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SUBMISSION TO TARGETED AMENDMENTS TO THE LOCAL GOVERNMENT ACT 1993

I write to you in response to the targeted amendments to the *Local Government Act 1993*, as proposed as part of the Local Government Priority Report Program 2024–26.

I note that the Office of Local Government has requested feedback regarding the design and implementation of the amendments, rather than their merits – with the understanding that the multi-year review and consultation process has already evidenced the need for these reforms.

In line with this request, the Central Coast Council considered the proposed amendments at a Council workshop on 24 February 2025, with the agreed responses to each of the 11 strategic priority reforms appended to this letter.

The Council support the intent of the proposed amendments and broadly support their design, with some exceptions and suggested changes, as detailed below.

It is important to Council that public trust be preserved throughout this reform process. To counter possible misinterpretations, it is recommended that the reforms intent is communicated clearly, emphasising their role in supporting good governance rather than being perceived as punitive measures.

The additional administrative burden placed on councils by the proposed amendments is significant, particularly for smaller councils. For these reforms to be effective, the state government must support and resource the sector in the implementation and ongoing delivery of these reforms. Mandating and enforcing requirements for councillor training and development must also be weighed against the community's right to determine its own representatives.

I trust that the Council's feedback can help shape and refine the proposed amendments the *Local Government Act 1993*, to support the sector in serving our communities more effectively into the future.

Yours sincerely

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ACTING CHIEF EXECUTIVE OFFICER

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Strategic Priority	Central Coast Response
1. Legislating the good governance principles	The principles and legislation represent the minimum standard the community would expect.
	Legislating alone will not guarantee compliance or improvement in governance practices without robust enforcement mechanisms and consequences for non-compliance.
	The reform paper that Council's should exercise their powers in a way that is consensus oriented. While it is important to aspire toward consensus, it is equally crucial that the reform recognises that consensus is not always an attainable or appropriate goal for every decision. Situations may arise where decisive action is necessary, and pursuing consensus could hinder progress.
	For example, in striving for consensus, there is a possibility that the voices of minority groups may be overlooked or undervalued. This can lead to decisions that do not serve all community members equitably, thus failing the principles of inclusivity and equity.
	It is recommended that the revised wording include a definition of "consensus-oriented" to avoid confusion or misinterpretation.
	While the principles of accountability, transparency, and responsiveness are vital for good governance, it is important to strike a balance that allows councils the flexibility to make decisions in the best interest of their communities.
2. Introducing serious councillor misconduct provisions for councillors	The definition of serious misconduct should include reference to behaviour which materially and negatively impacts the reputation of a council, not just its operations as proposed.
	It is noted the powers for referral to TASCAT are only for the Director of Local Government. This is appropriate and negates possible claims of politically motivated referrals if the powers rested with the Minister.
3. Broadening performance improvement direction provisions	Overall, while the reform aims to enhance governance and accountability, careful consideration and planning will be necessary to mitigate practical challenges.
	Ambiguity in Definitions
	The paper mentions that Personal Improvement Directions (PIDs) can be issued for material non-compliance with council policies and governance principles but does not outline specific criteria or examples of what constitutes a "material" breach. This could lead to inconsistencies in how PIDs are applied across different councils.
	It is recommended that clear definitions be developed, including criteria to improve clarity and understanding among councils and councillors, including examples outlining specific scenarios that would qualify as non-compliance.

Strategic Priority	Central Coast Response
	This would improve clarity and understanding among councils and councillors.
	Preventative Resources and Supports
	It is recommended that support systems be established for the sector, such as workshops and resource materials, to help councils streamline their compliance processes. Consider developing a dedicated team or an online portal to assist councils with questions and compliance tracking. Governance maturity assessment tools might also be useful. Resources for councillors and council staff. Offering webinars and ongoing educational sessions would facilitate a higher level of compliance, particularly for smaller Councils.
	Public Trust and Perception
	Reforms could be perceived as punitive, undermining public trust in local government.
	On adoption, it is recommended that the reform be supported by key messaging explaining the purpose and benefits of the reforms, highlighting the intent to support good governance rather than penalise.
	It is recommended that the role of temporary advisors is clearly defined to ensure they support rather than undermine local governance. Establish a framework for collaboration between advisors and councils to foster a positive working relationship.
	Clear Timeframes for Corrective Action
	It is recommended that issued PIDs contain clear timeframes for suggested improvements; otherwise, it could create ambiguity about the urgency and expectation of compliance.

4. Introducing temporary advisors for councils

While the introduction of temporary advisors for councils presents an opportunity for early intervention in governance challenges, it also raises several concerns.

The discretionary power afforded to the Minister for Local Government in appointing advisors could lead to inconsistent application and a potential politicisation of the advisory role, compromising the perceived impartiality and effectiveness of the reform. Ensuring that the focus remains on empowering councils rather than creating a reliance on external oversight is crucial for achieving sustainable governance improvements.

It is recommended that the reform:

- Establish and communicate clear guidelines that define the scope of the advisor's role, ensuring that it is understood as advisory rather than authoritative. This would clarify their responsibilities and help maintain council autonomy.
- Implement a consultative process involving councils when appointing advisors. This could include input from council members and staff to ensure that the advisor's expertise aligns with the council's specific needs.
- Encourage councils to participate in training and development programs to strengthen their governance capabilities. This can help build confidence among council members and staff while minimising the perceived need for external intervention.
- Establish a robust monitoring and evaluation framework to assess the impact of advisor interventions on council operations. Regular feedback loops can help refine the process and ensure that the advisors' contributions are effective and constructive.
- Clearly outline the limitations of the advisors' authority to prevent potential overreach. To avoid conflicts, this should be framed within the context of existing governance structures.

By addressing these recommendations, the reform may be better received by councils and more effectively contribute to improved governance outcomes.

5. Clarifying work health and safety obligations

Whilst the overall goal is supported, the paper lacks detail including on how councils should train their staff and elected members to understand and implement the new WHS obligations effectively. Without tailored training programs, the clarity provided by the reform may not translate into actual compliance or behavioural change.

The proposed reform does not appear to have a mechanism for monitoring and evaluating the effectiveness of the new model guidelines and policies once implemented. Without a way to assess their impact, it will be challenging to identify whether the reforms are yielding the intended health and safety improvements.

It is recommended that further detail be provided and consulted on regarding this reform prior to progressing.

6. Mandating council learning and development obligations

The intent of the proposed reform is supported. However, the following recommendations are made to ensure its effectiveness:

- Training should sit outside the responsibility of individual councils to ensure consistency.
- Consider a range of formats for delivery, such as online courses, workshops, and webinars, to accommodate different learning styles and schedules. This flexibility would help councillors fit training into their busy lives and recognises that the role of a Councillor is not full-time roles with Councillors often also having other employment or business interests.
- Create mechanisms for councillors to provide feedback on training programs and assess their effectiveness. This feedback loop could lead to continuous improvements and adjustments to the training content and delivery methods.
- Councillors have diverse backgrounds and experience. Allow for recognition of prior learning and experience so that councillors with relevant qualifications or experience can be exempted from certain training requirements. This approach respects the knowledge that experienced councillors already possess.

By implementing these recommendations, the concerns around the reform can be effectively addressed, ensuring that mandatory training for councillors is beneficial, relevant, and supportive of their diverse needs.

7. Introducing a contemporary role statement and a charter for local government

Councils need flexibility and discretion when progressing initiatives for their communities. An overly prescriptive charter that mandates the role of councils could hinder opportunities. Councils often step in to provide services where there is market failure for example. A degree of flexibility is required within any charter to enable each Council to respond to the unique needs of their community. It is recommended that the core functions of Councils be defined and then also identify principles for when Councils might move into areas outside the defined scope.

It is disappointing that the proposed reform has not engaged meaningfully with the core challenges that local governments face. There has been a persistent disconnect between the communicated intent of local government reform and the exploration of more effective roles for local government.

While the proposed reform aims to clarify local government roles, it risks being an exercise in futility. A more substantive review of the role of local government with clearer guidelines for collaboration between state and local governments would facilitate improved outcomes for our communities.

By defining the roles and responsibilities of both state and local governments, we can avoid overlap, reduce duplication of efforts, and ensure that resources are allocated where they are needed most.

A well-articulated framework for ongoing collaboration would also be beneficial and would allow local councils to engage in meaningful partnerships with state entities to ensure a unified approach to regional

development, land use planning, climate change adaptation, and emergency preparedness.

8. Improving the strategic planning and reporting frameworks

The proposed reform represents steps towards a more responsive and effective local government sector.

Resourcing is likely to be a practical challenge for implementing the proposed reforms. Some councils are likely to have resourcing gaps related to staffing, technology, and budget to implement the reform effectively. It is recommended that capacity-building measures be built into the reform, including:

- Implement training programs for council staff and elected officials focusing on community engagement strategies, strategic planning, and data analysis. This can build the necessary skills to navigate the new requirements and enhance overall capability.
- Support the reform through the provision of detailed guidelines and templates for community engagement plans and workforce development plans. These resources can provide a clear framework for councils to follow, simplifying the planning process and ensuring consistency across the sector.
- Foster collaboration among councils to share best practices, lessons learned, and tools. Establishing networks or partnerships can facilitate knowledge exchange and help councils learn from one another's experiences. LG Professionals could be engaged to facilitate this.
- Establish clear metrics to evaluate the success of community wellbeing initiatives. Identifying specific indicators will help councils track progress and assess outcomes.

These recommendations can help councils navigate the practical challenges of implementing the reforms.

9. Improving consistency in data collection and reporting methodologies

Reforms are expected to enhance consistency in data collection and reporting methodologies within the local government sector.

One key aspect of this reform should include qualitative interpretive analysis alongside quantitative metrics. This approach will not only provide a more nuanced understanding of council performance but also empower communities to engage meaningfully with the data.

By translating raw numbers into actionable insights, the risk of misinterpretation is reduced, providing a clearer understanding of performance.

The proposed reform represents a valuable opportunity to strengthen local government performance monitoring. By combining consistent quantitative metrics with qualitative analysis and prioritising sector consultation, transparency and decision–making will be enhanced.

10. Enhancing transparency of information in council rates notices

It should be noted that the proposed nature of the disclosures is usually best provided in practice alongside the rates notice rather than on the rates notice itself

It is acknowledged that the reform supports greater transparency, however, in practice, it will result in increased rating enquiries and potentially greater negative sentiment towards the sector.

Flexibility in messaging and communications with ratepayers is required each year. Rating policy and valuation changes are often complex to explain and understand. Councils are best placed to determine the most relevant information to assist ratepayer understanding. They are also motivated to do so to reduce the impact on frontline staff.

Not all changes in rate notices arise from price changes alone. The communication approach may vary from one year to the next depending on valuation cycles, movements and their associated impacts, and rating policy changes.

Rate changes over a five-year period would be better disclosed and explained in council rating strategies and or Financial Management Strategies.

11. Mandating internal audit for councils

While the success of the reform will depend on its implementation and the commitment of councils to prioritise internal audits, it has the potential to significantly improve governance, compliance, and accountability across councils.