
Communiqué

Premier's Local Government Council meeting - 28 June 2017

The Premier's Local Government Council (PLGC) met in Hobart on 28 June 2017 to progress its strategic agenda and to discuss matters of topical interest.

The meeting was chaired by the Premier, the Hon Will Hodgman, and attended by the Hon Peter Gutwein, Minister for Planning and Local Government, the elected members of the General Management Committee of the Local Government Association of Tasmania (LGAT) including the President, Mayor Doug Chipman, and members of the PLGC Officials Committee.

The Premier and the President of LGAT both spoke of the shared commitment and goodwill of both levels of Government to work across a broad range of issues important to Tasmanians, notwithstanding there will be times where there may be a difference of view on a specific matter.

The PLGC were informed of the timing of the water and sewerage reform package and that the draft legislation would be tabled in the spring session of Parliament 2017. Consultation on the draft legislation will start in late July 2017.

The PLGC noted the progress on feasibility studies into voluntary amalgamations and strategic shared services in local government. While decisions to proceed with any option is a matter for respective councils, the PLGC noted there are a range of possible opportunities identified which may benefit communities across current council boundaries.

Feedback raised during consultation on the draft *Local Government (Targeted Review) Amendment Bill 2017* were brought to the attention of the PLGC. The PLGC discussed how changes could strategically strengthen the capacity of the sector, including the roles of mayors and councillors and how they are supported.

The Minister informed the PLGC that the Guidelines and Ministerial Advisory Statements required by Local Government in order to commence development of their Local Provision Schedules was provided earlier in the week. The State Government has offered financial assistance to each region to help with the development of the Local Provision Schedules. It was agreed there could be benefit in the State Government and local government working together to build better community understanding of planning processes and law.

The Director of Local Government, provided the PLGC with an update on the performance of his statutory obligations and a general observation of the sector gained through his work. A summary of the Director's report is provided at Appendix 1.

Matters of topical interest discussed by the PLGC included: statewide waste management, announcement of the Cat Management Plan, an update on the review of councillor allowances, implementation of the *Building Act 2016* and the code of conduct review.

The PLGC is next scheduled to meet on 30 August 2017. Further information on the PLGC is available on the LGD website: www.dpac.tas.gov.au/divisions/local_government/plgc.

Director of Local Government report

Compliance activities

The Local Government Division (the Division) undertakes significant compliance activities in the form of investigations, audits and education activities. With the appointment of a new Director in early 2017, the Division is in the process of determining how to best balance its resources to undertake compliance activities against its policy and reform activities. Of note, the Director's engagement with the sector to date has indicated a desire from the sector for an 'earlier intervention' role, to assist in managing an emerging issue in a council before that issue potentially becomes more damaging to the functionality of council.

In response to this, compliance activities will be adapted on a case by case basis to the circumstances of a particular council, and will include 'soft' intervention options in addition to formal investigations. Soft intervention options may be appropriate where a council recognises it has issues that need to be addressed and that council actively seeks assistance. The Director welcomes councils being proactive in seeking assistance and soft intervention options can include measures such as facilitating the provision of education and helping to find independent expert assistance.

While the Director intends to support soft intervention options, the Director remains obligated to investigate complaints that are formally made in relation to non-compliance with, or offences under, the *Local Government Act 1993*.

General observations

The Division's compliance activities reveal some underlying issues that are observable over time. None of these are particularly new or surprising, but rather confirm what the sector itself has identified.

In general, systemic issues include financial sustainability, the depth and breadth of councillor experience, and staff capacity. These issues tend to be more prevalent for smaller, regional councils than for larger, urban councils.

In terms of financial sustainability, aside from policy decisions and competency in financial management that may impact on financial outcomes, limited and risk exposed rating bases for some councils are evident (ie demographic issues and/or relatively high dependence on one or a few large businesses). This is compounded by increasing community demands for services and the 'cost' of governance.

Councillor experience is highly varied within and across councils, which reflects (at least in part) sections of the community and democratic outcomes from elections. However, of note is that some councillors are elected with little or no experience relevant to the functions and powers of a councillor, particularly with respect to understanding key governance obligations. Furthermore, council composition may not reflect a cross section of a community because the role (and therefore the demands) of a councillor may be not be attractive or supportive to persons who, for example, have good skills and experience but have family and/or work commitments.

Similarly, staff capacity, in terms of both total resources available to a council within its budget, and individual skills and experience, is challenged by demographic factors (ie ageing workforce,

education and training). For smaller isolated councils in particular, attracting and retaining key positions is highly challenging. Similarly, 'strategic, value add' positions that for larger councils are 'core' roles, are sometimes not supported or filled due to financial constraints, despite the fact that for these councils the need for the work done by these roles is arguably just as important (if not more so). The lack of these roles can manifest itself in, for example, a lack of adequate policies and procedures on some key governance or operational aspects, which creates high risks for a council. Some actions, such as regional workforce development planning, are understood to be aimed at addressing some of these issues.

While the voluntary amalgamation and shared services feasibility studies currently underway are governed by their own processes and the outcomes and decisions by councils that may arise from them are to date unknown, the above general observations are key factors that have to be considered and addressed at some point for there to be a sustainable sector that has the confidence of the community.

Inter-jurisdictional forum

The Director attended an inter-jurisdictional forum of his interstate counterparts on 30 and 31 March 2017. This forum meets twice per year and is an opportunity for the respective local government regulators and policy advisors to update and share information and learning. Of particular note:

- Most jurisdictions are in the process of updating their local government legislation, ranging from a 'roots and branches' review in Victoria to targeted changes aimed primarily at governance enhancements (similar to those proposed in Tasmania). The Victorian review intends to remove considerable prescription and move to a more 'principles' based Act, supported by regulations and guidelines with prescription where deemed necessary. Other jurisdictions generally maintain a more prescriptive legislative framework;
- Code of conducts continue to be reviewed and refined in all jurisdictions. There are a range of different approaches, with one jurisdiction likely to cease to have a legislated code of conduct framework and return the obligation back to the sector to manage for itself. Other jurisdictions generally have some form of legislated code of conduct arrangement and are likely to maintain it; and
- Performance information and how it is reported and used is a feature of ongoing improvement in most jurisdictions. Underlying this, in part, is increased community demands for greater transparency and access to information, such as through open data requirements that governments are increasingly committing to.