The Board noted many excellent examples of Council initiation, involvement in or support for economic and tourism development, recreational planning, services and facilities, arts and cultural activities, provision for particular groups such as youth and older people, and of natural resource management activities.

Latrobe runs an extensive range of Community Plans, incorporating economic development, recreation, tourism, cultural, social and the aged.

Key features of the Latrobe Economic Plan are:

- Establishment of the Latrobe Industry Representative Group to pursue issues identified in the commerce development sector;
- Partnering in the Business and Employment Centre based in Devonport which has boosted the economic viability of the municipal area; and
- A partnership agreement with Devonport City Council that addresses

industrial development opportunities and priorities.

The Board noted the extensive list of community events incorporating Chocolate Winterfest, Port Sorell Regatta, Henley-on-the-Mersey and Spring Fever.

In relation to the aged care activities sector where Council operates 57 one/two bedroom units within Latrobe, the Board has suggested:

- Council reassesses its commitment to provide the units on an ongoing basis in light of the private sector opportunities in transferring the asset: and
- Council reviews its policies and disclosure of its true cost in its Annual Report, while keeping the units in its ownership.

Sorell's Community Plans incorporate an extensive range of childcare services with programs for long day care, family day care, in-home care, after school care, vacation care and community playgroup. Other service areas are economic development, recreation, tourism, cultural and social plans. The Board noted there are proportionally more residents under the age of 15 years and proportionally less over the age of 65 years than the average of all Tasmanian Councils, which no doubt creates the basis for the broad range of programs for children.

Sorell's membership of the South East Regional Development Association (SERDA) and its subsidiary Business Enterprise Centre provides input and linkages for Council on economic development issues. SERDA membership creates a partnership with Glamorgan-Spring Bay, Tasman and Clarence Councils.

West Tamar has developed the 'Community Plan 2004-10' in two parts. Part A includes initiatives that fall within Council's core functions and responsibilities and where Council can play an active and direct role, including allocating resources to address the issues. The Plan sets goals and priorities for action, specifies roles and responsibilities and establishes performance indicators against which progress can be measured.

Part B outlines initiatives for which Council does not have a direct responsibility. Council will pursue partnerships and work collaboratively with other levels of government and non-government organizations to advance these issues.

West Tamar also participates in regional activities in partnership with Launceston City and George Town Council. These activities include:

- Tamar Valley Regional Open Space System Project;
- Natural resource management;
- Northern Safer Communities Partnership; and
- Tourism initiatives.

Issues dealt with in the West Tamar Plan include economic development, recreation, tourism, cultural and social incorporating activities for youth, the aged, Indigenous, Multi-cultural and People with Disabilities.

The Board has noted that all Councils reviewed this year have received many commendations for the wide range of activities supported and provided.

4.3. 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 concerns in this area were in relation to the effectiveness of processes in ensuring equity and access to grants, and in reminding Councils of the necessity to report their in-kind support to show more accurately the valuable contribution they make to their communities.

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.

5.1. Delineation of roles of Elected Members and the General Manager

The Board noted in this year's reviews that there appeared to be greater understanding of the delineation of roles. The review of the Act has provided varied responsibilities in this area.

Amendment to legislation saw changes to section 63(2) of the Act whereby the former responsibilities of a Council to ensure that all employees are appointed and promoted according to merit and without discrimination; and all employees receive fair and equitable treatment without discrimination, were removed.

A General Manager now has the responsibility to develop human resource practices and procedures in accordance with policies of Council to ensure employees receive fair and equitable treatment without discrimination.

The Board is of the view that, at the very least there should be in place a system of detailed reporting and accountability mechanisms and that General Managers must recognise that in

appointing and directing employees, they are acting as the agent or servant of the Council.

The Supplementary Review at Tasman Council revealed that agenda detail incorporating consistent and precise staff reporting had assisted with relationship issues. Council advised the Board it was not aware of any public disquiet regarding the issue.

On the other hand, the Board has consistently reminded elected members that they have no power to appoint or direct Council employees, other than the General Manager, and then only collectively. There is considerable risk involved if elected members try to become involved in industrial relations issues.

If the elected body, or individual Councillors, have concerns to raise in relation to staff matters they should be directed to the General Manager. It would then be the General Manager's responsibility to deal with these concerns. In doing so, he/she would need to ensure that all legislative requirements are met and that all employees are treated in accordance with processes that encompass the principles of procedural fairness.

The Board recognises that a good relationship between a Council and its General Manager is crucial to the functioning of any well-run Council. For this reason, the Board, in its General Reviews, pays attention to the accountability mechanisms that exist in the form of the General Manager's annual performance review.

Where the process is not in place, the Board has recommended annual reviews that are independently facilitated from time to time, with input from a wide range of stakeholders.

5.2. Role of the Mayor and Conduct of Elected Members

In Councils reviewed, the leadership role of the Mayor was universally accepted. In the Councils reviewed, teamwork was generally recognised as a high priority.

In some cases it was necessary to remind Councillors that lobbying of staff on planning matters was not appropriate.

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

5.3. Officer Reports to Councils

During the year under review, the Board has viewed some excellent officer reports to Councils. The Board strongly suggests that Councils use templates for officer reports to ensure that the full range of relevant issues are presented to the elected body when making decisions.

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

6. Equity, Access and Human Resource Management

Councils should be exemplary employers. The Board commended many aspects of human resource management at a number of Councils, including examples of leading practice, noting commitment to and expenditure on: training, induction processes, occupational health and safety and rehabilitation practices. However, the Board continues to find the need for some

improvements in human resource management in Councils.

In the case of the Supplementary Review of Tasman Council, follow up was required on two recommendations from the 2005 General Review:

- That Council provide adequate support and resources for a new Human Resource Officer position to ensure that its human resource policies, procedures and current practices are reviewed, updated, implemented and monitored, as a matter of urgency with a reasonable time period; and
- Because of the time it may take for a fully developed induction process to be put into effect, that Council immediately implements a process to provide all new staff with information on essential health and safety matters on their first day of employment, as an absolute minimum.

After concluding the Supplementary Review of the Council, the Board found it necessary to make the following recommendation:

- That sufficient resource is made available to allow the completion of all performance reviews at least annually.

6.1. 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 has also been increased attention to risk management. While policies and procedures are generally in place, not all Councils follow through consistently with issues in relation to Occupational Health and Safety Committees or in the supervision of contractors.

It is essential for Councils to ensure that the same high occupational health and safety standards, that are required of Council employees, are required of and monitored in the practices of contractors and their employees. Councils appear to be aware of the risks and inequities if their practices are deficient in this regard and responded well to the Board raising the issues.

At the conclusion of the Supplementary Review of Tasman Council a great deal of work had been carried out including the adoption of the Human Resources Development Plan. A resource sharing arrangement was in place with Glamorgan-Spring Bay Council covering the services of the Human Resource Officer. The Board noted the extra complexities before Tasman Council due to the Multi-Purpose Service (MPS) with the resultant wide range of employees under various industrial awards and agreements.

At one Council, a recommendation was considered necessary to ensure that the requisite occupational health and safety procedures are in place, and that all staff be made aware of their personal responsibilities.

6.2. Training and development

The Board noted a clear trend towards recognition by Councils of the value of training for employees - particularly in relation to occupational health and safety- and for elected members, both of which are encouraged and supported.

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.

6.3. Information to employees

The Board has found good examples during the year of Councils making efforts to ensure that employees are informed of Council decisions and other relevant information.

The main issue noted by the Board in this area was a lack of consistency. The Board reiterated 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. At Sorell Council, the Board suggested computer access coverage is extended to Childcare Service Centres and the Works Depot.

6.4. Induction of new employees

The Board noted that most 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 suggestions during the year that Councils develop a structured and consistent process supported by policies and procedures where necessary, with written material in the form of an information booklet for distribution to employees when they commence work.

The Board also indicated that the same material could be used in the induction of elected representatives. The Board continued to emphasise that introductory instruction and ongoing familiarisation with occupational health and safety policies and practices is an essential requirement. Where improved

procedures have been implemented, the Board has also made a suggestion that long-serving employees be provided with the opportunity to be taken through the process.

6.5. 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.

Latrobe Council has moved away from Enterprise Bargaining Agreements since 2002 and has adopted an internal system of key performance indicator measurement with old award conditions (as varied) and negotiated remuneration levels.

Tasman Council advised any expired Enterprise Bargaining Agreements have been replaced with Common Law Agreements covering salary levels. In the case of Depot and Administrative Staff, agreement has been reached on salary levels. Negotiations are continuing regarding the Nurses Enterprise Consultative Agreement. The Council anticipates agreements between all parties should be in place within six months of the Supplementary Review, viz: - December 2007.

6.6. Grievance Procedures

The Board has suggested to a number of Councils that both male and female equal employment opportunity officers and/or contact persons be appointed and that they

receive appropriate training and management support.

The Board has encouraged Councils to consider a process to enable employees to nominate equal employment opportunity contact persons to contribute to increased effectiveness and awareness of procedures to deal with any grievances and complaints of harassment and bullying.

7. Asset Management

Councils are the custodians of infrastructure assets that are required to perform over many generations. The Board has found in General Reviews that Councils have traditionally been slow to recognise their asset management responsibilities and to implement effective and comprehensive policies and processes.

The Board has increasingly emphasised asset management responsibilities in reviews. It is increasingly obvious however, that the level of resources required for both planning and implementing asset management plans for existing assets is a growing demand on responsible Council management.

It is pleasing to report that there has been a continuation of the trend noted last year towards generally higher levels of awareness within 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, 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.

During the review of Latrobe, the Board noted that each road, water and sewerage asset is segmented in the Asset Register and treated independently with respect to valuation, life and crucial asset data. The Board viewed the Asset Management Policy adopted in January 2005. The Policy is a high level document providing guidance to Council on its treatment and dealings with assets. The Board inspected the 10 - year Forward Works Program and made a recommendation:

- That Council Develop an Asset Management Plan and an associated Financial Management Plan that takes account of predicted asset modeling over the next 20 years and an associated Financial Management Strategy to cope with any funding challenges identified in the Asset Management Plan.

At Sorell, the Board noted the adoption of Asset Management Policy in January 2005 by the Council followed shortly thereafter by the adoption of an Asset Management Strategy. The only Asset Management Plan completed at the time of the review was for bridges.

The Board noted the Council's advice "that the budget is presently not capable of sustaining the asset renewal program 'funding gap' assessed by the Asset Renewal Gap Program." The Board made two recommendations regarding asset management:

- That Council continues, with as much haste as possible, the completion of the Asset Management Plans for classes of assets other than bridges. It should take into account those plans and the gaps analysis. It should also develop a long-term financial strategy to make certain that assets are adequately maintained to ensure that they do not become an undue burden for future ratepayers; and

- That Council completes a review of all its assets to ensure they are actually required.

While this Chapter relates to existing assets, the Board noted there are immense new infrastructure problems facing the Sorell Council associated with the provision of sewerage works in the Southern Beaches area, traffic flow problems in the town of Sorell and the provision of adequate housing for the Council's office staff.

In West Tamar, a revaluation of assets was undertaken in 2004, effective from 1 July 2004. Council has installed BizeAsset software system for asset management and has entered into the Tasmanian Asset Management Improvement Program (TAMI) provided through a joint undertaking by the Local Government Association of Tasmania and CT Management Group.

All asset information was currently recorded on databases and this will be transferred to the BizeAsset system as resources permit.

The Board has made several recommendations in this area:

- That Council continue, review and adopt a new Asset Management Policy including an implementation plan;
- That Council implement reliable calculations for asset valuation and that the assets be revalued on at least a biennial basis;
- That Council review and develop asset maintenance specifications and plans for each class of asset as part of a new Asset Management Plan;
- That Council develop an Asset Management Plan, including identification of assets that require renewal during the 10-20 years;

- That Condition Assessment and Consequential Asset Depreciation Policies be reviewed to accurately reflect consumption of the asset;
- That Council obtain independent sample checking of the estimated life of its road assets; and
- That responsibility for Asset Management be assigned to a key senior manager in Council's departmental structure.

During the Supplementary Review of Tasman the Board considered progress against the recommendation from the 2005 General Review: "That Council continues the implementation of a comprehensive asset management system, as a matter of urgency."

Council advised that since the General Review, improvements have been adopted by Council with the preparation of an Asset Management Policy document, implementation of the LGAT sponsored TAMI Program for sustainable Local Government infrastructure, production of individual registers for roads, bridges and buildings and bridge condition assessments are being restructured to reflect the Road Hierarchy Plan.

The Board was concerned at the lack of progress in regard to this issue and recommended:

- That Council continues to implement a comprehensive asset management system as a matter of urgency.

The Board has found that the availability of grants generally has been a boon to Councils, particularly the small ones with limited rate bases, allowing them to undertake important works to improve roads, bridges, water and

sewerage to the environmental and other standards now required.

The Board has received examples from Councils in relation to funding programs including Roads to Recovery, Clean Quality Water and Natural Heritage Trust. While recognising the value to the communities of new or upgraded assets, the Board remains concerned about the long-term impact on Councils and their capacity to meet the consequent costs of maintenance and replacement.

The management of assets requires the development and maintenance of comprehensive information, adequate maintenance and planned replacement and disposal of assets. The Board's view is that the strategic direction for asset management can only be determined when Council has developed an appropriate level of understanding of its infrastructure assets.

The Board acknowledges that the collection of asset details is a time consuming process for all Councils and it is a continuing challenge to find sufficient resourcing.

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 its capacity to perform its functions.

At Latrobe, the Board noted an operating surplus over the last five years represented a positive result covering the calculated depreciation levels. The capital expenditure over the last five years is noted as appropriate given financial capabilities and service requirements. In considering the financial reporting style, Councillors advised the Board that they were comfortable with the information presented.

The Board has recommended:

- That the current program-reporting format, used in the Budget Estimates and monthly reporting to Council, be amended to include the traditional basis of reporting as identified in the Annual Statutory Accounts.

Key Performance Indicators (KPIs) for Latrobe Council provide some evidence of financial stability and consistency with other Tasmanian Councils of a similar size. Levels of rates and charges over the five-year period 2000-01 – 2005-06 show annual increments.

At West Tamar, the Board noted operating surpluses over the past five years which reflected a positive outcome for the Council. Capital expenditure over the last five years has been funded by grants and internal funding and no external borrowing has been necessary.

The Board has recommended:

- That Council reviews its long-term debt strategy as part of an overall Financial Management Plan.

The Board noted the long-term financial planning that had been developed in the Financial Plan 2006-11. The Board believes the Plan is not appropriately influenced by the level of asset renewal and creation that might

be proposed when the Asset Management Plan has been completed.

The Board has recommended:

- That Council develop a new Long-Term Financial Plan that takes account of Asset Renewal Plans, municipal development plans and a better-informed strategic framework.

KPIs show positive trends and rate levels indicate annual increments.

The Board is concerned that the format of the monthly financial reports utilised in the Budget detail is in a different format to those in the General Purpose Financial Statements.

The Board has recommended:

- That the current program reporting format, used in Budget Estimates and monthly reporting to Council, be abolished in favour of the format used in the Annual Report.

Sorell Council, had recorded substantial deficits for the four years preceding the review. The Board considers the practice of running operational deficits to be undesirable. Effectively in the long-term it is creating a debt for asset replacement or refurbishing which will have to be met by a future generation of ratepayers. This situation indicates ratepayers are receiving the services too cheaply.

In making the following recommendation, the Board has only taken into account the known position at the time of the review. Any major infrastructure requirements in the future, such as sewerage for the Southern Beaches area, will have the potential of dramatically altering Council's financial position and should be given consideration in the development of any revised ongoing strategies.

Recommendation:

- That Council within three months of the publication of the Report into the Finding of the General Review, report to the Minister on the steps it proposes to significantly improve its financial position, and then report on an annual basis indicating whether or not it has achieved the target that it has set for itself.

In the case of Tasman, at the time of the General Review in 2005, the Board recommended:

- That Council ensures that an appropriate long-term financial plan is developed and maintained;
- That Council implement the recommendations in the audit by Civic Mutual Plus; (covering risk management issues) and
- That Council liaises with the Department of Treasury to determine the systems that need to be in place to ensure that Council fully complies with National Competition Policy requirements.

At the commencement of the Supplementary Review, the Board viewed a draft 10 Year Financial Management Strategy. It was described as having "management working document" status. Prior to the conclusion of the Review, the Council formally adopted the 10 Year Financial Management Strategy which was in place prior to the Budget Estimates being finalised for 2007-08.

The Board noted an operating deficit for 2005-06 of \$0.680 million, after an adjustment in relation to a transfer of assets, associated with the Nubeena Multi Purpose Service, amounting to \$3.812 million to the State Government. The Board was advised a significant increase in rates and charges for

2006-07 would eliminate the operating deficit as well as correct the negative working capital situation.

Notwithstanding the assurances by Council, the Board is still concerned about the long-term financial viability of Council and suggests the situation needs to be closely monitored. The Board notes the Funding Agreement between the Commonwealth and State Governments and Council expires in July 2008 for the Multi Purpose Service. Financial Reports were noted as indicating the Multi Purpose Service accounted for 44.33 per cent of the Council's total operational income and 43.37 per cent of the operational expenditure.

The Board has recommended:

- That Council ensures that its Financial Management Strategy is further developed and linked to the Asset Management Plan as a priority; and
- The Board notes that State Treasury has confirmed Tasman Council is compliant with National Competition Policy requirements.

As reported last year, the Board continues to be concerned that financial statements of Councils 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 frequently 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 small Councils. At the same time, there is still no uniform approach to

asset valuation and depreciation policies adopted by all Councils.

In previous General Reviews and annual reports, the Board has raised concerns about the depreciation policies being employed by Local Government in Tasmania. In particular it has been concerned to assess whether the annual depreciation charge is representative of the level of asset deterioration. As the Board reported last year, it remains of the view that no meaningful comparison or benchmarking between Councils will be possible until the necessary definitional problems have been resolved on a statewide basis.

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

9. Developing Local Government

Councils do not operate in a vacuum. They have opportunities to work with other Councils, the State Government and with other organisations for the betterment of the community. As in other years, the Board found that Councils reviewed have contributed positively to public policy development through such relationships.

This role is exercised through the involvement of both elected representatives and employees, covering national as well as State and regional contributions to Local Government bodies, joint authorities, professional and industrial bodies.

The Board noted increasing regional cooperation and resource sharing by all Councils reviewed. For example, varied

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

10. Other Matters

In response to a request by the Board, Latrobe Council gave an indication that the net impact of the recent State and Local Government financial reform was positive, while at Sorell there was a minor shortfall.

West Tamar Council detailed awards won over the last five years and were commended

by the Board which noted the wide diversity of the successful categories.

The Board was provided with details of the Beaconsfield Community Fund set up after the Beaconsfield Mine disaster. The fund of \$8 million was a partnership involving the Australian Government and the West Tamar Council with the fund being administered by Ausindustry. Seventeen applicants were successful.

11. Public Submissions

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

Submissions were as follows		
Council	Number of appearances before the Board	Number of written submissions
Latrobe	4 persons appeared	6 prior written submissions
Sorell	9 persons appeared	2 prior written submissions
West Tamar	1 persons appeared	2 prior written submissions
Tasman	5 persons appeared	6 prior written submissions

The Council considers each of the matters raised against its own guidelines. The issues are summarised and submitted to Council for comments.

The Council's responses are then included in the final report, with Board comments, suggestions and/or recommendations.

12. Supplementary Review Tasman Council

The Tasman Supplementary Review examined all the issues referred from the General Review, and while many improvements were noted, the Board found there are still a number of important outstanding issues which have been described as being 'in-progress'. In order to ensure a satisfactory conclusion is reached with the matters outstanding, the Board has recommended:

- That Council reports to the Director of Local Government on progress with the Board's recommendation from the Supplementary Review as at 30 June 2008, and annually thereafter, if requested by the Director.