



City of **HOBART**

20 February 2024

Future of Local Government Review
GPO Box 123
HOBART TAS 7001

Via email: Submissions.LGBoard@dpac.tas.gov.au

Dear Sir/Madam

Future of Local Government Review Final Report – City of Hobart submission

The City of Hobart welcomes the opportunity to respond to the Final Report of the Future of Local Government Review and commends the Local Government Board on the review and its contribution to local government reform.

As stated in previous submissions, the City supports the reform of Local Government in Tasmania and is committed to participating in the review process to ensure the local government sector is sustainable into the future.

Given the importance of the Local Government review, the City is committed to seeking the best outcome for the Hobart community and the future of Hobart.

Once again, I thank you for the opportunity to contribute to this important work.

Yours sincerely,



Michael Stretton
Chief Executive Officer

City *of* HOBART

Response to the Final Report

Future of Local Government Review

February 2024

Introduction

The City of Hobart (the City) welcomes the opportunity to respond to the Final Report of The Future of Local Government Review. The City commends the Local Government Board (the Board) on the review and its contribution to local government reform.

As stated in previous submissions the City supports the reform of Local Government in Tasmania and is committed to participating in the review process to ensure the local government sector is sustainable into the future.

Given the importance of the Local Government review, the City is committed to seeking the best outcome for the Hobart community and the future of Hobart as the thriving Capital City for Tasmania.

Key issues

The recommendations of the Report, if implemented, will lead to significant reform of local government in Tasmania.

Given the importance of this review and the potential for far reaching outcomes the City of Hobart, as a Capital City, welcomes the opportunity for close and meaningful engagement in the design and implementation of the changes.

Amalgamation proposals

Whilst supporting the need for reform of Local Government in Tasmania and welcoming updated legislation, investigating alternative services delivery models along with other initiatives detailed in the Final Report, the City has no evidence of Hobartians views on the options identified for council mergers.

Given this the City's submission does not provide any comment on the recommendation that amalgamation proposals be developed for the City of Hobart and Glenorchy City Council. As stated in our previous submissions we do recognise that Tasmania is not best served by 29 Councils and some consolidation is required. If the other Councils identified for voluntary amalgamation in the recommendation wish to do so the transition process must be adequately supported and resourced.

Mandatory shared service arrangements

The City support shared service arrangements that provide economic and social benefits for the community, and increased collaboration between councils to improve service delivery. It is recognised that shared service models can potentially lead to significant gains and improved purchasing power through joint procurement.

In relation to recommendation 13 on the first priorities for developing mandatory shared service arrangements the City considers that given the practicalities and complexities in the services identified further thoughts need to be given to these priorities.

A centralised asset management authority may not be the most suitable model to improve asset management planning by councils, standardisation of asset management practices and a clear Asset Management Framework to guide the development of asset management planning and integration with council long-term financial management plan.

The attached document provides the City's comments on each of the Reports recommendations.

Conclusion

The City thanks the Local Government Board and the State Government for the opportunity to participate in the review of local government.

Given the community interest and expectations of local government reform any changes will require expertise in councils and state government to implement and ensure the transition meets the objectives of the Future of Local Government Review.

The City of Hobart will continue to play a key role working with the four Greater Hobart Councils, lead key initiatives on a regional basis and work closely with key State Government Agencies.

The Elected Members of the City of Hobart and Glenorchy City Council have met and agreed to identify opportunities for greater cooperation and collaboration and an enhanced relationship between the two Cities.

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1	Define in Tasmania's new Local Government Act the role of local government consistent with the statement below: The role of local government is to support and improve the wellbeing of Tasmanian communities by: 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.	The City of Hobart supports the proposed expansion to the definition of the role of councils and the inclusion in the new <i>Local Government Act</i>. It reflects the broader social policy role that councils play and provides a clearer mandate for councils to act on. It will also assist councils to obtain sufficient resources to deliver these important functions.
2	The Tasmanian Government – through subordinate legislation – should implement a Local Government Charter to support the new legislated role for local government. The Charter should be developed in close consultation with the sector and clarify and consolidate in a single document councils' core functions, principles, and responsibilities, as well as the obligations of the Tasmanian Government when dealing with the sector as a partner in delivering community services and support.	The City of Hobart supports a detailed principle-based local government charter and looks forward to being involved in its development.
3	The Tasmanian Government should work with the sector to develop, resource, and implement a renewed Strategic Planning and Reporting Framework that is embedded in a new Local Government Act to support and underpin the role of local government. Under this Framework councils will be required to	The City supports the strengthening of the current approach to strategic planning and reporting. In developing its strategic plan, councils should undertake community engagement to ensure the strategic direction is aligned with the community.

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	develop – within the first year of every council election – a four-year strategic plan. The plan would consist of component plans including, at minimum, a: • community engagement plan; • workforce development plan; • elected member capability and professional development plan; and • financial and asset sustainability plan.	Implementation of an integrated approach to strategic planning is strongly supported. A legislated Strategic Planning and Reporting Framework will lead to consistency of practices across all councils and increased accountability and transparency. A minimum suite of agreed performance measures to report on performance of core roles and functions and service quality and cost will help to drive the strategic process and would be welcomed by the City of Hobart and our community.
4	Formal council amalgamation proposals should be developed for the following: • West Coast, Waratah-Wynyard and Circular Head Councils (into 2 councils); • Kentish and Latrobe Councils; • Break O'Day, Glamorgan-Spring Bay and Sorell Councils (into 2 councils); • City of Hobart and Glenorchy City Councils; • Kingborough and Huon Valley Councils. The Board acknowledges council interest in and discussions on boundary changes are less advanced in respect of City of Hobart and Glenorchy, and Kingborough and Huon Valley councils, but nonetheless believes that these councils have expressed clear interest in further exploring opportunities. The Board believes there is substantial merit in ensuring that those councils (and their communities) are afforded the opportunity to genuinely explore structural consolidation proposals in greater detail.	The City reaffirms detail previously provided in relation to the proposed formal amalgamations as provided in the consultation on the Stage 2 Reform Options Paper and the Interim Report. We accept that Tasmania may not be best served by 29 Councils and some consolidation is required. The voluntary amalgamation of the councils, identified in the recommendation is supported. If the councils identified in the recommendation wish to amalgamate, it will be necessary to ensure that the associated transition process is sufficiently supported and resourced. In relation to the development of the amalgamation proposal for the City of Hobart and Glenorchy City Council both Councils are already working together on a range of initiatives such as the Greater Hobart Strategic Partnership, the Northern Suburbs Transit Corridor and the bushfire awareness project, Sparking Conversations, Igniting Action. Both have met and agreed to identify opportunities for greater cooperation and collaboration.

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5	A new Local Government Board should be established to undertake detailed assessment of formal council amalgamation proposals and make recommendations to the Tasmanian Government on specific new council structures.	The City supports the establishment of a new Local Government Board.
6	A Community Working Group (CWG) should be established in each area where formal amalgamation proposals are being prepared. The CWG would identify specific opportunities the Tasmanian Government could support to improve community outcomes.	Depending on the terms of reference of the Community Working Group, the City supports the establishment of a CWG for each area where Phase 1 amalgamations proposals are being developed.
7	In those areas where amalgamation proposals are being developed, a community vote should be held before any reform proceeds, to consider an integrated package of reform that involves both a formal council amalgamation proposal and a funded package of opportunities to improve community outcomes.	The City respects the Tasmanian Government's policy position that proposed amalgamations should only proceed with community support. However, we do not consider an elector poll as an appropriate mechanism for use by the community to initiate an amalgamation. The Tasmanian Government should provide leadership in local government reform. The CWG should be responsible for guiding the community consultation required to gauge community support, or otherwise.
8	If a successful community-initiated elector poll requests councils to consider amalgamation, the Minister for Local Government should request the Local Government Board to develop a formal amalgamation proposal and put it to a community vote.	The City does not support the use of community-initiated elector polls to request that councils consider amalgamation. This invites potential conflict in situations where one municipal area votes for amalgamation while the other does not.
9	The new Local Government Act should provide that the Minister for Local Government can require councils to participate in identified shared service or shared staffing arrangements.	The City supports the shared service arrangements that provide economic and social benefits for the community, and increased collaboration between councils to improve service delivery.
10	Give councils the opportunity to design identified shared service arrangements themselves, with a model only being imposed if councils cannot reach consensus.	There will need to be determining factors to identify services that are suitable for the shared service model, these could include: • Skill shortages • Increase to organisational capacity • Achieve efficiencies
11	Before endorsing a particular mandatory shared service arrangement, the Minister for Local Government should seek the advice of the Local Government Board.	

Number	Recommendation	Response
12	If councils are unable to reach consensus on a mandatory service sharing agreement, the Minister for Local Government should have the power to require councils to participate in a specific model or models the Tasmanian Government has developed.	• Improve service levels • Risk mitigation We emphasise our position in the previous submission that any proposed shared service arrangements must be negotiated with the Local Government Association of Tasmania (LGAT) on behalf of all councils before being formalised in a service level agreement. While we understand there will be challenges in reaching consensus when developing shared service agreements, we are unable to support mandatory shared service arrangements without knowing more details. There needs to be more engagement with the sector about when a model could be imposed.
13	The first priorities for developing mandatory shared service arrangements should be: • sharing of key technical staff; • sharing of common digital business systems and ICT infrastructure; and • sharing of asset management expertise through a centralised, council-owned authority.	The City's considers that given the practicalities and complexities in the services identified in this recommendation further thought needs to be given to the priorities identified. The City also reiterates that any mandated shared services should be seeking the best outcome for the community. Sharing of staff would require further detail and engagement to ensure employment conditions are appropriate.
14	Include a statutory requirement for councils to consult with local communities to identify wellbeing priorities, objectives, and outcomes in a new Local Government Act. Once identified, councils would be required to integrate the priorities into their strategic planning, service delivery and decision-making processes.	The City supports this recommendation. However, it is important that this process does not lead to cost shifting from other tiers of government. Community wellbeing is embedded into all of our strategic planning and service delivery through the guidance provided in the Community Vision and Community Engagement Framework.
15	To be eligible to stand for election to council, all candidates should first undertake – within six months prior to nominating – a prescribed, mandatory education session, to ensure all candidates understand the role of councillor and their responsibilities if elected.	The City supports this recommendation, training for candidates should be a prerequisite for nomination in local government elections. It is also important that potential candidates have a greater understanding of the roles and responsibilities of the council as a

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		body and the administration.
16	The Tasmanian Government and the local government sector should jointly develop and implement a contemporary, best practice learning and ongoing professional development framework for elected members. As part of this framework, under a new Local Government Act: (a) all elected members – including both new and returning councillors - should be required to complete a prescribed 'core' learning and development program within the first 12 months of being elected; and (b) councils should 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.	The City supports the development of a Professional Development Framework for elected members. The City further supports mandatory ongoing training for elected members throughout their term and considers that the 'core' training should be completed within 6 months of election.
17	The Tasmanian Government should further investigate and consider introducing an alternative framework for councils to raise revenue from major commercial operations in their local government areas, where rates based on the improved value of land are not an efficient, effective, or equitable form of taxation.	It is important that councils have an appropriate and sufficient revenue base to fund delivery of the infrastructure and services expected by the community and articulated under the Act. The City welcomes the exploration of diverse revenue streams to support the financial operation of councils.
18	The Tasmanian Government should work with the sector and the development industry to further investigate and consider introducing a marginal cost-based integrated developer charging regime.	The City supports this recommendation and has previously advocated that there is a clear need to implement a system to require developer contributions as a revenue source to help local government manage development in its municipal areas. Ensuring adequate provision of infrastructure and all key services is an important function. Councils need to be resourced to undertake such planning and develop infrastructure to support community need. The introduction of developer contributions (applied in most mainland jurisdictions) is one way such resourcing could be made available.

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19	Introduce additional minimum information requirements for council rates notices to improve public transparency, accountability, and confidence in council rating and financial management decisions.	The City supports this recommendation.
20	Within the context of the national framework, the Tasmanian Government should seek advice from the State Grants Commission on how it will ensure the Financial Assistance Grants methodology: - is transparent and well understood by councils and the community, - that assistance is being targeted efficiently and effectively, and - is not acting as a disincentive for councils to pursue structural reform opportunities.	The City supports this recommendation.
21	The Tasmanian Government should review the total amount of Heavy Vehicle Motor Tax Revenue made available to councils and consider basing this total amount on service usage data.	The City supports clear and equitable road funding and a review of how the Heavy Vehicle Motor Tax revenue is administered is overdue.
22	Introduce a framework for council fees and charges in a new Local Government Act, to support the expanded, equitable and transparent utilisation of fees and charges to fund certain council services.	The City agrees that fees for goods or services charged under a fee-for-service model should consider the cost to deliver the service as well as any policy objective of the council.
23	The Tasmanian Government should review the current rating system under the <i>Local Government Act</i> to make it simpler, more equitable, and more predictable for landowners. The review should only be undertaken following implementation of the Board's other rating and revenue recommendations.	The City would welcome a review of the current rating system, to ensure that the rating system is not only sustainable and can support programs, service and infrastructure needs of the community now and into the future but also ensures a fair and equitable distribution of rates across the municipal area and supports ratepayers capacity to pay. Rates are the main revenue source for local government and are a form of taxation, a property tax. Therefore, in distributing the rating burden the rating structure should align with taxation principles and the following objectives: • fairness and equity for ratepayers • sustainable for councils and affordable for the community.

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		• supports ratepayers capacity to pay; • transparent and flexible, being able to respond to unforeseen changes in the economy; and • simple to understand and timely, easy/cost effective to administer.
24	The Tasmanian Government should work with the sector to develop, resource, and implement a best practice local government performance monitoring system.	The City supports the development of a local government performance monitoring system. Transparency around council performance is welcomed, providing communities with clear and accurate information on how well their councils is performing over time and a comparison to other councils will lead to improved accountability. The City considers that measures used should be outcome focused that capture the outcomes of service delivery and able to be used to initiate improvements to performance. Any performance monitoring system should aim to reduce the reporting burden on councils by streamlining reporting requirements and using existing data sources. The City welcomes a review of all existing reporting obligations in consultation with the Tasmanian Audit Office, the sector and the end users of data.
25	The Tasmanian Government should develop a clear and consistent set of guidelines for the collection, recording, and publication of datasets that underpin the new performance reporting system to improve overall data consistency and integrity, and prescribe data methodologies and protocols via a Ministerial Order or similar mechanism.	

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26	The new Strategic Planning and Reporting Framework should actively inform and drive education, compliance, and regulatory enforcement activities for the sector, and entities with responsibility for compliance monitoring and management – including the Office of Local Government and council audit panels – should be properly empowered and resourced to effectively deliver their roles. As part of this the Tasmanian Government should consider introducing a requirement for councils to have an internal audit function given their responsibilities for managing significant public assets and resources, and whether this requirement needs to be legislated or otherwise mandated. Consideration should also be given to resourcing internal audit via service sharing or pooling arrangements, particularly for smaller councils.	The City supports a resourced and proactive Office of Local Government that undertakes a compliance and monitoring intervention program. The Office of Local Government should be sufficiently resourced and funded by the State Government, the sector should not be expected to fund the regulatory oversight functions of the Office of Local Government (page 88 of report). The City welcomes a review of the current role, functions and powers of council audit panels. The City of Hobart Risk and Audit Panel engages an internal auditor and develops an annual internal audit program. An internal audit function would be ideally suited to the shared service model.
27	The Tasmanian Government should collaborate with the local government sector to support a genuine, co-regulatory approach to councils' regulatory responsibilities, with state agencies providing ongoing professional support to council staff and involving councils in all stages of regulatory design and implementation.	The City supports this recommendation.
28	The Tasmanian Government should work with the local government sector to pursue opportunities for strengthened partnerships between local government and Service Tasmania.	The City strongly supports the examination of a shared service partnership with Service Tasmania subject to more detail on the proposed model and an understanding of resourcing and costs. The recommendation could be undertaken as a priority and separate to the reform roadmap.
29	Councils should migrate over time to common digital business systems and ICT infrastructure that meet their needs for digital business services, with support from the Department of Premier and Cabinet's Digital Strategy and Services (DSS).	The City supports this recommendation in principle subject to the feedback provided in our submission in February 2023. This is a very ambitious recommendation and would be a long-term project that would need to be sufficiently resourced and funded.

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30	The Tasmanian Government – in consultation with the sector – should review the current legislative requirements on councils for strategic financial and asset management planning documentation to simplify and streamline the requirements and support more consistent and transparent compliance.	The City supports this recommendation.
31	The Tasmanian Government – in consultation with the sector – should investigate the viability of, and seek to implement wherever possible, standardised useful asset life ranges for all major asset classes.	As in the City's previous submission in February 2023, this recommendation is supported as long as there is genuine engagement with councils to agree on the standardisation proposed.
32	All Tasmanian councils should be required under a new Local Government Act to develop and adopt community engagement strategies – underpinned by clear deliberative engagement principles.	The City supports this recommendation. It is important that a genuine commitment to community engagement is included in the new <i>Local Government Act</i> and should be a core principle for the local government sector.
33	A new Local Government Act should require councils, when developing and adopting their Community Engagement Strategies, to clearly set out how they will consult on, assess, and communicate the community impact of all significant new services or infrastructure.	The City reiterates the feedback provided in the previous submission. Should Community Impact Assessments be mandated, criteria will need to be established to determine what new services and infrastructure would be subject to a CIA.
34	Following the phase 1 voluntary amalgamation program, the Tasmanian Government should commission an independent review into councillor numbers and allowances.	The City is supports this recommendation.
35	The Tasmanian Government should expedite reforms already agreed and / or in train in respect of statutory sanctions available to deal with councillor misconduct or poor performance.	The City supports this recommendation, noting it maintains its support for the additional sanctions which have been previously outlined to the Board.

Number	Recommendation	Response
36	The Tasmanian Government should: • support the Local Government Association of Tasmania (LGAT) to develop and implement – in consultation with councils and their staff – a workforce development toolkit tailored to the sector and aligned with the Tasmanian Government's workforce development system; • support councils to update their workforce plans at the time of any consolidation; • support LGAT to lead the development and implementation of a state-wide approach to workforce development for key technical staff, beginning with environmental health officers, planners, engineers and building inspectors; • recognise in statute that workforce development is an ongoing responsibility of council general managers and is included as part of the new Strategic Planning and Reporting Framework; and • include simple indicators of each council's workforce profile in the proposed council performance dashboard.	The City supports this recommendation but considers that it should not just be limited to key technical staff. The City considers that the Local Government Association of Tasmania (LGAT) is best placed to take the lead in developing a state-wide approach to workforce development but they must be adequately resourced to do so. In addition, working with education and training institutions to develop strategies to meet any skills shortage is vital.
37	The Tasmanian Government should partner with, and better support, councils to build capacity and capability to plan for and respond to emergency events and climate change impacts.	Climate change is altering the risk and hazard profiles for local governments and communities, with more frequent, more extreme weather events intensifying the risk posed by existing and evolving natural hazards. With the increasing complexity of extreme weather and the additional risk faced by communities due to the impacts of climate change, working in partnership is vital. Local government is often responsible for disaster assessments to manage and mitigate the risks posed by natural disasters. Given the increasing role for local government in asset construction and maintenance, land-use planning and disaster response and recovery, there is a critical need for increased investment and support for the sector.

