



26 February 2024

The Hon. Sue Smith AM
Chair – Local Government Review Board
Via Email: lgboard@dpac.tas.gov.au

Dear Chair

Re: Future of Local Government – Final Report

The Southern Midlands Council has considered the Board's Final Report.

The following Table includes each of the recommendations contained in the report, together with a 'high-level' response from Council.

Where the response indicates 'in-principle' support, this is subject to additional detail being made available. It is acknowledged that in some cases the recommendation indicates that further consultation and input from the local government sector is required. This is certainly a positive.

From a financial perspective, significant concerns were raised regarding the costs associated with the implementation of some of these recommendations. Where applicable, this requires careful consideration by the Minister prior to making a final determination.

Please feel free to contact myself or the General Manager (Tim Kirkwood) should the Board seek clarification or additional detail in relation to any comment provided.

Yours sincerely

A handwritten signature in black ink, appearing to read "Edwin Batt", with a long, sweeping horizontal stroke extending to the right.

Edwin Batt
Mayor

Address all correspondence to: The General Manager, PO Box 21 Oatlands, Tasmania 7120
Oatlands Office: 71 High Street, Oatlands Phone (03) 62545000 Fax (03) 62545014
Kempton Office: 85 Main Street, Kempton Phone (03) 62545050 Fax (03) 62545014
Email Address: mail@southernmidlands.tas.gov.au Web: www.southernmidlands.tas.gov.au
ABN 68 653 459 589

Recommendation #	Recommendation Headline	SMC Comments
1	<p>Define in Tasmania's new Local Government Act the role of local government consistent with the statement below:</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>Recommendation supported (noting that there is no specific recommendation to develop a new Local Government Act).</p>
	<p>SMC Related Comment:</p> <p>Council, in its initial submission, fully supported the need to define the role of local government providing it is not too prescriptive.</p> <p>Council did raise a point of caution when assessing infrastructure and service delivery. If a regional/sub-regional model (or other model) is considered for the provisions of services, the Board needs to be conscious that the local authority must retain sufficient resources (both human and physical) at the end of the process to satisfy its remaining obligations and be able to respond to local needs.</p> <p>The service provision model is best determined in consultation with the respective communities and this is generally identified through an individual Council's Strategic Planning processes; consultation with the community; and ultimately the electoral process.</p> <p>It should be acknowledged that there are existing regional approaches which have proven to be totally ineffective and inefficient and have failed to meet a community's needs or requirements.</p>	

Recommendation #	Recommendation Headline	SMC Comments
2	<p>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</p>	<p>Recommendation supported on the basis that the Charter will be developed in close consultation with the sector.</p>
	<p>SMC Related Comment: Similar to defining the role of local government, any Charter should not be too prescriptive.</p> <p>During the development of the 1993 Act, the focus was on reducing the level of prescription and providing Council with enterprise powers (Section 20) to enable it to carry out a range of functions in order to respond to community need.</p>	
3	<p>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 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:</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>Recommendation supported ‘in-principle’, but recognising that these obligations will place an additional burden on the sector that will require additional funding.</p>

Recommendation #	Recommendation Headline	SMC Comments
4	<p>Formal council amalgamation proposals should be developed for the following:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>	No comment.
5	<p>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.</p>	<p>The Board has identified 'alternative future design' options and has put forward proposed council boundaries for the majority of local government areas.</p> <p>Any further Local Government Board review(s) should be initiated and fully supported by the nominated Councils.</p>
	<p>SMC Related Comment:</p> <p>The Southern Midlands Council has previously submitted that the Local Government Board has not demonstrated (or substantiated) the need for structural reform. There has been no evidence the ratepayer will be better off, particularly in the absence of any robust Business Case.</p> <p>Maintaining the status quo was also a clear outcome of the public consultation meetings held following the issue of the Board's Stage 2 Report which included the supporting '<i>Central and Midlands Community Catchment Information Pack</i>'.</p>	

Recommendation #	Recommendation Headline	SMC Comments
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.	Recommendation supported subject to the proviso mentioned in response to Recommendation 5.
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.	Recommendation supported subject to the proviso mentioned in response to Recommendation 5.
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.	<p>This recommendation is very unclear. There are no parameters in terms of 'numbers' to initiate an elector poll; what percentage is required to achieve a successful community vote; what weighting is placed on the outcomes of each municipal area where there is substantial difference in population; and what consideration will be given to the different demographics of each area.</p> <p>Ultimately, will the community vote be binding?</p> <p>Who will fund each of these processes (i.e. the Poll; the Local Government Board process; and the community vote)?</p>

Recommendation #	Recommendation Headline	SMC Comments
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.	Recommendation supported subject to the preparation of a full business case which would justify such a direction. The business case would need to include an assessment of the financial impact; the risk(s) associated with a mandatory resource sharing arrangement; and the impact on the balance of the councils' operations.
10	Give councils the opportunity to design identified shared service arrangements themselves, with a model only being imposed if councils cannot reach consensus	Recommendation supported, noting that the Southern Midlands Council already has a significant number of resource sharing arrangements.
11	Before endorsing a particular mandatory shared service arrangement, the Minister for Local Government should seek the advice of the Local Government Board.	Refer comment provided in response to Recommendation 9.
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.	If councils are unable to reach a consensus, it follows that there are issues and concerns that need to be considered. Recommendation 11 provides for an independent third party assessment (i.e. Local Government Board). It would therefore be appropriate that the Local Government Board should then develop the preferred model as opposed to a model prepared by the Tasmanian Government.

Recommendation #	Recommendation Headline	SMC Comments
13	<p>The first priorities for developing mandatory shared service arrangements should be:</p> <ul style="list-style-type: none"> • 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 	<p>Support ‘in-principle’ with an additional comment that the sharing of common digital business systems and ICT infrastructure should not be limited to a regional entity (i.e. state wide opportunity).</p>
14	<p>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.</p>	<p>Recommendation supported.</p>
15	<p>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</p>	<p>Additional detail is required prior to providing comment.</p> <p>Questions raised include:</p> <ul style="list-style-type: none"> - Length of training - Method of delivery - Who delivers and who pays? <p>Support on the basis that it is similar to the existing LGAT training that is free and can be completed on-line.</p>

Recommendation #	Recommendation Headline	SMC Comments
16	<p>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:</p> <ul style="list-style-type: none"> • 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 • 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. 	<p>Recommendation supported.</p> <p>This additional investment should be reflected in increased remuneration for elected members (or other incentives).</p>
17	<p>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.</p>	<p>Recommendation supported.</p> <p>The alternative framework should also consider other options of providing a return to the council/community other than additional revenue.</p>
18	<p>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.</p>	<p>Recommendation supported on the basis that the recommendation will be progressed in consultation with the sector and the development industry.</p>
19	<p>Introduce additional minimum information requirements for council rates notices to improve public transparency, accountability, and confidence in council rating and financial management decisions.</p>	<p>Recommendation supported ‘in-principle’.</p>

Recommendation #	Recommendation Headline	SMC Comments
20	<p>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:</p> <ul style="list-style-type: none"> • 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. 	<p>Recommendation supported 'in-principle', although the State Grants Commission must comply with the Australian Government's <i>Local Government (Financial Assistance) Act 1995</i>, and in particular the 'Objects' contained within that Act.</p> <p>The State Grants Commission may be able to assess the likely impacts of any structural reform opportunity which would need to be factored in accordingly.</p>
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.	Recommendation supported with the quantum of funds being the main issue as opposed to the distribution methodology.
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.	Recommendation supported.
23	The Tasmanian Government should review the current rating system under the Local Government Act 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.	Recommendation supported.

Recommendation #	Recommendation Headline	SMC Comments
24	The Tasmanian Government should work with the sector to develop, resource, and implement a best practice local government performance monitoring system.	Recommendation supported 'in-principle'. Any performance reporting system should be subject to a 'cost-benefit' analysis prior to implementation.
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.	Refer comment in response to Recommendation 24.
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.	<p>Recommendation supported 'in-principle', with the exception of mandating the requirement for councils to have an internal audit function.</p> <p>The need for internal audit should be a risk based assessment by each individual Council.</p> <p>Resourcing internal audit via service sharing or pooling arrangements will still require additional funding.</p>
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.	Recommendation supported.

Recommendation #	Recommendation Headline	SMC Comments
28	The Tasmanian Government should work with the local government sector to pursue opportunities for strengthened partnerships between local government and Service Tasmania.	Recommendation supported, noting that Service Tasmanian is co-located at the Oatlands Council Chambers.
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).	Recommendation supported 'in-principle'.
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.	Recommendation supported.
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.	Recommendation supported on the basis that the detail will be developed in close consultation with the sector.
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.	Recommendation supported 'in-principle'.
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.	Recommendation supported 'in-principle'.
34	Following the phase 1 voluntary amalgamation program, the Tasmanian Government should commission an independent review into councillor numbers and allowances.	Recommendation supported.

Recommendation #	Recommendation Headline	SMC Comments
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.	Recommendation supported.
36	<p>The Tasmanian Government should:</p> <ul style="list-style-type: none"> • 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. 	Recommendation supported ‘in-principle’.
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.	Recommendation supported.