

Central Highlands Council

Future of Local Government Review

Final Submission

February 2024



Key Conclusions

Despite significant research into place-based governance models, the FoLGR recommendations fail to capitalise on the potential of local government as a partner with State Government in mutually improving local liveability, prosperity, and wellbeing. Partnerships that can contribute to these outcomes, their longer-term impact and in empowering communities. The FoLGR recommendations continue the tradition of mandating and legislating local government in conjunction with viewing increasing LGA scale as the principal reform tool.

While Review of the Local Government Act is important, of more importance is the development of a plain English Local Government Charter to ensure the community, Councillors and staff have a common and clear understanding of role, best practice, and guidance in addressing new issues and challenges as they arise.

Ongoing community engagement is central to Council's development of their strategic and specific purpose plans and in ensuring that community and council resources contribute to the levels of service, support and amenity which delivers our liveability and wellbeing. Community engagement and issue/challenge identification also raises questions and community expectation around response. While advocacy is important, of more practical benefit is the structured ability to develop joint State/Local approaches to address critical, core challenges and opportunities in the local context. The minimum, mandated requirements of Council's strategic plan reflect a scope of more interest to the State Government than the community.

A rolling 4-year cycle of strategic review and planning to clarify social, economic, and environmental condition, needs and response strategies such as asset and infrastructure capability, service and supports profile, including how Council and its resources fit within a mix of State and community resources, would provide a key, purposeful tool to support meaningful engagement and collaboration. The timing and process is identified as a key component in providing and transferring corporate memory between generations of officers and Councillors.

Each new asset creates a future operational commitment and financial impact. Optimising this expenditure requires an informed balance of expected life, condition and use patterns. Without this the balance of depreciation and annual expenditure is distorted, impacting current and future levels of service.

While these cost factors are within Council's control, factors such as rate exemptions for specific land tenures and assets reduces income streams. In Central Highland's case this includes, for example:

- Commercial tourism facilities within National Parks,
- Charitable/DGR status organisations seeking to test remission boundaries,
- Wind Farm developments, and
- Some classes of GBE assets.



There are 3 principles at play:

1. Commercial operation exemptions enabled through state legislation or other legal mechanisms should not occur at the detriment of the community which hosts them,
2. If the asset is commercially utilised, or used to raise funds, it should contribute rates or rate equivalents,
3. To ensure benefit equity and complementary asset and service operations, the income should be derived by Council not through a community proxy.

These revenue foregone challenges constrain our capability and impact future service sustainability. Resolution of these factors is considered a key dimension in the future of local government in areas such as Central Highlands.

The right mix of revenue sources is critical within rural, remoter Councils. Regular adjustment of State Grant Commission parameters to reflect current and emerging challenges, tax sharing, rates and revenue charging is important. The treatment of relatively small income streams, such as gravel supply for example, which are provided largely as a community service, as a significant commercial enterprise merely adds an unwarranted level of compliance administration. The parameters around such compliance requirements require more practical application.

Shared service arrangements between Councils are viable and resilient when they are mutually beneficial and balanced. State mandated shared service requirements is considered both heavy-handed and unnecessary.

Apart from cooperation in implementing State legislation and Service Tasmania transaction centres, the recommendations are essentially silent on State/Local collaboration and the integrated, cohesive, and beneficial outcomes that could emerge from this and associated community partnering in place-based development. It is at the local community level that joint activity and preventive strategies can act to reduce future chronic and acute circumstances and their future high cost of remediation. This principle applies to the social, economic, and environmental factors central to our planning.

The descriptive statistics used to frame LGA characteristics fail to adequately capture Central Highlands major contribution to the State and the equivalent full-time population requiring infrastructure and recurrent and emergency services support. As host to major strategic assets, for example, 11 power stations, Central Highlands makes a major and unrecognised contribution to Tasmanian prosperity and income, a result not measured as part of our economic output. Increasingly the Parks and Natural areas are identified as natural capital strategic assets.

Our equivalent full-time population from permanent and part-time residents, the direct employees and contractors servicing Hydro and other industries such as forestry, together with visitors reflects a significance and operability not recognised in the LGA statistics and consequently not by State Government in its consideration of Central Highlands. This means, for example, we lack the place-based State/Local Government collaborative approaches to the provision of basic health and emergency medical services which provide a risk mitigation to these strategic operations while



concurrently improve population wellbeing. It's actually quite simple – “How can State and Local Government and the community better collaborate to.....”

Rather than developing new entities to facilitate shared services, access to professional and technical staff and workforce development, the LGAT should be considered the first, default option. Where there is an overlap with State needs, this share should be funded by the State, rather than local government through subscriptions or fee for service payments.

Strategic, operational and compliance performance monitoring and management is considered essential for transparent governance, it should also be efficient. The production of meaningful information to support confident decision making and community confidence should be based on contemporary approaches which efficiently “roll up and integrate” operational performance information and community data to demonstrate we are viable, delivery capable, and we contribute to valued community outcomes and satisfaction.

Regarding Councillor individual and collective performance, the changes already in train are supported.

The extension of the Local Government Review Board, beyond approval into organisation design for new Councils, is not supported. It, along with community working groups is considered unnecessary and an intrusion into the role of the newly formed Council and its GM/Executive.

In response to Councillor workloads and professional responsibility, a review of Councillor numbers and allowances is supported.

Continued professional development for Councillors and staff is endorsed, as is the inclusion of workforce development plans as a component of Councils operating plan development. Pre-election familiarisation training for people seeking election to Council could be integrated into an on-line nomination process.



1. Introduction

This submission has been prepared in the context of Council constructively commenting on the FoLGR while maintaining its commitment to retaining the current Central Highlands municipal boundaries.

This submission is further made in recognition that in Australia, the existence, authority, and operations of local government is provided its heads of powers under the individual State's constitution. As an instrument of the state, Local Government as it currently sits, is in some respects analogous to the more recent development of government business enterprise (GBE), but with a much wider remit to **“support and improve the wellbeing of Tasmanian communities by...”**.(Rec 1) through a range of prescribed and discretionary services and interventions consistent with the Local Government Act and other State Legislation relating to public health, planning and building, for example. The review highlights that Local Government is not yet considered by State Government as a partner level of government in equitably and effectively addressing community liveability, prosperity, and wellbeing.

Wellbeing is a term to broadly define “how people feel and how they function, both on a personal and social level, and how they evaluate their lives as a whole”. At a community, intergenerational, dimension, wellbeing impacts how the place and community works to provide opportunity, quality of life, livelihoods, prosperity, and valued life stage transitions. Wellbeing is determined by factors such as health, access to housing, education and employment, inclusion/ socialisation, safety, and the quality of the environment. While these are common factors, there is a subjective element to wellbeing which is highly individual and subject to circumstance and life stage dependencies. People's wellbeing is critical to developing and pursuing livelihoods, the prosperity and liveability of a community.

Wellbeing is a key component of the UN Sustainability Development Goals (UNSDGs) and to the Tasmanian Government's “Wellbeing Framework” and its application through policy. These global and Tasmanian examples highlight that there is a requirement for cohesive, collaborative responses to achievement of wellbeing between levels of government, with and across communities and at household/familial dimensions. The major gap in achieving this cohesive, collaborative, and importantly productive approach to the achievement of wellbeing, is the lack of cohesion between State and Local Government in the pursuit of these joint policies. Despite the significant focus by the FoLGR on “place based” research, the recommendations continue the tradition of “legislate/mandate” rather than partner to achieve improved outcomes and long-term impact.

There appears to be a constraining tension between treating local government as a GBE, an enactor of State Regulation, with that of a partner level of government throughout the FoLGR report and its recommendations. The strong focus on mandating and its control over the process of amalgamation is viewed as a limiting factor to the development of strong intergovernmental partnerships and collaboration to contribute to community wellbeing and sustainability across all of its dimensions.

The FLG report's stance reinforces a separation of powers, horizontally focusing on local government, and is silent apart from **Rec 27** focused on **implementation of other compliance acts** such as building and food safety compliance, and **Rec 28** on **Service Tasmania Partnerships** - a transactional



approach. If local governments contemporary responsibility is a shared wellbeing responsibility, it will be achieved with collaboration, combined with empowered communities.

These joined up, sharing and empowering factors are critical to, and the foundations of, achieving the potential of remoter, rural communities and their decentralised production/recreation focused economies.

Inherent in the **Rec 14, wellbeing priorities, objectives, and outcomes** is the community expectation of a structured and coherent response to addressing these factors. Some responses will sit within local government, at times with the community, while others will align to State Government, often they will overlap. Placing these issues within an **advocacy response Rec 1.3** is considered inadequate, a bias to action is essential. Improving wellbeing, in particular societal inclusion, physical and mental health at the community level figures high in prevention responses and effectiveness, positively impacting the societal and financial costs of chronic and acute progression. Systemic and structured co-investment and effort at the community level is arguably where you achieve improved livelihoods today and lower costs tomorrow. As detailed in our previous submission, this approach works in communities such as Central Highlands.

A key component is building on and better utilising our key transport, recreational and built assets together with the structure of our towns, as the physical foundation for liveability, prosperity, and wellbeing in collaboration with services providers and community engagement.

The joint approaches for dispersed communities such as Central Highlands and the way those communities operate, compared with urban and peri-urban communities is highlighted in **Rec 28, Service Tasmania partnerships**. For a community such as Central Highlands, the ability for local post offices, for example, to provide key transactions as rates, payment for charges and licenses alongside the postal services in conjunction with the mix of retail offers these contemporary service centres provide, is arguably more important to the community than say a single monopolistic Service Tasmania site.

This highlights that demographics and descriptive statistics do not necessarily provide a full or relevant explanation and understanding of how rural remote LGAs such as Central Highlands operate and contribute. Land tenure – cycles of relative quiet, low velocity of change, interspersed with periods of major structural change and disruption, for example, in Central Highlands case, hydro power generation, improved road access, irrigation and the transition to higher value cropping, digitised system control and operations, and renewable energy, each change how the place works, provides jobs, opportunity and defines livelihoods, lifestyle, and wellbeing.

Central Highlands contribution to Tasmania's prosperity and wellbeing is underestimated. As the location of 11 of Hydro Tasmania's power stations, Central Highlands is the source of around 20% of the State's hydro power generation capacity, this is not included in our economic output. Increasingly our Parks, forests and other natural areas are viewed as strategic assets for their natural capital values. As we experience increased corporatisation of our primary production and reporting through entities



located in other places, our economic contribution to Tasmania tends to be obscured and underestimated.

Aligned to this underestimation of Central Highlands strategic contribution and output is our effective, equivalent population. While the census identifies resident characteristics, including how many residents travel out of the area for work, the descriptive statistics on which much policy is based, does not include the many employees and contractors who travel into Central Highlands daily to support the operations, maintenance and upgrading of power generation facilities, forest operations and other primary production.

In conjunction with non-permanent residents and visitors, Central Highlands services a much larger equivalent population than statistics indicate.

Understanding this operability perspective is the essence of place-based governance, policy, collaboration, and the benefit-cost of joint investment – understanding how the place works and contributes, ensuring services reflect the needs and risks associated with this operability and its local and State contribution. This is Council's daily reality, something not recognised within the FoLGR recommendations.

While this FoLGR progresses beyond amalgamation as the sole strategy to sustainable local government, it is likewise considered a lost opportunity in reframing a contemporary realignment and cohesive integration state and local relationships, governance, asset, and service provision. It's actually quite simple – "How can State and Local Government and the community better collaborate to....."

Council's submission is designed to be read as a companion document to our Stage 3 submission. It is structured to reflect on the recommendations as part of our system of local governance and operations.



2. The Local Government Act & Regulation

The greatest challenge in relating to the Local Government Act is not in its intent, scope, heads of power/responsibility, but in establishing its practical meaning as the basis of Council planning, policy making, programming, operations, and response to emerging challenges.

Rec 1, Defining Tasmania's New Local Government Act is supported. The specific components (1.1) to (1.4) generally reflect Council's current role both prescribed and as expected by the community. Rec (1.2) ignores the interrelationship between State and Local infrastructure and services and the harmonisation necessary to achieve best performance in meeting community needs and expectations. The potential of a dynamic and useful **Local Government Charter, Rec 2**, provides potential to generate innovation and agility in local "fit for purpose" collaboration.

While the influence of climate change is pervasive and can be linked to many aspects of community, it is not the sole, day to day determinant of social, economic, and environmental wellbeing. Referencing wellbeing to a specific causality, or as above, a "local approach" creates both limits and ambiguity. The practical need for understandable definition of roles, responsibilities and how they relate to on-ground circumstances, dynamics and the contextual elements of any service or infrastructure provision, demonstrates the importance of **Rec 2, a Local Government Charter**. The Charter should provide a plain English decision and operational support document which can be updated as necessary and reflect the difference in context and community/council operations which differentiate City, peri-urban and rural/remoter councils. Critically this **Rec 2**, should clarify the importance of State – Local partnerships and how they can be pursued.

While the difference between an Act and enabling regulation is recognised, the charter proposal is also identified as a potentially important adjunct to other State Legislation which requires local government contribution to implementation. **Rec 27** identifies the importance of **co-regulation** and support to implementation within both internal policy, best practice, and productive implementation.



3. Community Engagement & Strategic Planning

Although enabled by State Legislation, Councils are a community-based entity and partially funded by rates and user fees and charges from the community and those aiming to develop within the community. As with the relationship between the Federal Government and States, the States Grant Commission provides recurrent funding to Councils as part of the “equalisation” principle entrenched in Australia's governance model.

Community consultation is now embedded in local government, informing the design of strategic plans, community plans, town structure plans etc., and specific issues which are contentious and/or important within the community. This consultation also provides the rationale and validity to representing and advocating to other levels of government and agencies.

Community consultation both raises expectations and brings specific, practical, and relevant perspectives to guide decision making.

As recognised in **Rec 33**, effective **community engagement** goes beyond consultation. Engagement spans inclusion in projects and/or activities, active engagement in the voluntary community organisations, services, and community-based events (such as “Bushfest”) through the deliberative, purposeful development and operation of such initiatives, within and primarily by the community.

The relationship between:

- community aspiration, need and internal characteristics/capability,
- the mandated role of local government, and
- the role of State Government and its agencies,

creates the context for Council's **Strategic Plan, Rec 3**. The concept of a 10 year long strategic plan, developed to a timetable, fails to recognise the dynamics of communities, trends, and disruptions. Not all Councils create strong links between their strategic intent and on-ground operations, this combined with the “once in 10 years” contributes to a potential lack of perceived relevance and ownership by Councillors who are elected through or towards the end of its duration, staff, and the community.

Council endorses the shortening of duration but questions the preparation in year 1 of an election cycle. On one hand it requires newly elected Councillors to simultaneously gain confidence in a new role and participate in the preparation of the key strategic document, however on the other it provides a potential for “action learning” within their CPD.

An option is for the development of a rolling 4-year strategic planning cycle, in year 2 of the election cycle, linking reporting to the community, consideration of the future and reviewing/modifying strategy to reflect results, intent, and capability. (**Rec 3**) identifies a **minimum scope to the strategy**, in large operational. **Rec 1.4, community social, economic, and environmental sustainability** are considered central to framing the structure of the strategic plan which can be supported by a suite of strategies which Council will progress as an entity. It should fully open, not be constrained to include only those factors emerging from climate change. Some of those specific strategies may be those where



State/Local Government collaboration provides the optimum option and others where Council will work with/support community organisations. This approach creates a strong “why are we doing this” to frame the “what and how” of local government's contribution. This clarifies purpose, a clear link between community aspiration for their place and what will be done by who, to get there - providing a basis for consultation, community engagement, and advocacy. It further provides the basis for how the social, economic, and environmental outcomes are most productively delivered.

The shortened time horizon for strategic review and planning can play a key role in development and retention of “corporate memory”, transferring knowledge between generations of employees and Councillors. The balance of long-term vision in tandem with shorter term strategy and operational guidance is considered essential to achieving the place-based vision and an ability to adapt approaches which are not working as expected and to changes being experienced.

The consideration of these factors, together with Councils capability and strategic contribution, needs to be made in the context of the Council's considerable focus on physical assets. **Rec 31, Asset lifecycle**, highlights the impact of asset condition auditing, standardised useful life and depreciation on Council financial models, operations, and discretionary expenditure. This crystalises focus on the importance of significant revenue streams and models of collaboration which reflect the characteristics of the community and the factors to which its sustainability and wellbeing are sensitive. **Rec 30**, identifies the importance of simplifying and streamlining **financial and asset planning documentation**, while agreeing in principle, Council views adherence with Australian and International accounting standards and efforts to ensure public transparency and understanding, together with consistency in external audit practice.

A rolling 4-year cycle of strategic review and planning to clarify social, economic, and environmental condition, needs and response strategies such as asset and infrastructure capability, service and supports profile, including how Council and its resources fit within a mix of State and community resources, would provide a key, purposeful tool to support meaningful engagement and collaboration with asset development, retention, and maintenance.



4. Revenue Sources and Principles, including Grants.

Finance is at the centre of much discussion around local government. Scale is perceived, if not proven, to provide a pathway to performance and productivity, however within this approach is the risk of continued high fixed costs. While the private sector can easily evaluate the risk of fixed costs/overheads being too high, it is not as easy within local government. Following the 1993 amalgamations, Councils were reluctant to “rationalise” their stock of buildings, other facilities, and transactional services. This impacted the potential productivity gains through, for example, reduced building maintenance and update costs, customer service duplication and by locating staff in different locations, created potential loss of organisational cohesion. There remains work to be done in this, focussing on how to alter the cost model, without reducing community benefit.

While these cost factors are within Council's control, factors such as rate exemptions for specific land tenures and assets reduces income streams. There is a valid expectation that Councils be financially viable in the context of their community, yet this viability is constrained by the rate exemptions associated with large, commercial operations occurring within the area. In Central Highland's case this includes, for example:

- Commercial tourism facilities within National Parks,
- Wind Farm developments,
- Organisations with DGR and charitable status, for example areas with conservation covenants or conservation activities, testing the boundaries with rate exemption, and
- Some classes of income generating GBE assets.

There are 3 principles at play:

1. Commercial operation exemptions enabled through state legislation or other legal mechanisms should not occur at the detriment of the community which hosts them,
2. If the asset is commercially utilised, or used to raise funds, it should contribute rates or rate equivalents,
3. To ensure benefit equity and complementary asset and service operations, the income should be derived by Council not delivered through a community proxy.

If these exemptions exist premised on “incentive to develop/operate”, as has been advocated by a State Politician, there are more equitable and efficient methods than rate remissions to achieve this. If incentivisation is a State Government policy, direct subsidy from this level of government achieves this as a transparent intervention. **Rec (17) alternative revenue from major commercial operations** may address the challenge, however the abovementioned challenge is structural, requiring equity, efficiency, and consistency, rather than a project-by-project approach. This should be considered in conjunction with **Rec 23, Review of Rating** and adjunct considerations, including policy such as the **Rec 21, review of Heavy Vehicle Motor Tax distribution**. Providing options to the current improved value



criteria is considered a State Government matter, however removing exemption for the improved value developments identified above is considered the priority. In combination these place-based governance and revenue models have strong parallels with private sector best business practice and portfolio analysis, balancing a strong base income with a mix of higher yield streams, and some lower but which provide other benefits/potential.

Councils such as Central Highlands operate a different business model than those located in denser population and service locations, one which reflects remoter/rural community operability. This model may include, for example, quarry operation, maybe dispersed plant depot locations and equipment profiles to reflect both distance travelled and emergency response capability. Just as this provides flexibility and productivity to Council operations, it also enables the community to access small volume supplies and in some instances to contract Council for minor driveway and or drainage works, services otherwise not easily accessible locally. Such activities, while performed on a contract basis, occur as a complement to Council's maintenance and construction program. While generating an income, it is provided as a community fee for service support, rather than a business undertaking. Treating this as a significant business under National Competition Rules introduces what is considered unnecessary administrative and reporting costs.

The introduction of alternative revenue streams, whether as a proxy for or replacement of rates, or from provision of services where commercial options are limited or unviable, would require a range of policy and structural dimensions to be addressed, unless Council determined to establish a business entity to facilitate this revenue. As noted, capturing what are in Council's view "rates foregone" is seen as the critical preceding step to strengthening the revenue base.

The **State Grants Commission, Rec 20**, plays a central role in fiscal equalisation between Councils in the context of specific characteristics, through distribution of Australian Government funding against specific criteria. The amount Council's receive varies annually and periodically with review of the parameters and methodology. This, along with the allowed flexibility of expenditure, works; however, the frequency of parameter review and the relationship between the grant level and the cost indices associated with local government services, should be subject to more frequent reviews to ensure they maintain relevance to community challenges and delivery capability.



5. Intergovernmental Relations – Performance & Productivity

The following commentary links the concept of collaboration across local government and between State and Local Government to achieve improved service performance and productivity and to underpin the broader Tasmanian community benefit which arises from the Central Highlands.

5.1. Shared Services

As noted earlier, the key principle to productive and resilient shared arrangements is mutual benefit, between Councils and between local government and the community.

Recs (9) to (13) focus on **Shared Services** between Councils. Within these recommendations there is considered a heavy-handed approach by the State with the focus on mandating share service arrangements. Only **Rec 10 design options**, enables Councils to design service arrangements.

The mandating stance flies in the face of decades of shared service for compliance, operational and ICT arrangements between Councils. While many have not proven durable, this often-short lifespan also reflects relative changes in need between participating Councils, the specific client/provider models, and associated governance.

Mandating is a blunt instrument. **Rec 13, Scope & Management**, identifies one specific management mechanism, a joint authority, reflecting the existing regional solid waste management model. While this mechanism can be applied, the question is whether it meets required performance and productivity tests both operationally and from a cost of governance and administration perspective. It is important to note that challenges of providing physical infrastructure and capital-intensive treatment facilities such as waste management are fundamentally different to the sharing of professional service and ICT.

Technical and professional service requirements based on seasonal, workflow and community/developer and/or compliance reporting demands, conspire to create staff demand and workload peaks and troughs across the sector. The challenge is to determine the driver of shared service, whether varied recurrent workloads or overall workforce shortages, or a mix. The redesign of roles can also provide part of the response.

In aggregate, Local Government suffers a shortage of skilled and capable staff, it is likely that shared arrangements will be similarly challenged. Human resource management and industrial relations factors are also integral factors within ensuring local government is labour market competitive and an employer of choice.



5.2. Local to State

Rec 2, Charter and **Rec 28, Strengthened Service Tasmania partnerships** clarify the 2 dimensions of partnership between State and Local Governments. **Rec 37, Emergency events and climate change**, identifies collaboration as important in responding to and managing risk.

Rec 2 recognises collaboration in delivery of community services and support. As detailed in Council's previous submission, considered and productive State/Local sharing/partnering/collaborating, along with complementary and integrated community organisation delivery, is central to alignment of State and Local Government policy, their practice in the place-based context, mutual benefit and the achievement of improved health and wellbeing in rural/remoter communities.

The scope, quality, and levels of community wide services, along with the processes of inclusion and participation in design, delivery and utilisation of these services is central to the treatment and prevention of chronic and potentially acute conditions across many aspects of community. The positive benefit-cost relationship of this form of collaboration is unequivocal in both the short and longer term, mitigating future high-cost treatments - it is considered part of the solution to reducing ballooning chronic and acute health and wellbeing costs to communities and the State. The focus is more productive investment and allocation of recurrent expenditure at both levels of government, providing a better ROI for the community.

The colocation of primary healthcare such as GP, dentists, visiting allied health and specialists, often alongside residential aged care, and disability services to provide integrated health support is a key factor in liveability, population attraction and retention, and in crisis/event response for both residents and those who travel in for work.

Again, operability and our equivalent population is key to understanding both base demand and the increased risk arising from accident or severe event to residents, people working and recreating within Central Highlands, the need for such a facility and its capability. As noted, Central Highlands hosts major power generation, forestry and newly emerging natural capital regeneration activities and associated employment, these tend to reflect a higher risk profile and make a strong contribution to the Tasmanian economy. Ongoing and reliable access to primary healthcare and medical response is an important factor in ensuring safety and incident mitigation. State and local collaboration in responding to mitigate risk in conjunction with enhancing the local population's health and wellbeing provides a mutually beneficial approach.

Collaboration focused on inclusion, risk mitigation and capacity building, is considered a necessary and critical component of the reform process. Much of the social, health and wellbeing risk, and climate change, unlike the emergency events, is invisible until it's not. Yet these social and economic dimensions are as fundamental to the way the place works and delivers prosperity and wellbeing as do the **event and environmental factors** identified in **Rec 37**.

Collaboration is not just about simple factors. In a meaningful sense, it is not just about transaction and service centres such as Service Tasmania. In areas such as Central Highlands, strengthening the



capacity and viability of local post offices as multi-service hubs which also provide access to a range of common government transactions, and which in limited locations may also combine with Service Tasmania would provide cost-effective, convenient access to services, arguably provides a more coherent, contextual option.

This collaboration principle applies to core social, economic, and environmental factors and issues central to our planning and value delivery.

5.3. LGAT – Common Services & Supports

Rec 36, Workforce Development, highlights the multiple roles of contemporary industry peak bodies. This recommendation is consistent with Council's Stage 3 Submission of July 2023. The workforce development service is complementary to the industrial relations and HR recruitment support potential. The development of a statewide industrial model and operational pay scales can play a role in ensuring rural councils are competitive in the labour market.

Workforce development overlaps with the shared technical and professional services identified in **Rec 9** through to **Rec 13**. Specifically, this relates to the potential to utilise existing entities to deliver common and where appropriate other support such as asset managers, **internal auditors, Rec 26**, and planners, for example, which are subject to variable demand by Councils.

As also identified with Council's July 23 submission, LGAT is considered a strong candidate as the custodian and analysis capability for **community data sets, Rec 25**. This would support an industry wide understanding of performance and the design of development pathways and initiatives to improve the operational performance of local government, using real time information and integrating practice, process, and workforce development.

Commonality across ICT and business systems can provide the platform to achieve efficiency in this, **Rec 29**. While ICT requirements across Councils are functionally similar, they vary in scale and functionality complexity, where in a large Council specialists focus on a single function and module, in smaller Councils, multi-skilling requires different workflows to reflect context. If the platform is designed for a large Council, it will likely not fit the needs of medium sized and smaller Councils.

Again, LGAT provides the potential key entity in developing such integrated, common capability. As with most peak organisations it becomes a question of who pays, for what benefit.

Where there is an overlap with State needs, this should be funded by the State, rather than local government through subscriptions or fee for service payments.



6. Performance Monitoring & Management

Rec 24 and Rec 25 Performance monitoring and data sets are central to understanding how well local government is operating, clarifying whether reform options such as are proposed are working, and making transparent whether Council's and other levels of government are meaningfully contributing to communities achieving their objectives. These introduce factors much broader than compliance processing timelines and unit costs, which although important are not necessarily strategic.

Performance monitoring and management reporting is more than a collection of facts, it's about combining information to make sense of what's going on, is it achieving what's expected or needed and does it inform confident decision making. This requires a balance and connection between input, process, productivity, and outcome measures and how people view both operations, results, and their impact.

As an integral component of our Strategic Planning, data is critical to provide the evidence for program design, implementation management and evaluation as the basis for improvement. It is important to advance Local Government data from being used primarily for describing and comparing, an audit/policing approach, to developing a better understanding of cause and effect. This is the basis of understanding what community and operational impact has resulted from our effort, and why. Critical community qualitative impact and satisfaction responses and, for example, the subjective wellbeing data, "round out" the quantitative statistical and KPI data already collected to provide a more useful form of reporting.

It is important that the summary data provided as part of State mandated compliance is seamlessly and at low cost, drawn from Council's strategic and operational management system, provide a narrative around Council performance, not just a compilation of facts which can be easily misinterpreted because of lack of context.

While publicly available, these information sets can be used within Councils and within as part of the policy and practice development mechanisms, playing a role in supporting more constructive conversations within the community and between governments.

Strategic, operational and compliance performance monitoring and management is considered essential for transparent governance, it should also be efficient. The production of meaningful information to support confident decision making and community confidence should be based on contemporary approaches which efficiently "roll up and integrate" operational and community data to demonstrate we are viable, delivery capable, and we contribute to valued community outcomes.

While the above focuses on Council performance, the FoLGR Report and Recommendations also includes a focus on individual **Councillor misconduct and performance, Rec 35**. As with staff, this relates to "doing the job" and behaviour, but unlike staff who are responsible to the General Manager (or delegated staff), councillors by virtue of election have a responsibility to fulfil the role as defined within the Local Government Act. The introduction of the approaches already in development are endorsed as a component of overall system performance management.



7. Council Amalgamation & Boundary Adjustment

Council reiterates its decision to reject amalgamation and its prominence as the key reform mechanism. This view was reinforced within our community forums.

A range of recommendations within the FoLGR Report are indicative of the potential for improvement in performance, productivity and sustainability of rural/remote Councils which can be pursued without the downsides and costs of Council mergers.

Rec 5 through to Rec 8, amalgamation process, highlight the cost of a bureaucratic process compared with the option of Council's agreeing and then implementing an on-ground co-design process as would occur within most organisational mergers.

The role of a Local Government Review Board to approve amalgamation of Councils is recognised. However, to extend such a role into how the new entities work, **Rec 3, LGRB**, carries a high cost and is tension with the defined role of the General Manager within the new entity and its creation/transformation to a high performing, productive organisation over time.

The amalgamation recommendations highlight the need to develop additional community representation mechanisms to compensate for the reduced numbers of elected local representatives for the area impacted by amalgamation. This is indicative of the challenges of change management, specific options requiring offsetting compensating mechanisms.



8. Councillor & Workforce Professional Development, Payment & Performance

Council endorses investment in professional development as one pathway to improved performance and productivity.

8.1. Councillor

Rec 15, eligibility training, could occur as an on-line learning and test module, attached to the nomination form, this is a common process within step-by-step applications for example, providing easy access to those considering nomination.

The **continued professional development** approach, outlined in **Rec 16** reflects best practice across most industries and that of the Institute of Company Directors.

Professional development, performance, and payment are related factors. **Rec 34, Review of Councillor numbers and allowances**, is a follow-on consequence of the increasing Councillor workloads, time, and knowledge requirements. The changing nature of business, professional and family life increases the opportunity cost to people of engaging in Council as an elected member.

While the role of Councillor is rewarding, an reflecting the role is an important component of its professionalism, workload and in attracting people to the role.

8.2. Workforce

Rec 36, workforce development; this recommendation, and the central role of LGAT and an industry wide development focus is endorsed.

The multi focus scope of many workforce roles within smaller councils highlights the need to access skills packages that reflect this environment.



Submission prepared by Dr Martin Farley in collaboration with Central Highlands Council, Councillors, and senior management, with input from the Central Highlands community.

