

# LOCAL GOVERNMENT BOARD SUBMISSION

## The future of Local Government Review

### Stage 2 – The Way Forward Priority Reform Areas

Submission by Latrobe & Kentish Councils

9 September 2022



## **1. Introduction**

Kentish and Latrobe Councils again welcome the opportunity to provide a submission in response to the Future of Local Government Reviews Interim Report which follows on from Councils' submission to Phase 1 of the Review.

The two Councils have again agreed to make a single submission and much of the material provided in our original submission remains highly relevant and has not been repeated here. The Councils agree with the statement made in the Executive summary that the role of Councils is often most highly valued in regional and rural communities such as those that exist in the Latrobe and Kentish areas.

## **2. Interim Report Summary**

It is noted, and perhaps unsurprising, that Phase 1 submissions from some city Councils elected to argue that a 'coming together' of municipal areas allowed for improvements in the efficiency and effectiveness of service delivery, capability, strategic planning, and professionalism within the sector. It is our contention that these arguments are overly simplistic in the context of regional and de-centralised populations and associated service delivery. However, they may warrant further consideration for metropolitan areas.

The Councils General Manager who participated in the 1993 local government reforms and the attempted reform of local government in 1998 believes there are efficiencies and strategic planning benefits to be gained in the more urbanised areas such as Hobart and Launceston particularly in outside workforce operations. The majority of Council funds are spent on maintenance issues, and this is where efficiencies can be gained by better use of plant and equipment. This is more challenging to achieve in rural areas where transport costs make it more difficult to achieve benefits in this area. The rural areas can benefit through the shared use of specialised staff to improve the Councils' capacity and capability to respond to local issues particularly with large complex projects.

There are opportunities to undertake more resource sharing of key staff across multiple Councils where present labour market conditions make it hard to secure and retain local government professionals. Kentish and Latrobe Councils believe the shared services arrangement between the two Councils does offer lessons for other Councils in how this system can work particularly relating to accurate costing of these arrangements. Latrobe and Kentish Councils have completely integrated their workforce and provide planning and environmental health services to the West Coast Council.

The shortage of professional staff is an issue for all Councils notwithstanding their size and is also not confined to Tasmania.

As articulated in our Phase One submission amalgamation of Councils will not address what is essentially a market failure across the entire sector and the economy generally in regard to recruitment. It is also noted this issue is also relevant to other sectors, such as mining and construction.

The balance of the arguments underpinning an approach predicated on 'coming together,' which in our view is double speak for amalgamation is overly simplistic and fails to consider the question of future function, instead immediately progressing to a justification of a proposed future form that suits respondents' agendas.

Kentish and Latrobe Councils believe from feedback received in their communities is that there is great support for the current municipal alliance between the two Councils which seeks to achieve economic efficiency while maintaining local democracy and keeping a sense of place and community. The Councils both hold regular community information evenings which are generally well attended, and these would be much more difficult (particularly the attendance of the Mayor and General Manager) if the areas were absorbed into a larger Mersey – Leven Council as suggested by the Devonport City Council.

The local democracy embedded in the current alliance between the two Councils provides more opportunity for local areas to elect a 'local' (and independent) member to represent them. The major towns and villages in the Kentish and Latrobe Council areas are represented on their respective Councils including a representative from Wilmot and two representatives from Railton on the Kentish Council and an even spread of Councillors from Latrobe, Port Sorell and the rural area on the Latrobe Council. It is respectfully submitted that this isn't the case for metropolitan areas where aldermen view themselves more as a non-executive director of a board, as opposed to a local representative.

The Board has identified through its comprehensive statewide engagement and research program that there are a core suite of challenges and opportunities for the local government sector. The following comments are made in respect of these challenges and opportunities that have been raised.

### **Functions and Services (Points 1 & 2)**

Kentish and Latrobe Councils believe from their experience that further work needs to be done in this area to avoid "cost shifting" from the state and federal governments when Council takes on responsibilities to fill gaps in service delivery left void by other levels of government. The Latrobe Council taking on responsibility to manage and operate the hydrotherapy pool at Latrobe is an example where the state government withdrew this service and the Council, following support and lobbying from the community, has taken on responsibility to operate the pool with an estimated operating loss of over \$100,000 per annum. Several Councils who supply medical services to the community is another example of cost shifting

which takes place when a service is not being provided by the market or other levels of government.

**Structural Sustainability (Point 3)**

The Kentish and Latrobe Councils support the Board's initiative to look at other service delivery options instead of the wholesale amalgamation of Councils. The Councils believe the use of paraprofessionals should be used more in some areas of Council where there is a critical shortage of qualified and skilled staff. Town Planning and Environmental Health is an area which requires further analysis to separate those functions that could be taken on by staff that do not necessarily have the degree qualifications generally required for these roles. Council does not support the wholesale creation of Joint Authorities to provide services to Councils however there is opportunity for existing Joint Authorities such as Dulverton Waste Management to take on other services that are identified after consultation with the local government sector.

**Local Voice Representation (Point 4)**

The Kentish and Latrobe Councils feel very strongly that this is the area that people in the rural areas will fight for very strongly to retain their local representation. The Councils consult extensively with their communities including holding twice yearly community information evenings in each of the major towns. The attendance of the Mayor and the majority of Councillors and senior staff at these meetings is greatly appreciated by the community judged by the strong turnout at recent meetings. These meetings help to build trust in the community and residents can speak directly with their elected members.



Port Sorell Community Information Evening – 8 September 2022

### **3. Priority Reform Areas**

#### **Council's Role in the 21<sup>st</sup> Century – Section 2**

The Kentish and Latrobe Councils agree with the Role Statement as detailed in the Stage 2 review.

The big question is who decides which services should be delivered at the “sub regional” scale and who decides if it is more effective and efficient to deliver infrastructure and services at a regional or statewide level.

Councils do not have to be a large-scale operation to deliver major projects at the local level. The Latrobe Council is currently constructing a \$15 million Flood mitigation scheme at Latrobe which is funded on 1/3 ,1/3 1/3 basis between the State Government, Federal Government, and the Council. The Kentish Council is about to embark on a similar flood mitigation scheme costing approximately \$10 million which is funded on the same basis. The advocacy role played by the Councils in securing this funding has been significant and there is concern that these projects may not have received the same emphasis if there was a regional Council that was prioritising funding for other projects such as the “Living City” at Devonport. Our two Councils believe that economic development or small community driven projects in outlying areas, for example, the Wilmot streetscape, may never have competed against big ticket items on a large scale Council program.

Local events and festivals and response to disasters are best designed and delivered at the local level. The Council plays a major role in working with the community to harness the energy of volunteers with a “hand up” and not a “hand out” principle of community engagement. The Councils strengthen this relationship with the establishment of committees of management (Council and community representatives) for halls, recreation grounds, arts centres and cemeteries. The local Councils also play a significant role in the prioritising of capital works projects with the Councillors local knowledge an important part of this budget process.

#### **Capability for the Future: Successful and Sustainable Councils – Section 3**

The following comments are made in respect of the Capability and Outcome Aspiration Statements:

##### 1 Role Clarity and Strategic Coordination

The Kentish and Latrobe Councils support the intent of this statement.

##### 2 Strategic and Technical Capability

There has been a major change over recent years with very qualified and experienced people setting up their own consultancy business to service one or

more Councils and the private sector. These are often people who have had local government experience and there is expertise available in at least the following areas: governance, stormwater modelling, financial management, project management, strategic planning, land-use planning and recreation and public open space management. This means that smaller Councils can access this skill set providing they have the financial capability to access these consultancies. It is important that Councils at least have the expertise and experience to manage these consultancies and retain good people who have the right mix of skills to deliver for their communities.

### 3 Financial Capacity

The Councils' long term financial plans should give the Board an indication of the long-term sustainability of the Councils.

### 4 Efficiency, Effectiveness, and Equity

There are cases where the level of service, particularly in smaller towns and remote communities, will differ to the services provided in Tasmanian cities and larger towns. What guarantees are there that if cost efficiencies are achieved from increased scale economies that they will be reinvested in locally tailored services that are valued by local communities and which support community well-being? This assumption needs to be tested.

Kentish and Latrobe Councils offer different lifestyles than city living. For towns to thrive they must have a core of essential services. Sometime our Councils have had to step in and support services or develop new models. The Kentish Health Centre, Medical Centre upgrade, and gymnasium establishment are examples. These services maintain the town's viability. If a larger Council were to adopt a consolidation process and force residents to travel to use services in the city, it places at risk the viability of every other service and business in the town.

### 5 Good Governance

Kentish and Latrobe Councils support this aspiration.

## **Opportunities, issues, and challenges – Section 4**

### Review Theme 1: Infrastructure Provision and Management

Kentish and Latrobe Councils believe the future vision for infrastructure provision and management should be amended to read “have access to highly competent professional staff or affordable consultants, working with a high-quality data and asset management systems...”

The Latrobe Council also notes that in fast growing areas such as Latrobe and Port Sorell the asset sustainability ratio may be less than 100% given the amount of new infrastructure that has been constructed in recent years and will not need

upgrading or replacement over the current long-term financial plan. A lower ratio in these fast-growing areas does not necessarily mean that there is a shortfall in asset renewal spending as indicated by the Auditor General on page 31 of the Review document.

The Councils support a review of the useful life of assets acknowledging that there are different conditions, particularly in road base and materials available and weather conditions, that mean there will be different useful lives of assets in some areas. The majority of Council expenditure is spent on roads infrastructure, and as this is a very large component of Councils assets, it makes comparing “like with like” very difficult.

The Latrobe Council is a fast-growing area and has felt very frustrated by the state governments lack of strategic planning particularly relating to the Bass Highway corridor. It is important that the Board also considers how the State Governments strategic planning can be improved to work in with Council's long-term plans for its area.

In respect of capital grants to Councils such as flood mitigation schemes, coastal pathways or projects such as “Living City” in Devonport the Councils should take into consideration the long-term depreciation impacts on the Council's long-term financial plans when embarking on requesting funding from other levels of government. There is generally wide community discussion and support for these projects before the state or federal governments would endorse the projects through the political process.

### Review Theme 2: Finance and Administration

The Kentish and Latrobe Councils support the future vision for Finance and administration with the inclusion of the following in the third dot Point “are able to attract and retain skilled professionals **or have access to affordable consultants** to enable them...”

The Kentish and Latrobe Councils have led Australian local government in a shared services arrangement and both Councils, despite enormous challenges over the last decade, have retained operating surpluses as detailed in the Review document.

### Review Theme 3: Planning and Other Regulatory Functions

Kentish and Latrobe Councils noted in their first submission that approximately 10% or less of the total planning applications received go to the Council's Planning Authority for approval. Most of Councils' applications received are determined by Council officers under delegated authority from the Councils.

Whilst we believe planning is best placed with Council, the Councils believe that there are instances where some approvals should be referred to another Council,

or to an independent Planning Panel. These include applications where Council is both the applicant and the Planning Authority and where the Council chooses, because of the size or potential disruptive influence within the community of the development, to refer the application to the Panel. If the Board decides that there is a need to consolidate planning and regulatory services, this would be preferable to establishing independent planning and regulatory services panels across the state.

#### Review Theme 4: Economic Development and Local Promotion

The Kentish and Latrobe Councils generally support the future vision as outlined for economic development and promotion. The Councils have placed a priority on economic and community development and have a team of officers that work in this space across the two Councils. The Kentish Council relies heavily on tourism initiatives and the development of murals has led to strong economic growth within the area and this is now being supplemented by the work with the Latrobe Council on the establishment of the Wild Mersey Mountain Bike Trails. The two Councils employ a Manager of Corporate and Business Services, a Team Leader in economic and community development, an Economic Development Officer and 2 Community Development Officers who all work across both Councils. The Councils also have a Business Support team who work on various initiatives within this area.

#### Review Theme 5: Environment

Kentish and Latrobe Councils generally support the future vision for environment; however they do note that many of the objectives overlap Council boundaries and are achieved through use of Joint Authorities such as In Dulverton Waste Management, regional Natural Resource Management bodies such as through the Cradle Coast Authority and in recent times the attempts by the three regions to have a statewide coordination on climate change initiatives.

Tasks such as weed and cat management are tasks that were traditionally the responsibility of the state government but have been given to local government without a corresponding increase in funding.

The review notes the large variations in the extent and frequency of kerbside general waste, recycling, green waste and food organics collection, and varying approaches to the processing of these wastes. This is an area where one size does not fit all and is often a trade-off between costs and the levels of service delivery. The Latrobe Council, for example, moved 15 years ago to the fortnightly collection of garbage bins at an annual saving of approximately \$80,000. This would be more than double this cost if a weekly collection service were re-established. The Council receives very few complaints regarding the fortnightly collection and could not justify implementing a weekly service.



In an effort to cut illegal dumping in bush areas Kentish instituted free use of the transfer station in 2008, with costs included in rates. This approach differs markedly to other surrounding Councils but is an example of a successful local response to a problem.

#### Review Theme 6: Governance, Accountability, and Representation

Kentish and Latrobe Councils support the future vision for governance. The Councils note the difficulties in this area, particularly relating to the performance of some elected members, and the poor reflection on local government because of this conduct.

The Councils advise that this is not an area where "bigger is necessarily better" noting that during the period 2014 to 2019 the following Councils across Australia were sacked with the majority being Councils of a significant size in relation to population. The Councils were sacked amid varying allegations of corruption, budget blow outs, infighting and general disfunction. 'Party Politics' can also establish in larger Councils creating more tension within the organisation.

#### *Councils sacked 2014-2019*

Council area	State	Date Dismissed
Ipswich	QLD	August 2018
Logan	QLD	May 2019
Litchfield	NT	October 2015
Canning	WA	September 2014
Cooper Pedy	SA	January 2019
Geelong	VIC	April 2016
Central Goldfields	VIC	August 2017
South Gippsland	VIC	June 2019
Glenorchy	TAS	October 2017
Huon Valley	TAS	October 2016
Palmerston	NT	January 2018

## Review Theme 7: Community Well-being

Kentish and Latrobe Councils support the future vision for community well-being.

The Councils believe this is an area where Councils of a smaller size population can thrive relevant to larger Councils encompassing a large area. Examples of how the Kentish and Latrobe Councils operate in this area include:

- The response to the major flood event at Latrobe in 2016 (Latrobe Council) and to the flooding which occurred at Railton in 2011 and 2016 and the recent response to the major wind storm damage outside of Sheffield (Kentish Council).
- The Councils effort in providing and advocating for affordable housing accommodation at Latrobe and at Sheffield. The Latrobe Council currently owns and operates 57 elderly persons units and seven affordable housing units while the Kentish Council was instrumental in working with Housing Tasmania and Catholic Care to deliver 12 affordable houses at Sheffield. The two Councils continue to identify opportunities to provide affordable housing within their communities.
- Latrobe Council's decision to take on the operation of the hydrotherapy pool at Latrobe which was closed by the state government and the Kentish Council's involvement in the development of a multipurpose medical Centre at Sheffield.
- The Council's involvement in numerous special events throughout the Council areas such as Winterfest at Latrobe and Steam Fest and Mural Fest at Sheffield. These are not only major visitor attractions but also involve the community in their operation and provide a sense of purpose and well-being to participants.

### **Priority Reform Areas for Stage 2 – Section 5**

Kentish and Latrobe Councils acknowledge the 6 priority areas for further research identified by the Local Government Board and will work constructively with the Board on these issues and provide access to data and our knowledge as part of your further research.