



Local Government Priority Reform Program 2024-2026

Office of Local Government
Department of Premier and Cabinet





The Tasmanian Government is committed to making sure local councils can serve their communities well now, and into the future. For Tasmanian communities to thrive, with infrastructure and services to meet community needs and expectations, it is crucial that our councils are financially and culturally strong and sustainable.

That is why the Tasmanian Government commissioned the Future of Local Government Review. In October 2023, the Future of Local Government Board delivered its Final Report to the Tasmanian Government, making 37 recommendations to improve Tasmania's local government system.

In response to the recommendations of the Review, the Tasmanian Government has committed to a Local Government Priority Reform Program being implemented before the 2026 local government elections.

While the Reform Program is largely informed by the recommendations of the Review, it is broader than this. It includes additional initiatives that have been introduced through consultation with the sector to respond to pressing priority issues not specifically captured by the Review. It is anticipated that the consolidation of high priority Review recommendations, combined with clear input by the sector, will ensure the investment in the Reform Program responds to the immediate priorities of the sector and their communities.

The *Tasmanian Government Response to the Future of Local Government Review Final Report Recommendations* is available at the Office of Local Government, Department of Premier and Cabinet website at www.dpac.tas.gov.au

The Five Reform Priorities

The Reform Program is organised around five reform priorities. Several reforms will require legislative underpinning, and this will be done in stages to support system reform over the coming two years.

The five strategic reform priorities are:

- 1. Lifting standards of professionalism, conduct, and integrity**
- 2. Driving a high performing, transparent, and accountable sector**
- 3. Improving local democracy and representation**
- 4. Supporting council financial sustainability**
- 5. Supporting council and community-led structural reform**

1. Lifting standards of professionalism, conduct, and integrity

Reform	Reform details
A new statutory requirement for councils to uphold good governance principles.	A new onus will be placed on councils and councillors to uphold principles of good governance. These principles will be based on universally recognised principles developed by the United Nations Development Program, and which already form the basis for the Good Governance Guide for councils published by the Office of Local Government. Where there is evidence the principles are not being upheld, this may be used as the basis for activating appropriate regulatory interventions (including Performance Improvement Directions) to address issues and support councils implement corrective action.
Supporting more effective early intervention in response to council statutory non-compliance and underperformance.	<p>This reform comprises two key elements-</p> <ul style="list-style-type: none"> • Firstly, existing statutory provisions around the issuing of Performance Improvement Directions (PIDs) will be adjusted to ensure PIDs can be utilised as an effective and timely early intervention tool to address and manage areas of underperformance or noncompliance, consistent with their original policy and regulatory intent; and • Secondly, the Director of Local Government will be empowered to direct councils in certain circumstances to appoint independent monitors/advisors to review and report on any aspect of the operations of a council and make recommendations to both the council and the Director of Local Government on any action they consider necessary to address identified issues or shortcomings, for example in relation to governance or financial and asset management.
More effective tools to respond to persistent and serious conduct issues.	<p>New provisions in the Act will define behaviours that constitute 'serious misconduct' by councillors and establish new offences with stronger sanctions for dealing with it. This may include removal from office, and disqualification from running for office.</p> <p>As part of the policy design process, active consideration will be given to the potential role of TASCAT in investigating and enforcing new serious misconduct provisions.</p>

Reform	Reform details
Clarifying council Work Health and Safety obligations and exploring options to provide councils greater scope and authority to deal more quickly and effectively with unreasonable councillor conduct at the local level.	<p>Amendments to the Local Government Act will clarify the respective obligations, duties, and powers of council, the mayor and other elected members, and senior council staff with respect to work health and safety legislation.</p> <p>As part of this new tools will be considered for inclusion in legislation, which will help councils respond swiftly and effectively to work health and safety risks, particularly as they relate to the conduct and behaviour of councillors.</p>
Embedding ongoing learning and development for all councillors.	<p>The learning and development framework currently being developed by the Government, in collaboration with the sector, will be formalised and embedded in legislation so:</p> <ul style="list-style-type: none"> • all elected members – including both new and returning councillors – will be required to complete a prescribed ‘core’ learning and development program within the first 12 months of being elected; and • councils be required to prepare, at the beginning of each new term, an elected member learning and capability development plan to support the broader ongoing professional development needs of their elected members. <p>To ensure all candidates understand the role of councillor and their responsibilities all candidates will also be required to undertake – within six months prior to nominating – a mandatory education session.</p>
A new framework for managing councillor conflicts of interest	<p>The Government will proceed with implementing a new framework for managing councillor interests. The proposed reforms will improve how conflicts of interest are classified and managed, broaden the range of interests councillors are required to disclose, require councillors to submit annual personal interest returns, and bring Tasmania’s penalties for offences more in line with other states.</p>
Ensuring councillor allowances are fair and appropriate	<p>Councillor allowances will be reviewed based on the current allowance calculation methodology. Changes will be reflected in Schedule 4 of the Local Government (General) Regulations when the regulations are remade in 2025.</p> <p>A comprehensive review of councillor allowances and councillor numbers will then be undertaken after the 2026 local government elections).</p>

2. Driving a high-performing, transparent, and accountable sector

Reform	Reform details
Clarifying the contemporary role of local government	<p>The role of local government will be defined in the Act consistent with the following statement:</p> <p>The role of local government is to support and improve the wellbeing of Tasmanian communities by:</p> <ol style="list-style-type: none"> 1. harnessing and building on the unique strengths and capabilities of local communities; 2. providing infrastructure and services that, to be effective, require local approaches; 3. representing and advocating for the specific needs and interests of local communities in regional, state-wide, and national decision-making; and 4. promoting the social, economic, and environmental sustainability of local communities, by mitigating and planning for climate change impacts. <p>This role will clearly articulate the primary responsibility of councils in delivering services that support communities. In the longer term, the role statement will inform and underpin the development of a local government Charter, which will support more effective engagement and collaboration between our spheres of government.</p> <p>Details of the Partnership will be developed with the sector, but it is expected it will provide greater clarity on matters such as:</p> <ul style="list-style-type: none"> • how the Tasmanian Government will support the sector deliver on its remit, including a commitment for genuine consultation where the Tasmanian Government makes decisions impacting on the sector, and vice versa. • how the Government will collaborate with the local government sector to support a more genuine co-regulatory approach to councils' regulatory responsibilities; and • the principles and parameters for where and how councils will work together (both with each other and with the State Government) on a range of strategic issues – such as land use and settlement planning, economic development, and emergency preparedness and response – at the regional level and state-wide level.

Reform	Reform details
Enhancing councils strategic planning and reporting	<p>Informed by the above role statement, a renewed local government planning and reporting framework will be established. Under this Framework councils will be required to develop a strategic plan.</p> <p>The plan would consist of component plans including, at minimum, a:</p> <ul style="list-style-type: none"> • community engagement plan; • workforce development plan; • elected member capability and professional development plan; and • financial and asset sustainability plan. <p>The details of this planning suite, including prescribed requirements, strategic planning principles and key data metrics will be developed and embed in legislation prior to the 2026 local government elections. Councils will then be supported to progressively develop their strategic plans with the aim to have the first iteration of plans implemented within 12 months of a new council being elected.</p> <p>In the longer-term, the strategic planning and reporting framework will be underpinned by an enhanced public facing performance reporting framework.</p>
Supporting clear and consistent collection and reporting of council data	<p>New guidelines will be developed for the collection, recording, and publication of council datasets to improve overall data consistency and integrity. The guidelines will be issued under a Ministerial Order or similar instrument to support compliance.</p> <p>Improved data quality is needed to provide a strong platform for the future development of the proposed new Strategic Planning and Reporting Framework for the sector.</p>

Reform	Reform details
Setting additional minimum information requirements for council rates notices	<p>New minimum requirements for rate notices will be included in the Act to improve public transparency, accountability, and confidence in council rating and financial management decisions.</p> <p>The requirements will be developed in consultation with the sector to ensure they are meaningful to the community and fit for purpose, but will include:</p> <ul style="list-style-type: none"> • an explanation of the landowner's year-on-year change in general rates payable, and what has driven that change (e.g. rating policy change or property valuation); • the average year-on-year general rate change for a property in the municipality, expressed as relative change; and • a simple break-down of how a council's rates have been applied to categories of functions and services provided to the community.
Internal audit for all councils	<p>Requiring councils to have an internal audit function will bring them in line with State agencies. This is appropriate given their responsibilities for managing significant public assets and resources, and analysis undertaken during FoLGR which identified highly uneven – and at times deficient – compliance with a range of statutory reporting requirements. Internal audit capability will also support and bolster broader audit panel capability.</p> <p>Consideration will be given to resourcing internal audit via service sharing or pooling arrangements, particularly for smaller councils.</p> <p>Under the changes recommended by FoLGR, the Director of Local Government will be given the power to request audit panel reports, and to request internal audits be undertaken, with reports provided to the relevant council and the Director.</p> <p>Failure by a council to act on the recommendations of its audit panel – without sound justification – may be grounds for formal regulatory intervention.</p>

3. Improving local democracy and representation

Reform	Reform details
A new Local Government Elections Act	<p>A new, standalone elections Bill will be introduced to improve accessibility, participation and integrity of local government elections. Existing elections provisions will be removed from the <i>Local Government Act</i>.</p> <p>In developing a new Bill, the Government will consider a suite of improvements to how council elections are conducted, including allowing for greater flexibility in voting methods, improving donation disclosure and quality of candidate information, and providing a legislated caretaker framework.</p>
Explore flexible meeting provisions	<p>New provisions will be considered to enable flexible approaches to attending council meetings in the remaking of the <i>Local Government (General) Regulations 2015</i>.</p>

4. Supporting council financial sustainability

Reform	Reform details
Investigate and consider introducing a marginal cost-based integrated developer charging regime.	<p>The Government will consult with the sector and industry to investigate how a new statewide developer charges framework could work if supported by industry. This would be designed to support and incentivise effective development in designated geographic areas for defined purposes.</p> <p>The purpose of the framework would be to provide developer certainty, remove disadvantage for early movers and support redevelopment and urban design. The framework would also include transparency measures to ensure that the developer charges were not used for general revenue raising. As a priority, the framework would target areas of medium density residential development.</p>
Reviewing the total amount of Heavy Vehicle Motor Tax Revenue made available to councils.	The Government will undertake a general review of the amount of Heavy Vehicle Motor Tax made available to councils, to ensure that the distribution remains justified in the context of broader roads-related funding that is provided to local government.
Exploring an alternative revenue framework for major operations.	The Government will consult on potential frameworks to help benefit councils that assist major operations in their local government areas.

5. Supporting council and community-led structural reform

Reform	Reform details
Partnering with councils to explore voluntary amalgamations	<p>The Government will work with and support interested councils with progressing structural reform, where councils are both able to prepare and submit credible and robust proposals and can demonstrate the intent and commitment of all participating councils to proceed with reform based on any amalgamation business cases undertaken. This approach will include:</p> <ul style="list-style-type: none"> • Motivated councils further developing (in consultation with the Office of Local Government) well developed and clearly scoped amalgamation project proposals, that specify the necessary technical analysis, change management, implementation design and community engagement required to deliver robust, credible, and actionable amalgamation proposals; • Councils clearly identifying their funding needs to deliver the above proposals, including councils' own proposed investment/contributions, and any funding request from the State Government; • the Office of Local Government assisting highly motivated councils to proactively commence work over the 2024-25 period, in a manner that will maximise the objectives of any agreed amalgamation project proposal. <p>A Local Government Board would need to be established to progress any proposed amalgamation (noting the Act prescribes that changes to local government areas may only be done as the result of a Local Government Board Review. Under this proposed approach, the role of and process for the necessary Board would be as targeted and streamlined as possible, noting that the Act prescribes certain minimum council and community consultation requirements that would need to be satisfied.</p> <p>As the program of work is being driven primarily by councils, it is proposed that councils themselves should be responsible for demonstrating community support in any final amalgamation proposal. Under this model the Government supports the need for community engagement for any proposal to amalgamate.</p> <p>The conduct of community consultation and engagement is at the discretion of the councils involved in the amalgamation proposals.</p>

