The future of local government review

Options Paper: Appendix

Review Stage 2 - December 2022

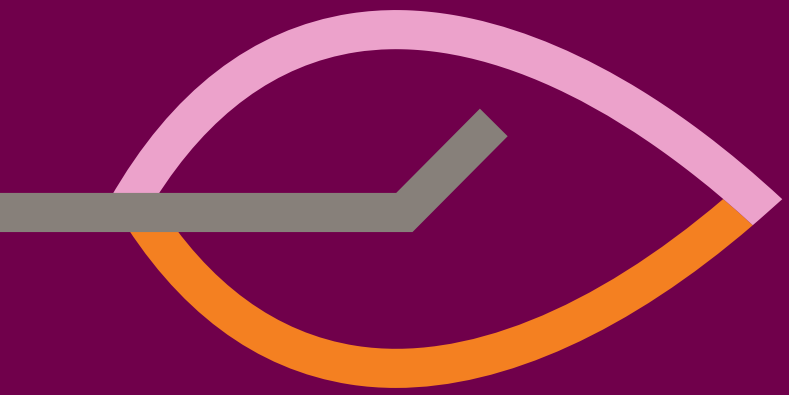


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Reform outcomes and supporting options

During Stage 2 of the Review, the Board conducted a broad program of research and stakeholder engagement to identify and develop a range of specific reform options. We think these options have the potential to improve the way the Tasmanian local government system works by supporting the delivery of the Board's eight reform outcomes. The options are presented below along with the relevant reform outcome that they principally target.

For each option, we set out the driving rationale, explain briefly what the proposal looks like and how it might work, and offer some relevant insights, including about where similar approaches have been put in place in other jurisdictions. Some of our options build on relevant agreed reforms from the recent review of the *Local Government Act 1993* and we state where this is the case.

In most cases, options are not 'either/or' alternatives – the majority could potentially be progressed in parallel as part of a complementary suite of reforms. The main exception to this is in relation to planning processes, where we believe some clear choices need to be made about the best pathway to achieve better planning outcomes.

As we have said in the main *Options Paper,* many – if not all – options in this Appendix will deliver better and more sustainable results if they are accompanied by well-considered and supported structural reform. Where we think structural change is either essential to delivering a particular option, or would make an option less relevant or necessary, we highlight this in the discussion below.

Testing the options with stakeholders

The options were, in many cases, identified through our engagement with communities and stakeholders and through our research, and have been subject to discussion and development with six focus groups the Board convened early in Stage 2. Each focus group looked at a specific area flagged in the Board's Stage 1 Interim Report, and included people with expertise, skills, and experience relevant to those areas. Each focus group included representatives from the Local Government Association of Tasmania and Local Government Professionals Tasmania. The Australian Services Union was also represented in this process.

These groups have been crucial in helping us consider in more detail the issues, opportunities, and challenges we identified in Stage 1, as well as test and refine our thinking around possible ideas for delivering positive change in the sector.

The options have also been informed by one-on-one discussions with a range of 'divergent thinkers', whom the Board approached to test the full spectrum of possible reform options. Finally, we have tested many of our developing ideas with Tasmanian Government agencies and with individual councils themselves, through a series of regional meetings.

We would like to thank everyone involved in these processes to date for their time and their extremely valuable insights. We will be convening a further round of focus group sessions in the New Year after we have heard back from the community on the *Options Paper.*

How to have your say

To have your say on the options, you can go to the review website and submit your answers to any or all the consultation questions or make a submission in an email or letter. The Board's contact details are below.

- **Email**: Submissions.LGBoard@dpac.tas.gov.au
- **Postal address**: Future of Local Government Review GPO Box 123, HOBART, TASMANIA 7001

Community Meetings

In February 2023, the Board will be visiting communities all around the State to hold town hall style meetings. You can register your interest in attending one of these sessions here, and we will be in touch with further updates in the near future.

Reform Outcome 1: Councils are clear on their role, focused on the wellbeing of their communities, and prioritising their statutory functions

Option 1.1

Establish a Tasmanian Local Government Charter which summarises councils' role and obligations, and establishes a practical set of decision-making principles for councils

Rationale

Councils have an extensive range of complex responsibilities under a suite of interrelated statutory frameworks. This reform would clarify those responsibilities for councillors and communities, providing a framework which underpins the role of councils and councillors.

Broadly, a Charter would:

- set out councils' role and responsibilities in one place;
- summarise all of councils' core statutory roles and functions;
- better clarify the roles of State and local government in service areas where both have responsibilities;
- establish a practical set of decision-making principles, including around setting service priorities, particularly as they relate to essential statutory functions vs 'optional' services or activities;
- enshrine good governance principles and clearly explain how these must be applied in practice to the respective roles, functions, obligations, and expected conduct of both elected members and council staff (including how they are linked to relevant compliance powers and under the legislated regulatory framework, including codes of conduct); and
- provide a framework that enables these principles to be translated into practical processes and mechanisms for better and more transparent decision-making.

Engagement feedback

- There is general support for a Charter, noting it should be simple, purposeful and provide clarity on councils' role. Feedback was that it should also allow councils the flexibility they need to respond to changing circumstances and their communities' unique needs.
- There was also support for a Charter, if established, being included in the Local Government Act 1993. If so, it would replace the existing definition of councils' role.

Insights

- There is precedent for this approach in other jurisdictions. In recent years, New South Wales and Victoria have both legislated principles-based roles for councils and elected officials, underpinning good governance with corporate director-like responsibilities across financial management, strategic planning, community engagement, and elected official behaviour.
- In Victoria, the *Local Government Act 2020* describes the practical roles of councils, while also mandating the principles which must be applied when performing this role. For example, under the Victorian

Act, councils must adopt a community engagement policy which outlines how and when they engage with their communities (and what on). This is underpinned by the Act's principles for community engagement. This approach establishes the key responsibilities in legislation, while ensuring that councils can still tailor the delivery of functions to their local circumstances

Option 1.2

Embed community wellbeing considerations into key council strategic planning and service delivery processes

Rationale

We have heard from the local government sector, peak bodies, and communities that there should be greater recognition of the role that councils play in supporting the wellbeing of their communities. However, there is a lack of clarity around what the concept of wellbeing includes. As a result, councils' contribution to community wellbeing is not formally recognised, making it hard for them to access funding to continue or expand their wellbeing work.

This option would provide councils greater clarity on how they can support wellbeing, providing guidance on strategic planning and the delivery of locally tailored wellbeing services. It would also help identify services and functional responsibilities for the State Government and private service providers.

In May 2022, the Tasmanian Premier, the Hon Jeremy Rockliff MP, announced the development of Tasmania's first Wellbeing Framework, noting that the concept of wellbeing includes economy, health, education, safety, housing, living standards, environment and climate, social inclusion and connection, identity and belonging, good governance and access to services.

Clear and transparent linkages to any overarching Tasmanian Government state-wide wellbeing policies and frameworks will be essential to support the sector in remaining accountable to their communities. These connections will also enable councils to work with others to develop locally tailored strategies and actions to address identified community issues.

Engagement feedback

- Defining wellbeing is critical, and for local government this will likely depend on the emerging Tasmanian Wellbeing Framework.
- Local government already undertakes many activities and actions to promote wellbeing but is financially constrained.
- Wellbeing is an area where councils could act as vital advocates or 'connectors'. Where service or resource gaps are identified, councils could and should advocate to other spheres of government to fill them.
- In health, local government should focus on early intervention and prevention, and other spheres of government should ensure they are appropriately providing the services they are typically tasked with,

including primary health services.

- There is a fundamental need for spheres of government to work together to address social disadvantage and the poverty cycle. For many Tasmanians, wellbeing outcomes are dire, and persist from one generation to the next.
- A more equitable, needs-based distribution of resources between wealthier and poorer areas within municipalities should occur. In this regard, larger and more diverse council areas and more consistent service provision may be a positive outcome of boundary consolidation.

Insights

Local government can become a key partner in the new Tasmanian Wellbeing Framework (once established) by developing linked objectives and key performance indicators (KPIs) (with appropriate support) for responding to and reporting on place-specific community issues. Under this approach, all councils would work with the State Government to collect and report data on indicators, and councils could set priority objectives that help to achieve positive wellbeing outcomes under the framework at a local level.

There is a growing focus on the use of wellbeing indicator frameworks in local government across Australia to help provide councils with clarity on how they can influence and improve wellbeing at the local level. These frameworks also provide robust evidence on community issues which can inform tailored approaches to delivery of wellbeing services. A core principle of these frameworks is to ensure a relevant set of indicators that can measure where councils, through their functions and services, can directly influence the wellbeing of communities.

Under the *Tasmanian Public Health Act 1993*, councils are required to develop a Public Health Plan. The scope of this requirement could be broadened to also encompass wellbeing, bringing the process in line with other jurisdictions such as Victoria, who have mandated municipal Public Health and Wellbeing Plans.

Option 1.3

Require councils to undertake Community Impact Assessments for significant new services

Rationale

A Community Impact Assessment (CIA) would help councils to assess the case for providing particular services in response to community need and/or demand that is not otherwise planned for. Preparing the assessment should also help councils in their advocacy to other spheres of government, when they are considering filling a 'service gap' by providing a service another entity or sphere of government normally provides (e.g., primary healthcare).

CIAs would require councils undergo a transparent, thorough, and consultative process with their communities that considers the social and cultural impacts on communities and individuals, as well as clearly and succinctly documenting the whole-of-life costs for the community and how it will be paid for. This may include a 'notional rates increase' to demonstrate the full costs in simple terms. (Subject to other options being considered below, this option could also apply to acquisition of new infrastructure).

Engagement feedback

Although many councils already undertake these sorts of processes, there is merit in providing greater consistency, as well as supporting councils that currently have limited resources and capability to make these assessments.

CIAs could assist with better decision making and more informed community support.

- They would facilitate a consideration of whole-of-life costs for new assets (see also 8.2).
- They would enable communities to better appreciate the costs of expanding services into new or non-core areas, including the impacts on the rates and charges they pay, and the value they might derive. It would also provide councillors with a framework to manage diverse and competing community desires and practical expectations.
- It may be more efficient for councils to consider service costs on a larger-scale, strategic basis rather than on an issue-by-issue basis.
- Any CIA mechanism would need to be relatively straightforward, consistent and not simply a 'tick-and-flick' exercise to generate the desired effect.

Insights

Councils around Australia are increasingly involving their residents in decision-making processes regarding service delivery through a variety of contemporary community engagement methods (such as social and community impact assessments), particularly when confronted by development-related decisions. Transparency in the need for and cost of new services supports 'community licence' for councils undertaking new activities or providing new infrastructure.

To have your say on these reform options go to the review website.

Priority Reform Outcome 2: Councillors are capable, conduct themselves in a professional manner, and reflect the diversity of their communities

Option 2.1

Develop an improved councillor training framework which will require participation in candidate pre-election sessions and, if elected, ongoing councillor professional development

Rationale

Providing brief – but mandatory – pre-election candidate awareness training would support an increased 'baseline' understanding of the roles and responsibilities of councillors.

Providing compulsory, ongoing, and accessible professional development training opportunities would support the continual improvement and professionalism of elected representatives, ensuring they can achieve the best outcomes for their communities.

Engagement feedback

- There was general acknowledgment that the lack of effective and consistent expectations regarding councillor training contributes - at least partially - to the significant variation in the capabilities of councillors across the State.
- Those seeking to represent their community on council need at least a good understanding of the role and what will be expected of them.
- Any 'pre-training' should be concise, targeted, and meaningful, and not so onerous that it is a barrier to prospective candidates. It could be in the form of a video module and orientation checklist to be completed as part of the candidate registration process.
- There was also strong support for ongoing professional development of councillors and executive council staff. This should:
  - not be tokenistic but interactive and rigorous;
  - enable councillors to understand and perform the roles they've been elected to carry out; and
  - be externally led, perhaps building on training already being provided by the Local Government Association of Tasmania (LGAT), plus newly developed training by the Office of Local Government.

Insights

Most Australian jurisdictions have some form of mandatory training for elected representatives.

Victoria and Queensland require mandatory training for candidates prior to nominating for councillor. Both jurisdictions introduced mandatory training prior to their 2020 local government elections. Both of these training programs are delivered through online modules and take an hour to complete.

Regarding post-election training, councillors in NSW are required by law "to make all reasonable efforts to acquire and maintain the skills necessary to perform the role of a councillor". Information about NSW councillor participation in induction and professional development

activities must be published in councils' annual reports. This ensures councils transparently inform their communities of the training their councillors are undertaking.

Western Australia, South Australia and the Northern Territory all have forms of induction training mandated to be completed within the first 12 months of the councillor's term.

Option 2.2

Review the number of councillors representing a council area and the remuneration provided

Rationale

The Board has heard that there may be merit in reducing councillor numbers in some councils to create a more effective governance model. This may also provide scope to explore increases in remuneration which do not materially impact ratepayers. The Board has heard increased remuneration for councillors could support a more diverse cross-section of the community seeking election. It may also help the sector attract and retain talented and experienced councillors.

There are provisions in the Tasmanian *Local Government Act 1993* that enable inquiries into councillor allowances to be undertaken. The last inquiry, held in 2018, recommended that the formula for categorisation of councils and base allowances be reviewed. This review has yet to occur, but presents an opportunity to increase allowances and narrow disparities in allowance rates between councils. The ability to increase councillor allowances is currently confined to these inquiry processes.

Engagement feedback

There was broad agreement that current councillor allowances:

- are sometimes not enough to support a diverse range of individuals to run for their council;
- prevent some individuals with other personal commitments running for council;
- do not reflect the level of effort realistically required from councillors, given the increasing complexity of their role, community expectations, and statutory responsibilities;
- may mean councils fail to attract and retain talented councillors and may limit the time and effort some councillors can devote to their role;
- mean that running for council is often only a viable option for people who are wealthier, older, and/or work less;
- differ between urban and rural councils, even though they have the same statutory responsibilities. Councillor allowances vary as much as $30,000 between Tasmania's largest and smallest councils. This was thought to be particularly unfair on rural councillors, as they are often 'on call' in the local community in times of crisis and may travel large distances to attend meetings; and

- could be increased and made more consistent across the sector if some consolidation of councils occurred.

Insights

Evidence shows that low remuneration for councillors is a problem across the sector. A 2021 study by the Australian National University found NSW councillors were being paid less than the minimum wage compared to the hours of work their role entails. The same study also found 81 per cent of councillors found their role dissatisfying due to low remuneration. This study has supported recent reviews of elected representative allowances in Victoria and NSW.

Option 2.3

Review statutory sanctions and dismissal powers

Rationale

The overall reputation of the sector has been damaged by instances of poor councillor behaviour. This has been compounded by the constrained capacity of the State Government to intervene under existing legislation in certain circumstances.

Engagement feedback

- The local government sector and the community are frustrated by the limited sanctions and limited accountability for misconduct by elected representatives.
- While councillor misbehaviour is not the norm, instances of poor behaviour often gain prominent media exposure, tarnishing the reputation of the local government sector as a whole.
- In combination with enhanced councillor training and professional development, some strengthening of sanctions is necessary to ensure communities are well represented, and to protect other councillors and council employees.

Insights

Under the approved reforms from the Local Government Legislation Review, the Tasmanian Government has already agreed to a range of stronger sanctions and dismissal powers. This will give greater powers to the State Government to intervene in cases of serious misconduct and strengthen the existing frameworks. The Board is exploring whether these approved reforms will adequately respond to issues raised during the engagement process.

Option 2.4

Establish systems and methods to support equitable and comprehensive representation of communities

Rationale

There are a number of systems and methods that could further support equitable and effective representation of communities

in Tasmania. These include undertaking periodic representation reviews, establishing committees to represent specific communities within larger council areas, dividing existing or new LGAs into wards, and setting up engagement hubs throughout local government areas.

Engagement feedback

- In some geographically larger councils, the majority of elected representatives tend to come from the more populated urban area. This may lead to residents living in the broader council area not being adequately represented.
- Some council submissions supported the consideration of ward systems, as they have the potential to ensure improved representation and provide residents with a clear point of contact.
- Other submissions suggested that building engagement processes and outreach capacity is a more effective way to engage with a broad cross-section of residents (See also 3.1 below).
- Increasing the scale of councils may increase their capacity to undertake more comprehensive and effective community engagement. This would ensure better representation and greater consideration of community voices.
- 77 per cent of Tasmanians under 45 surveyed reported feeling that their council does not engage with them, or represent them or others their age. It was frequently expressed that councillors often get elected on niche issues and represent parochial interests, which do not reflect issues or needs of younger residents. This sentiment was expressed across all categories of councils across the State.

Insights

The South Australian *Local Government Act 1999* requires each council to conduct an Elector Representation Review at least once every eight years. A Representation Review determines whether a council's community would benefit from a change to its composition or ward structure, and examines such matters as the method of electing the Mayor, the number of council members and whether wards are appropriate.

The Tasmanian *Local Government Act 1993* allows councils to be divided into two or more electoral districts. However, Tasmania is the only State with no councils divided into wards.

To have your say on these reform options go to the review website.

Priority Reform Outcome 3: The community is engaged in local decisions that affect them

Option 3.1

Require consistent, contemporary community engagement strategies

Rationale

Community expectations of engagement are increasing, including the need for far greater community involvement in council decision making. Appropriate and consistent engagement guidelines would facilitate engagement approaches that are uniform across Tasmania and informed by best practice.

The Local Government Legislation Review recommended that existing community engagement provisions under the *Local Government Act 1993* should be removed, as they are overly prescriptive, and require councils to undertake engagement through mechanisms which are generally outdated. We believe replacing the existing provisions with a requirement that each council develop their own community engagement plan would support a consistent approach to engagement, while still allowing individual councils the autonomy and flexibility to tailor how they engage, and what they engage on, with their local communities.

Engagement feedback

- Councils do not provide enough opportunities for genuine input into local decision making, including consulting on decisions that directly impact ratepayers.
- Councils do not always 'make the effort' to engage with all members of the community in ways that are relevant to them and on the issues that affect them. We heard this in particular from Aboriginal communities.
- Fundamentally, good engagement begins with ease of availability and transparency of information.
- In recent years, some councillors have been subjected to unhealthy communication through social media from a small number of individuals.
- Social media has rarely been used for productive engagement with communities on substantive issues, such as council priorities and budgets.
- Many Tasmanians under 45 noted that their councils fail to listen to or engage with younger voices, particularly when making service or infrastructure decisions, or addressing local challenges and issues. We heard broadly that councils should be engaging with all their residents so that they can effectively support their communities, or advocate for action on local issues to other levels of government.

Insights

Evidence shows that where communities are engaged in the decision-making process, they are more likely to trust and accept council decisions. These decisions are therefore more likely to deliver good public value, as they will better reflect the community's needs and priorities.

An increasingly common approach to supporting engagement and representation is through implementing comprehensive engagement plans and systems supported by technology and professional engagement staff. Community engagement planning is mandated for councils in NSW, WA, Victoria, and South Australia.

Additional processes to better engage communities could include a requirement to prepare Community Impact Assessments when deciding to deliver non-core services or acquiring new infrastructure (see 1.3), and implementing a best practice performance monitoring and management framework for local government (see 3.2).

Option 3.2

Establish a public-facing performance reporting, monitoring, and management framework

Rationale

Councils are currently required to report on a range of financial and asset management, service activity, and regulatory compliance matters, but these data are underutilised and fragmented. The data also may not reflect the issues of greatest interest to local residents. There is a dearth of consistent, publicly available information on service cost, quality, and community satisfaction. More streamlined collection and presentation of service level data in particular would reduce both the administrative burden on councils and improve community transparency by providing the community with a clear line of sight to councils' long-term strategic directions and the decisions they make.

The Local Government Legislation Review recommended a local government performance reporting framework to support enhanced consolidation and accessibility of existing council reporting. We believe there is scope to build a framework which presents council performance data in a central online platform, modelled on approaches taken in other states.

Engagement feedback

- The State Government should assist with developing the framework, and the collection and communication of robust, consistent data from all councils.
- The design must be flexible enough to recognise that different priorities are important in different areas.
- Any framework should include relevant and agreed metrics for measuring wellbeing where councils can influence outcomes. This would signal the importance of community wellbeing as a fundamental purpose of local government.

Insights

- Tasmania has fallen behind many other jurisdictions, which in recent years have introduced a range of best practice, online comparative reporting and benchmarking metrics and tools for local government performance monitoring. In particular, wellbeing is becoming increasingly recognised by governments in their data collection and reporting, reflecting the fact that economic activity on its own does not represent the state of a community.
- Earlier in the Future of Local Government Review process, the Board released two data dashboards which collate and present publicly available data on Tasmanian councils with the purpose of helping to inform the public's knowledge of what councils do, and to support engagement with the Review. These dashboards were well received by the sector and public, and could be considered a first step in enhancing transparency and reporting of council data in Tasmania.
- Western Australia, Victoria, and New South Wales have developed approaches to online performance reporting which provide 'one-stop shops' for accessing consistent information and data on councils accessible by the public. These mechanisms enhance council governance by making performance more transparent, accountable, clear, and comparable. This approach also facilitates and supports councils in their continuous improvement of functions and services.

Option 3.3

Establish clear performance-based benchmarks and review 'triggers' based on the public-facing performance reporting, monitoring and management framework

Rationale

This option builds on the performance reporting, monitoring and management framework in Option 3.2. It could be used to establish performance benchmarks, and a set of clear and proportionate intervention options when benchmarks are not being met. Intervention options could range from a council being requested to explain its performance, through to service improvement directions, or efficiency audits by an external regulatory authority.

The Local Government Legislation Review proposed the introduction of new powers to install 'financial supervisors' and 'monitors/advisors' as an early intervention measure to address governance and/or financial concerns at the individual council level. Councils would have stronger incentives to risk manage and 'self-regulate', including acting on recommendations of their audit panels.

More robust information on council performance could also be used by the Director of Local Government to take a risk-based approach when overseeing council compliance activities under the *Local Government Act 1993*. It was proposed in the Local Government Legislation Review that audit panels be required to provide their reports to the Director of Local Government, upon the Director's request. This would be a solid first step in ensuring enhanced provision of information on council performance.

Engagement feedback

- Developing performance benchmarks in a collaborative way would be a valuable exercise allowing councils to learn from each other.
- There was some merit in rolling audits of efficiency and effectiveness that the Local Government Board previously undertook. This did lead to some council improvement, however it was a significant process which was somewhat arbitrary. If reinstated, the review processes should be more focussed.
- Audit panels are not effectively resourced, and it is currently unclear if councils are responding to their advice.

Insights

The Local Government Board used to be required under the *Local Government Act 1993* to undertake regular, rolling 'efficiency and effectiveness' reviews of individual councils. This practice has fallen away, but could easily be re-introduced.

To have your say on these reform options go to the review website.

Priority Reform Outcome 4: Local councils have a sustainable and skilled workforce

Option 4.1

Implement a shared State and local government workforce development strategy

Rationale

In the absence of shared strategies, councils and the State Government can compete with each other and the private sector for staff, driving up costs without addressing skill shortages. They also risk duplicating workforce training, development, and recruitment efforts, when the cost of delivery could be shared.

A workforce strategy that recognises the common skills required to work in councils and/or in State Government should minimise unintended competition between the sectors and provide more attractive career pathways for employees within both spheres of government. The workforce strategy should also recognise the skill needs of individual councils based on their local functional and service requirements.

Engagement feedback

- There is broad support for this option.
- Previous workforce strategies should be reviewed to understand what has changed and why, what was applied and worked, or why actions were not pursued or did not gain traction.
- Innovative approaches are required. These might include embracing flexible modes of working, internships, apprenticeships, secondments and cadetships, connecting with TAFE, universities, and secondary schools to help students understand the value proposition and potential career pathways local government can offer.
- It requires a collaborative, sector-wide approach.
- Training local people in regional communities has been shown to enable people to stay in regions.
- Smaller and remote councils need greater assistance in this area.
- Local government career pathways need better articulation, framing and a positive narrative.
- 62 per cent of Tasmanians under 45 surveyed noted they would not consider a career in local government for a number of reasons, including perceived workforce cultures, poor resourcing of their council, and perceptions that the size of their council could limit their ability to effect change.

Insights

We can learn from looking at workforce plans from other industry areas and their capability frameworks.

The Independent Review of the Tasmanian State Service noted that there are many similarities between the roles undertaken in local government and the Tasmanian State Service, such as administration, public health, finance, emergency management, engineering, and construction. There are also areas in both tiers of government that would benefit from closer collaboration, such as the provision and delivery of contemporary services for Tasmanians. That Review also acknowledged that the secondment of Tasmanian Government staff to partner organisations (such as councils) could help to identify efficiencies or improved ways of working together.

The Cradle Coast Authority (CCA) recently undertook a local government school-based apprentice project, which was funded by the Australian Government and supported by the State Government. This project saw the CCA work with member councils and schools in North West Tasmania to support younger people into career pathways and develop the local government workforce in regional areas. These projects can help to build the profile of the sector as a viable and meaningful career pathway for younger Tasmanians, and help to retain young people, particularly in regional areas.

Option 4.2

Target key skill shortages, such as planners, in a sector-wide or shared State/local government workforce plan

Rationale

Given the serious shortages of such skills across the two sectors, a targeted workforce plan could:

- address capacity gaps across the whole State and local government regulatory system;
- provide more attractive career pathways for professionals;
- allow for succession planning within both spheres of government;
- support the training and development of a new category of para-professionals to undertake less complex tasks;
- minimise the competition between the two tiers of government and the private sector for staff; and
- reduce duplication of workforce training, development and recruitment efforts.

Engagement feedback

- There was strong support for this option: 'a proactive not a reactive approach is required'.
- Local government as a career pathway needs better articulation, framing, and a positive narrative.
- Needs to be embedded with State Government and education providers, such as the University of Tasmania.

Insights

There is strong and consistent evidence of an international skills shortage affecting councils' abilities to perform their regulatory functions. In response, local government workforce initiatives have been implemented in many countries.

Option 4.3

Establish 'virtual' regional teams of regulatory staff to provide a shared regulatory capability

Rationale

Regulatory staff from councils across a region could form a virtual team that supports some or all councils and leverages combined capability. The team could include planning officers, environmental health officers, and other specialist staff. All regulatory responsibilities would remain with councils, and staff would remain physically located in their councils. A proportion of the team's time would be used for predictable regular services for their 'home' councils, such as pre-lodgement liaison with proponents and assessing and determining routine development applications. When required, team members could be assigned to more complex and intermittent work from across the region.

Engagement feedback

- This approach was preferred to removing staff from councils and consolidating them in a co-located team, as this would erode core capacity within the individual councils.
- This would be useful when councils need access to planned or unexpected 'surge capacity'.
- The option may be operationally challenging given current workforce shortages.

Insights

This option may be less beneficial if the structural reform of moving to fewer, larger councils is undertaken.

To have your say on these reform options go to the review website.

Priority Reform Outcome 5: Regulatory frameworks, systems, and processes are streamlined, simplified, and standardised

Option 5.1

Deconflict the role of councillors and the role of planning authorities

Rationale

The Board has heard that the role of councillors "to represent the community" often conflicts with the role of planning authorities to objectively apply the provisions of a planning scheme regardless of the views of the community. Councillors found it difficult to participate in important public debates about major developments in their municipality for fear of 'pre-judging' development applications or being accused of bias in the assessment process.

The Board accepts that this conflict creates issues in only a very small proportion of development applications. Some stakeholders, however, expressed the view that this small number of cases created significant friction between councillors and between councils and their communities.

The Board does not have a clear view on the best way forward to address this issue and presents a three options below for further discussion.

Option 5.1a

Refer complex planning development applications to independent assessment panels appointed by the Tasmanian Government

Rationale

The assessment of complex development applications depends on access to technical expertise, robust data, efficient administrative systems, sound decision-support systems, and strong communications support.

Independent panels appointed by the State Government would have access to a diverse range of specialists and establish robust administrative and technical support systems, allowing a consistent standard of decision making state-wide.

Clear criteria would be established to define which developments must be referred. This could include:

- high value developments;
- developments in which the council or councillors have a direct interest, including developments on council land;
- developments in sensitive locations;
- developments of particular industry types; and
- developments with particular types of impacts.

Freed from the constraints of acting as a planning authority, councils would be able to represent their community and its views in submissions on complex developments as they are being assessed.

Councils would continue to assess and determine other development applications and retain overall land-use planning responsibilities.

Engagement feedback

- This reform would only apply to a small proportion of applications, with the majority of development applications continuing to be determined by councils and their delegated council staff.
- Costs involved should not fall back on the councils it was designed to assist. Rather a proponent user-pays model would be appropriate. Panels should comprise a range of relevant skills and knowledge and must include a person with knowledge of the local context of the particular development, including community and council priorities.

Insights

NSW has five Sydney planning panels and four regional planning panels introduced in 2009 to enhance decision-making on regionally significant development applications (generally having a capital investment value of over $30 million). The panels are each independent bodies, not subject to the direction of the Minister of Planning and Public Spaces.

Option 5.1b

Remove councillors' responsibility for determining development applications

Rationale

This option is similar to option 5.1a but elected representatives would be removed from the process of determining development applications entirely. Applications would routinely be assessed by planning staff in councils and, if required, escalated to independent panels appointed by the State Government.

Councillors would still have responsibility for all the strategic elements of the planning system, including strategic land use planning and recommending Local Provision Schedules.

Council would also be able to make representations to independent planning panels on discretionary elements of development applications (in addition to officer level advice as currently provided to councils).

Engagement feedback

- Community planning and environment groups strongly support maintaining councillors' role in determining significant local development determinations.
- Development interests are seeking a development approval system that is consistent and predictable. They did not find that this is always the case when development determinations were made by councillors.

Insights

This option has parallels with the introduction of Local Planning Panels in some areas of New South Wales. Under this system, a local planning panel is made up of a chair (appointed by the Minister), expert members (appointed by the council from a list approved by the Minister) and a community member (appointed by the council).

Option 5.1c

Develop guidelines for the consistent delegation of development applications to council staff

Rationale

While most development applications are determined by council officers under delegation, a small proportion are considered by councillors (or independent panels as proposed in 5.1a) acting as a planning authority. An absence of clear guidance on options to delegate planning processes to council staff can frustrate and lengthen the planning assessment processes.

Planning decisions must be based on professional, technical assessments against criteria under the planning scheme. However, councillors are often under community pressure to make decisions that reflect popular opinion based on considerations outside their formal statutory role as a planning authority. This can unduly divert council resources and undermine community confidence in the council and in the planning system.

Guidelines would help councils to determine which decisions should be made by councillors, and which should be made by the council's planning staff under delegation. The criteria in such a policy could be based on the nature of the development (e.g., capital value, location, activity proposed), the nature of the proponent (private individual, business, government agency, council, councillor) and/or the number of representations received.

This would provide clarity to proponents and the community and reduce the potential for the development application process to be unduly influenced by local political pressures. It may also lead to more efficient decision-making, as proponents, council staff, councillors, and the broader community would be clearer on who will be making key decisions, and on what basis.

Engagement feedback

- There was a range of views on whether all councils need to take a consistent approach to this issue, or whether some discretion is acceptable and desirable.
- While few thought the problem was bad enough to warrant a mandatory approach to delegation, there was some support for councils being offered guidelines they could choose to adopt.

Insights

While there do not appear to be any precedents for such a policy, the variety of approaches councils currently apply to this issue suggests there would be some benefit from clearer/improved guidance.

Option 5.2

Greater transparency and consistency of councils' resourcing and implementation of regulatory functions

Rationale

Councils' performance of their regulatory functions varies widely, with many falling well below risk-based benchmarks. Where there is underperformance of regulatory functions, there is an increased risk to public health and safety.

This option would include measures of regulatory resourcing and implementation in a new public-facing performance reporting, monitoring and management framework (see option 3.2). This would help communities to understand how well their councils are exercising their regulatory responsibilities, and help councils to 'level up' to the standard of other similar councils.

Engagement feedback

- The most common explanation councils have offered for failing to exercise all regulatory responsibilities is a lack of access to skilled staff.
- Other explanations offered include poor awareness of regulatory requirements by applicants, and a lack of resources for smaller councils to undertake statutory functions.

Insights

The Victorian Government's Know Your Council website reports councils' performance of a range of regulatory functions, and allows these to be compared between councils. For example, for food safety, councils report:

- time taken to action food complaints;
- percentage of required food safety assessments undertaken;
- cost of food safety service per premises; and
- percentage of critical and major non-compliance outcome notifications followed up by council.

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Option 5.3

Increase support for the implementation of regulatory processes, including support provided by the State Government

Rationale

Council regulators have some discretion when applying the State Government's statutory regulations to their local circumstances, but they must treat all applicants fairly and equitably. Councils have told us they need more support and resources to be able to strike this balance. This option aims to make regulation simpler and more efficient through streamlining the collective understanding and expectations concerning regulatory frameworks, ensuring transparency around agreed guidelines and decision-making

support tools, training, regulatory support hotlines, and data collection and usage.

Current approaches assume that regulatory requirements, such as for building approvals or environmental protection, can be written as objective 'rules' and 'tests' which are clearly linked to stated policy intentions. For development applications, for example, the Tasmanian Planning Reforms should broaden the availability of 'acceptable solutions' and limit discretion to where it is absolutely necessary. Where such rules and tests are not possible, specific policy objectives and decision-making guidelines would need to be understood.

A program of improving transparency and consistency could also target particular council and development industry priorities like, for example, 'no permit' pathways for low-impact urban infill.

Engagement feedback

- There was strong support in our engagement for this option, with greater collaboration and support from the State Government seen as critical.
- If designed in a collaborative way between State Government and councils, a comprehensive package covering all elements of regulatory implementation would increase both council capability and the challenge of balancing local and State objectives.
- The Tasmanian Planning Reforms are heading in this direction, which was seen as positive. This option would complement those reforms, both within planning and in other regulatory areas such as building, public health and pollution control. There was agreement that there are currently considerable cultural and structural barriers to local governments accessing State Government knowledge and clear guidance about applying and interpreting policy which sometimes results in unnecessary complexity and conflict.

Insights

Planning reform has been advocated by a range of national and state commentators and is being pursued in most jurisdictions.

The Tasmanian Government is undertaking a number of initiatives to address housing affordability. It has committed to delivering 10,000 social and affordable homes by 2032 and is finalising a 20-Year Housing Strategy which will guide the types of homes to be built, and when and where they will be built.

Option 5.4

Strengthen connections between councils' strategic planning and strategic land-use planning by working with State and Commonwealth Governments

Rationale

Strategic land-use plans that have the support of all spheres of government would help to align Commonwealth, state, and local priorities in residential development, industrial development, infrastructure investment, and green space protection. The

review of the regional land use planning framework underway through the Tasmanian Planning Reforms is a good opportunity to advance this option.

Without strategic land-use plans, councils:

- risk making land-use planning, infrastructure, and investment decisions that fail to account for known demographic and other future trends;
- may fail to make the necessary regional trade-offs for effective and efficient resource allocation;
- may fail to manage future risks; and
- risk costly and ineffective public investment and missed opportunities for meeting social, economic, and environmental objectives.

Engagement feedback

- There was general support for this option, although it was acknowledged previous attempts have not been realised to their full potential, with participants feeling greater State Government buy-in would be needed. It was noted strategic land-use planning had in general been poorly resourced and implemented across Australia.
- While a long-term common vision was important for community and investment, plans need to allow flexibility for changed circumstances and contexts and should include measurables and accountability mechanisms. Communities need to be able to see evidence of implementation in the short-term.
- Such plans require clarity around purpose and importance, a high-level framework and specific implementation strategies, investment, accountability, and should be contextually dependant.
- 'City Deals' were said to be good for those 'in the tent' but most of Tasmania was outside of these areas, and this form of collaboration was clearly not appropriate for rural areas.

Insights

This option would see the occurrence of more collaborative strategic land-use planning, such as the 30-year Greater Hobart Plan and the Hobart City Deal.

This option may be less beneficial if the structural reform of moving to fewer, larger councils is undertaken. Larger councils would have responsibility for larger areas, which would simplify decision making on land-use planning in that area. They would also have larger populations to equitably share the costs and benefits of infrastructure investment.

To have your say on these reform options go to the review website.

Priority Reform Outcome 6: Councils collaborate with other councils and State Government to deliver more effective and efficient services to their communities

Option 6.1

Require Councils to collaborate with others in their region, and with State Government, on regional strategies for specific agreed issues

Rationale

Some of councils' responsibilities and interests are shared with others in their region, for example road networks that cross boundaries or common challenges such as flooding. Where neighbouring interests can be aligned, there are opportunities for mutual advantage; where interests are in conflict, there are benefits in resolving them.

This option would aim to identify a core list of regional issues that councils should be collaborating on, requiring them to engage and agree on regional strategies for those issues. It could include, among other things, land-use planning, regional economic development, climate change adaptation, and procurement of large civil construction projects. Each council's strategic plan would be aligned with these regional strategies.

There are a variety of ad-hoc regional structures in place for collaboration between councils and with other spheres of government. Rather than mandating a particular structure, this option would allow councils to choose the structure most effective for them to consider regional issues.

Engagement feedback

- There was strong feedback that defining the regional role of councils was more important than mandating council participation in regional organisations.
- Some regional organisations have been highly effective on particular issues, especially where there is a clear and shared common purpose.
- Without a clear purpose for regional organisations, some councils are reluctant to make long term funding commitments to them.
- Activities such as economic development work better when planned and coordinated by regional and state-wide bodies, rather than individual councils.
- For issues that clearly transcend council boundaries (climate change is an example), better region-level and multi-tiered government collaboration is desirable.
- Many respondents to our survey of Tasmanians under 45 noted that the inherent competitiveness between councils is stifling regional planning for key issues like public transport, climate change response and mitigation, and efficient urban planning.

Insights

Experience from jurisdictions such as NSW has shown that State Government attempts to formalise regional structures based on defined boundaries are not necessarily supported by councils.

Collaboration among councils and between councils, regional organisations, and other tiers of government has been effective in the establishment and operation of the NRM hubs and Regional Tourism Organisations.

Option 6.2

Establish stronger, formalised partnerships between State and local government on long-term, regional, place-based wellbeing, and economic development programs

Rationale

Earlier this year, the Tasmanian Government announced it will develop 'regional strategic partnerships' between the Tasmanian Government and LGAT, working directly with relevant 'council clusters' in those regions.

The stated objective is to set a 20-year framework, vision, and direction for planning and land use to support economic and community development. The Board understands the partnerships will focus on:

- identifying natural advantages at the regional level for supporting the attraction of emerging industries, such as hydrogen and synthetic fuels production;
- partnering with skills and training providers to align with growth industries and key regional strengths; and
- place-based planning and delivery of education, housing, and health and community services to support the attraction and retention of regional workforces and build viable, vibrant, and sustainable communities.

Engagement feedback

- Collaboration between State and local government is essential in health and wellbeing related programs and economic development. Without collaboration, there is a risk of duplication of effort.
- Collaboration must go both ways and clear and consistent State Government commitment to working with regional organisations is needed. On occasion, State Government may choose to bypass regional organisations and deal directly with individual councils on issues of regional significance.

Insights

Effective strategic partnerships can be given effect in a variety of different ways. In Victoria, clarity on long-term strategic wellbeing objectives is provided through the Victorian *Public Health and Wellbeing Act 2008*, which recognises the key role of councils in improving the health and wellbeing of people in their municipality.

It requires each council to prepare a municipal public health and wellbeing plan every four years. This is supported by an overarching Victorian Public Health and Wellbeing Plan, which sets priorities councils need to consider, such as tackling the health impacts of climate change, increasing healthy eating, increasing active living, and reducing tobacco-related harm.

Option 6.3

Introduce regional collaboration frameworks for planning and designing grant-dependent regional priorities

Rationale

Competitive processes for State and Australian Government grant funding often create unhealthy or inefficient competition between councils for funding which – if packaged up and allocated differently - could otherwise benefit a greater number of people in a wider regional community. Additionally, larger councils often have greater capacity to undertake and be successful in these processes. Grant application processes themselves potentially divert funding away from pressing core service needs and priorities.

Enhancing collaboration between regional councils could ensure State and Australian Government grant processes receive high quality applications from councils that best serve the needs of regional communities. In addition, it would lead to more efficient efforts by councils in seeking and expending grants by reducing duplication of effort between councils, enabling more equitable access to grant-seeking expertise by all councils.

Engagement feedback

- If council membership in regional organisations was mandatory, these organisations could be the vehicles for identifying regional funding priorities and undertaking grant application processes.
- Grants are caused by, and perpetuate, uneven capability: often councils with capacity apply for and win grants, and those that don't, miss out – this is not an effective model.

Insights

The Northern Tasmania Development Corporation (NTDC) developed a list of Northern Tasmania Regional Priority Projects. These Regional Priority Projects contained a mixture of health and wellbeing, built infrastructure, skills and jobs development, and other initiatives identified as benefitting the broader Northern Tasmania region. The NTDC advocated and supported these projects on a regional scale, supporting the development of a broader region, as opposed to an individual council.

Option 6.4

Support increased integration (including co-location) of 'front desk' services between local and State governments at the community level

Rationale

It is broadly accepted that Service Tasmania shopfronts represent a 'success story' in providing a well established integrated, customer-centred hub for accessing a broad range of government information and services. Many Service Tasmania shops are now co-located with libraries and other community services and facilities.

There are likely to be significant opportunities to leverage these and other arrangements to further develop 'one-stop shop' service hubs.

Further co-location of State and local government shopfronts and shared online customer service systems have the potential to provide a more seamless and customer-centred service experience, improve operational 'cross-pollination' between local and State Government, and save on commercial rents.

Engagement feedback

- The Board has heard that many community members do not have a clear understanding of which level of government is responsible for various services.
- In many cases, it should not in fact be necessary for community members to understand these delineations – e.g., where they simply need to be able to undertake a transaction such as obtaining a licence, paying a fine, or completing an application form.

Insights

The Independent Review of the State Service recommended (Rec. 66) developing and expanding service delivery partnerships between State, Commonwealth, and local government in Tasmania.

Co-location of Service Tasmania and council office 'shopfronts' has occurred in Devonport (Paranaple Convention Centre) and was previously trialled in Hobart.

Other states (such as South Australia) have established shared online service portals which can be used by councils to support a range of customer service functions.

To have your say on these reform options go to the review website.

Priority Reform Outcome 7: The revenue and rating system efficiently and effectively funds council services

Option 7.1

Explore how councils are utilising sound taxation principles in the distribution of the overall rating requirement across their communities

Rationale

Council rates are broad-based taxes on property or the value of land. Taxes on land are generally considered one of the fairest and most efficient forms of taxation, as they have very low negative effects on economic growth and activity.

There is currently limited transparency associated with the ratings policies that councils make and how it impacts on the distribution of rates burden across communities. For example, some councils preferentially rate commercial operations, while others seek a greater proportion of rates from residential properties.

It is proposed that the State work with the sector to explore the current distribution of rates burden across communities in Tasmania, including the relative weight of revenue raised from different categories of land. This work may highlight the need for more innovative rating practices to ensure that rate liabilities are shared equitably across the community. For example, there may be merit in considering alternative rating options such as progressive rating scales within specific categories of land use – noting that the implications of any such options would need to be very carefully considered.

Tasmanian councils are also able to levy separate rates under the *Local Government Act 1993*. These are additional rates which apply to some areas or classes of property, such as for local promotion and economic development. Separate rates may represent a preferable solution to recent, high-profile rating distortions in the policies of some councils, and be simpler and more accountable to the community, including in the hypothecation of funds realised. Ideally, ratepayers to whom the separate rate applies should have a role in determining its price, which is efficient because it helps determine the optimum quantity of the service provided.

Engagement feedback

- There was broad feedback that the current rating system lacks transparency and may be inequitable for similar land categories across different municipalities.
- Concerns have been raised that the current system fosters competition rather than collaboration between councils.
- This reform requires a holistic, principles-based approach, aimed at equity and carefully avoiding unintended consequences.

Insights

The design and effectiveness of Tasmania's system of funding local government (rates, user charges, and grants) should be assessed to ensure that it is consistent with contemporary tax design and public finance principles and will meet the future needs of councils and their communities.

Option 7.2

Enhance public transparency of rating policy changes

Rationale

This option would build on the work under recommendation 7.1 and see better and more user-friendly reporting and transparency of rating policy changes as part of a proposed local government performance monitoring and management framework (see option 3.2). This may include better transparency around the distribution of the rating burden across the community.

The Tasmanian Government has agreed to the Local Government Legislation Review recommendation that council audit panels be required to review any proposed rate changes that deviate from a council's long-term financial plan, and/or any changes to a council's long-term financial plan.

Audit panels will continue to be independent of their councils and the panels must have a majority of independent members.

Engagement feedback

- There was strong support for making council rating processes more transparent to the public.

Insights

There is scope to review the suite of financial and asset management metrics that councils are required to report on, to ensure they remain meaningful and provide a clear and fair picture of the overall position of councils over time. Other jurisdictions, such as Western Australia, have introduced sophisticated frameworks that provide a more holistic picture of council financial sustainability across several metrics.

Option 7.3

Examine opportunities for improving councils' use of cost-based user charges to reduce the incidence of ratepayers subsidising services available to all ratepayers, but not used by them all

Rationale

Councils presently meet their regulatory obligations, and provide many services, through a mixture of user fees and subsidies from general revenue. User charges should, optimally, reflect the actual cost of a service. This option would:

- enhance transparency and accountability for revenue raising and service delivery;
- assist the community to understand true costs of services and potentially the costs of regulatory processes; and
- identify potential areas for councils to pursue productivity improvements (and alleviate prices or improve services), for example through improved technology or provision at larger scale.

Where councils choose to subsidise certain activities (which may be justifiable in certain circumstances) these subsidies should be reported transparently in their financial statements, to ensure they are understood by the community.

More consistent pricing, in the form of user charges, could also help facilitate the trade in services between councils, such as through shared services arrangements.

Engagement feedback

- While establishing a consistent approach to user-pays by applying the 'benefit principle' of taxation has merit for some services, there was general concern it may lead to inequitable outcomes given the significant variations in wealth and incomes within and between councils.

Insights

The Government has agreed to reforms recommended by the Local Government Legislation Review to legislate principles or guidelines for council fees and charges to promote greater consistency and transparency.

Option 7.4

Consider options for increasing awareness and understanding of the methodology and impacts of the State Grants Commission's distribution of Federal Financial Assistance Grants

Rationale

The State Grants Commission allocates Financial Assistance Grants to councils, funded by the Australian Government ($82m in 2021-22). Approximately 53 per cent of the grants are allocated to councils for the maintenance and renewal of roads, 14 per cent are allocated on a per-capita basis, and the remaining 33 per cent are allocated on the basis of the balance of a council's capacity to raise revenues and their need for expenditure, which is weighted by numerous variable cost adjustors.

The allocations for this component, and the per-capita grants, are made in accordance with National Principles, including horizontal fiscal equalisation and 'effort neutrality' (the latter meaning grants should not disincentivise councils from raising revenue through efficient land taxes like rates

Engagement feedback

- Elected officials should be more aware of the basis on which grants are allocated, there was a view the wider public also needs to be aware of these technical processes.
- There was broad agreement that the allocation model should evolve over time to reflect the spending priorities of councils and communities rather than focus on roads.
- Feedback from some councils pointed to inequities with base grants that result from the application of the current allocation model.
- More work was needed to understand how the grants distribution process (and associated methodology) may be impacting councils' broad incentive to explore strategic regional shared service opportunities or other efficiencies.There was broad agreement that the allocation model should evolve over time to reflect the spending priorities of councils and communities rather than focus on roads.
- Feedback from some councils pointed to inequities with base grants that result from the application of the current allocation model.
- More work was needed to understand how the grants distribution process (and associated methodology) may be impacting councils' broad incentive to explore strategic regional shared service opportunities or other efficiencies.

Insights

This is a technical area that should be subject to incremental and considered reform as a part of a broader rates and revenue review.

Option 7.5

Investigate possible alternative approaches to current rating models, which might better support councils to respond to Tasmania's changing demographic profile

Rationale

Over the past 10 years, Tasmanian councils have increased rates more slowly than their interstate counterparts, despite having comparatively broad legislative discretion on how they determine rating levels. This could reflect an increased focus on efficiencies and constraining cost increases. It could also reflect constraints that prevent councils from raising the revenue that they need to continue delivering services.

Tasmania has a population that is ageing – rapidly in some areas. The Board has heard that the current rating system presents a challenge for some owner occupiers who, while owning a valuable (and appreciating) asset, may be reliant on fixed incomes. It appears many councils feel the pressure to constrain rate increases knowing it will impact these residents.

Pensioner concession holders are entitled to a Tasmanian Government-funded reduction on their rates, at a budgeted cost of $19.2m for 2022-23. However, this is a relatively small proportion of the

overall rates impost as it is capped at $345 per pensioner household for TasWater customers, and $507 for households without reticulated water.

Engagement feedback

- While reform may be contentious and would need to be very carefully managed, there is an opportunity to further explore concession arrangements to determine whether it could be more effective for Tasmania's changing demographics and provide greater relief to households who are most in need.

Insights

Other states have implemented various schemes to better support councils to rate in these instances, and the Board would like to understand these models better.

To have your say on these reform options go to the review website.

Priority Reform Outcome 8: Councils plan for and provide sustainable public assets and services

Option 8.1

Standardise asset-life ranges for major asset classes and increase transparency and oversight of changes to asset lives

Rationale

The way councils put a financial value on their assets determines how much they budget for depreciation and maintenance costs. This in turn can determine how much they budget for asset replacement and influences a range of council financial and asset sustainability metrics.

The Board has found councils adopt a broad range of different asset lives for the same classes of assets. Often asset lives are reported as longer than what is recommended in guidance principles or by other jurisdictions. In some cases they are extended without a justification being provided for changes.

Engagement feedback

- There is general agreement that councils as a whole need to improve their asset costing, planning, and assessment, but may lack the knowledge and/or resources to manage this effectively.
- It is accepted that councils will need some general flexibility as asset lives can vary across areas, reflecting factors such as methods, maintenance, usage, and geography.

Insights

There is an identified need to review and learn from interstate and international models. If asset lives are not appropriately managed, infrastructure backlogs could create significant sustainability issues that future Tasmanian communities will have to pay for.

Option 8.2

Introduce requirement for councils to undertake and publish 'full life-cycle' cost estimates of new infrastructure projects

Rationale

It is important that councils and their communities are informed and make decisions about their investments with a clear picture of the 'whole-of-life' costs of new infrastructure projects, and the 'trade-off' implications this may have, whether in relation to the management and maintenance of existing assets, the provision of other services, or the need to raise additional revenue.

Engagement feedback

- Councils are under constant community pressure to provide new infrastructure and are regularly offered 'one-off' infrastructure grants from other spheres of government in response to these

demands. While this support is welcome, it can require both up-front co-contributions and ongoing expenditure for asset maintenance that can be hard for councils to accommodate within already constrained budgets.

- There is a need for accountability and oversight systems, including transparent reporting. This could be done via audit panels if they were given a strengthened role and clear responsibility.

Insights

A carefully designed system could help councils make investment decisions and also build community awareness of the whole-of-life costs of new infrastructure and facilities. This should make it easier for councils to say 'no' to one-off capital grants that impose long-term financial burdens on councils.

Option 8.3

Introduce requirement for councils to undertake regular service reviews for existing services

Rationale

Regular service reviews would be an opportunity for councils and their communities to consider if a service currently being provided is still a priority, and should be continued. They would complement and inform other strategic planning processes/decisions councils undertake regularly. Community engagement would be mandated.

Regular service reviews could provide councils with the opportunity to have frank and open conversations with their communities about their service preferences and priorities, informed by data about up-front and lifecycle costs, and feedback on satisfaction with/value of services.

This process could give councils a stronger and more confident mandate to make asset management and budget decisions (particularly around long-lived infrastructure investments) and should improve general community awareness of the 'true' cost of providing services

Engagement feedback

- Feedback from the local government sector is that community service expectations continue to grow, but with no clear appreciation or understanding of service costs, or the consequent trade-offs required.

Insights

The Board has heard that strategic service planning across the sector is generally uneven and there could be more discipline and rigor around regularly reviewing the value of both existing and prospective services.

Option 8.4

Support councils to standardise core asset management systems, processes, and software

Rationale

Currently, asset management practices are inconsistent across councils, in terms of systems, processes, data captured, and software used. The Board's analysis found that less than half of councils are currently complying with the relevant requirements of the *Local Government Act 1993*. Increasing the standardisation and consistency of asset management practices would support robust service level benchmarking and investment prioritisation, as well as potentially increased skills and resource sharing between councils.

Engagement feedback

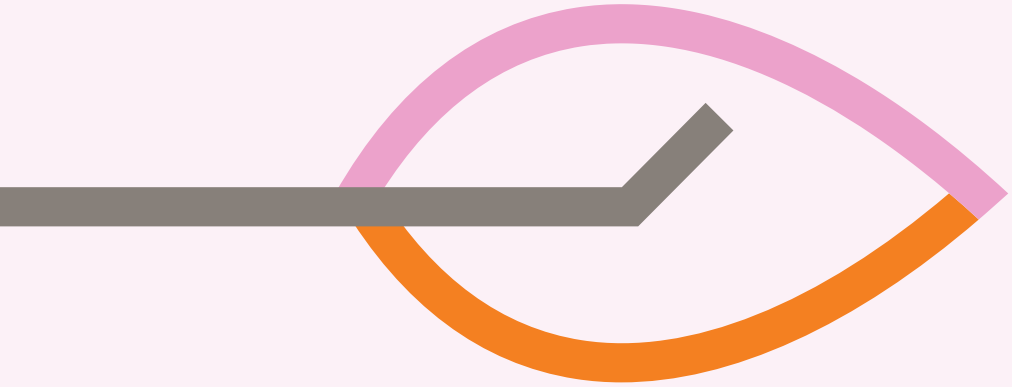
- There was in-principle support for this option, providing that a cost-effective system can be developed to meet the needs of councils
- The general view expressed was that the State mandates reporting on asset management but does little to facilitate and coordinate the process.

Insights

This will be an important reform to facilitate better and more sustainable asset management.

To have your say on these reform options go to the review website.

The future of local government review



Tasmanian Government

Department of
Premier and Cabinet

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