

**Submission in
response to the
future of local
government review**

Options Paper

Review Stage 2 – December 2022



**City of Hobart
23 February 2023**

City of Hobart submission to The Future of Local Government Review options paper

February 2023

Core business of local government

<p>Which of the four core roles of Councils need more emphasis in the future? Why?</p>	<p>Advocacy is an increasingly important role for Councils, as communities change the needs change and local government is often best placed to recognise those needs, even if it relates to services provided by other tiers of government. The expectation from community for Councils to be an advocate is expected to increase.</p>
<p>Do you agree there is general community support for councils continuing to deliver their current range of functions and services?</p>	<p>Yes, the community expects 'traditional' services are delivered to a very high standard and regularly expects the Council to expand service delivery. Care is needed to ensure any expansion (or increased diversity) of service delivered is adequately funded and does not result in 'cost shifting' from other tiers of government.</p>
<p>Are there any functions and services councils deliver now that they shouldn't? Why?</p>	<p>Councils should regularly review the services it delivers to ensure they are continuing to provide public value. A review to identify service delivery duplication between councils and other spheres of government may be beneficial to avoid duplication and overlap.</p>
<p>Assuming they have access to the right resources and capability, are there services or functions you think councils could be more involved in? Why?</p>	<p>Councils could (and should) play an increased role in strategic planning associated with the developed (or shaping) of their municipal area. Often such planning is either avoided altogether or imposed by state agencies. As the tier of government closest to community, Councils are well placed to play this role. However, Councils need to be appropriately resourced and skilled to take the lead role in this high-level planning.</p> <p>In a population growth context, it is essential that a Council led strategic planning function guides the land use, physical and social infrastructure planning that is required for growing communities. This is especially necessary in the Tasmanian State Planning context where there is very little strategic land use planning expertise in the current State Planning Office.</p>

	<p>Local Government also has an important and expanding role to play as a leader, enabler and coordinator in climate action that leaves no community behind. As corporate entities, local governments have a responsibility to be leaders in mitigating and adapting their assets and services to reduce risk and leverage opportunities. As the tier of Government closest to the community, local government is an enabler, acting as a trusted broker, facilitator, service provider, regulator, advocate, funder and collaborator in climate action with the community, as well as coordinating with other local governments, state and national governments. There is increasing expectation from community for local government to prepare and respond to natural disasters and other shocks, which are increasingly compounded. In the absence of a Tasmanian statewide emergency management system, there is a high expectation from communities that local government will be 'on the ground' responding to the increasing number of natural disasters impacting on local communities.</p>
<p>Where do councils currently make the biggest contribution to community wellbeing?</p>	<p>The City of Hobart is guided by its community vision. This vision identifies eight community priority pillars:</p> <ul style="list-style-type: none"> • Sense of place • Community inclusion, participation and belonging • Creativity and culture • City economies • Movement and connectivity • Natural environment • Built environment • Governance and civic involvement.
<p>What wellbeing functions and services should they provide in the future and how can they be supported to do that?</p>	<p>Changing demographics will impact the range and level of services expected of Councils. The need for increased advocacy on behalf of communities has been detailed above. Planning for the effective growth and development of an area has a direct impact on the wellbeing of the community who live in or visit that area.</p>

	<p>Ensuring adequate provision of public, green and open space is made available for recreation, and all key services is an important function. Councils need to be resourced to undertake such planning and develop infrastructure to support community need. The introduction of developer contributions (applied in most mainland jurisdictions) is one way such resourcing could be made available.</p>
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Reform outcomes

Key Reform Outcome Areas	Options	Comments
<p>Councils are clear on their role, focused on the wellbeing of their Communities and prioritising their statutory functions</p>	<p>Establish a Tasmanian Local Government Charter which summaries councils' role and obligations, and establishes a practical set of decision-making principles for councils</p>	<p>The City of Hobart suggests that a set of overarching governance principles will be more reflective of modern councils and the role that their communities expect them to play as policy leaders. This approach has been adopted in Victoria and Queensland and provides councils in those states with a clear set of principles that inform their decisions and scope.</p> <p>For example, section 8 of the <i>Local Government Act 2020 (Vic)</i> describes the role of councils as follows:</p> <p>(1) The role of a Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.</p> <p>(2) A Council provides good governance if—</p> <p>(a) it performs its role in accordance with section 9;</p> <p>(b) the Councillors of the Council perform their roles in accordance with section 28.</p> <p>(3) In performing its role, a Council may—</p>

		<p>(a) perform any duties or functions or exercise any powers conferred on a Council by or under this Act or any other Act; and</p> <p>(b) perform any other functions that the Council determines are necessary to enable the Council to perform its role.</p> <p>Section 9 of that Act sets out what are called the ‘overarching governance principles’, being matters to which councils must have regard when making decisions. They provide important structure with respect to the broader role of councils in a social context, as well as identifying matters of broad policy with which councils are expected to engage.</p> <p>By way of example, the ‘overarching governance principles’ contained in s 9 of that Act include the following:</p> <p>(b) priority is to be given to achieving the best outcomes for the municipal community, including future generations;</p> <p>(c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;</p> <p>...</p> <p>(f) collaboration with other Councils and Governments and statutory bodies is to be sought;</p> <p>...</p> <p>(h) regional, state and national plans and policies are to be taken into account in strategic planning and decision making...</p> <p>By augmenting Tasmanian councils’ broad functions with something akin to overarching governance principles, the broader policy aspect of councils’ roles in their communities will be recognised and supported.</p> <p>This broader statement of the matters which inform council decision-making will be of particular assistance to Council, which assumes a special role in maintaining a capital city that is a vibrant, diverse and attractive</p>
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		destination domestically and internationally, and a leader in matters of policy, including housing, the arts and the environment.
	Embed community wellbeing considerations into key council strategic planning and service delivery processes	The City of Hobart is guided by its community vision and sees community wellbeing as a core consideration in its planning and delivery.
	Require councils to undertake Community Impact Assessments (CIAs) for significant new services or infrastructure	<p>Considering the impact on community is an embedded part of the City of Hobart’s decision making in relation to new initiatives. A recommendation to mandate Community Impact Assessments (CIA) should only be made if it is shown to improve upon current practice.</p> <p>Should CIAs be mandated, clarification will be needed to establish criteria to determine what new services and infrastructure would be the subject of a CIA.</p>
Councillors are capable, conduct themselves in a professional manner, and reflect the diversity of their communities	Develop an improved councillor training framework which will require participation in candidate pre-election sessions and, if elected, ongoing councillor professional development	<p>As outlined in our submission to stage 1 of the review, the City of Hobart considers it imperative that elected members are equipped to make informed, effective and transparent decisions that promotes the best interests of their community. This includes ensuring that elected members receive timely training in relation to their role and responsibilities. Elected members need to have an understanding of:</p> <ul style="list-style-type: none"> - Planning - Financial management - Conduct obligations - Public accountability. <p>The City of Hobart urge the Board to recommend the introduction of mandatory training requirements for all candidates in local government elections and for elected members after election. Induction training for Elected Members should include:</p> <ul style="list-style-type: none"> - The role of the Mayor and elected members - The role of the CEO / General Manager and the administration, including interactions between elected members and the administration - The model code of conduct and consequences of breach

		<ul style="list-style-type: none"> - Conflict of interest - Engagement and reconciliation with Traditional Owner groups within the council’s municipal area - Giving effect to gender equality, diversity and inclusiveness. <p>To support elected members ongoing professional development, refresher training sessions should be mandated throughout a council term.</p> <p>The City supports the introduction of a requirement for each Council to appoint a Principal Conduct Officer. This appointment would provide a resource to deal with a number of issues and avoid reference to the Code of Conduct Panel, especially when the issue is minor.</p>
	Review the number of councillors representing a council area and the remuneration provided	A review of the number of councillors representing a council area is supported in principle. It is also important to review councillor remuneration in light of the expectation of the role. Any review should however be conducted after the application of boundary changes resulting from this review.
	Review statutory sanctions and dismissal powers	<p>The City of Hobart considers that the sanctions available to a Code of Conduct Panel are appropriate for lower-level misconduct. However, there is scope for more serious sanctions as the seriousness of the misconduct escalates.</p> <p>The Board might consider adding to the existing scale of sanctions available, such as:</p> <ul style="list-style-type: none"> - Providing an apology in a particular form - Removal from representative appointments - Undertaking specified training or counselling - Suspension from office for a period of up to 3 months - Suspension from office for up to a period of 12 months, and - Disqualification from office.

		This expands the levers available to address poor conduct while reflecting the importance of the role elected members play in the community.
	Establish systems and methods to support equitable and comprehensive representation of communities	The City of Hobart supports the principle of equitable and comprehensive representation of communities and would welcome the opportunity to be consulted on proposed measures.
The community is engaged in local decisions that affect them	Require consistent, contemporary community engagement strategies	As the tier of government closest to community, it is critical that local government have a genuine commitment to community engagement. The City of Hobart encourages the Board to recommend that genuine, contemporary community engagement be captured as a core principle for the local government sector. As an example, the Victorian Local Government Act 2020 – provides principles for community engagement and refers to deliberative engagement practices. In order to achieve state-wide consistency in community engagement practices, local governments could also be required to adopt the IAP2 model of community engagement or similar.
	Establish a public-facing performance reporting, monitoring and management framework	The review of the future of local government could signal a responsibility and accountability to each individual Council and set the framework for long-term improvement of sector good governance that considers and is responsive to local community needs. It should drive an integrated approach to planning and reporting to support strategic decision-making through: <ul style="list-style-type: none"> - recognising that planning must be holistic and driven by the community - providing a comprehensive view of available resources and commitments - enabling alignment of objectives and capabilities, and - supporting an understanding of medium to long-term implications of decisions on resource allocation and Council performance.
	Establish clear performance-based benchmarks and review 'triggers' based on the public-facing performance reporting, monitoring and management framework	

		<p>A planning and reporting framework should also support and embed evaluation and continuous improvement.</p> <p>Rather than mandated triggers to conduct a review, the City of Hobart recommends that Councils are encouraged and adequately equipped to build this into regular business process.</p>
<p>Councils have a sustainable and skilled future workforce</p>	<p>Implement a shared State and local government workforce development strategy</p>	<p>The City of Hobart would welcome the opportunity to collaborate with the sector and the State Government to explore the feasibility of a shared workforce development strategy. This should not be limited to regulatory staff.</p> <p>A workforce development strategy could explore opportunities for sharing of staff between jurisdictions, including identifying and addressing potential barriers e.g. sufficient flexibility in EBAs.</p> <p>Work will need to take place to address a range of industrial relations issues (i.e., multiple enterprise bargaining agreements) for this proposal to work effectively.</p>
	<p>Target Key skills shortages, such as planners, in a sector-wide or shared State/local government workforce plan</p>	
	<p>Establish 'virtual regional teams of regulatory staff to provide a shared regulatory capability</p>	
<p>Regulatory frameworks, systems and processes are streamlined, simplified, and standardised</p>	<p>Deconflict the role of councillors and planning authorities</p>	<p>While there is an inherent conflict at times between the two roles, this is addressed through steps including:</p> <ul style="list-style-type: none"> (a) educating elected members on their responsibilities when acting as planning authority – this is done for new elected members at the start of a new term and there are regular reminders on this distinction; (b) having strong separation through officer assessment and recommendations, so that elected members make planning decisions with a firm understanding of the issues and are provided with expert advice to support their decisions; (c) support by officers (including the Director level) at Planning Committee meetings to answer questions and remind elected members if they appear to be considering matters which are outside the planning framework; and

		(d) elected members making delegations so that officers can make decisions on the majority of applications.
	Refer complex planning development applications to independent assessment panels appointed by the Tasmanian Government	The City of Hobart has demonstrated that it can make robust decisions on planning applications of a complex nature. It is acknowledged that smaller councils may not have the resources to respond to applications such as this. It is proposed that any changes to the decision-making framework are flexible enough so that a council can opt-in, rather than it being mandatory.
	Remove councillors' responsibility for determining development applications	For the reasons set out above, it is considered that this is not necessary.
	Develop guidelines for the consistent delegation of development applications to council staff	The nature and number of applications will vastly differ from council to council. It is important that any guidelines cater for these differences and there is no "one size fits all" approach to delegations.
	Greater transparency and consistency of councils' resourcing and implementation of regulatory functions	The City of Hobart supports the principle of transparent reporting. However, it is not clear what is intended by the recommendation or how it would go beyond the current reporting requirements of Councils.
	Increase support for the implementation of regulatory processes, including support provided by the State Government	This is incredibly important. There is currently no process for feedback from councils, who encounter issues on a day-to-day basis, to provide feedback on how to improve the development process by the State Government.
	Strengthen connections between councils' strategic planning and strategic land-use planning by working with State and Commonwealth Governments	This proposal is supported. It is noted that this is already happening to a degree in some areas, including housing. However, this could be further strengthened and expanded.
Councils collaborate with other councils and State Government to deliver more effective and efficient services to their communities	Require councils to collaborate with others in their region, and with State Government, on regional strategies for specific agreed issues	Increased collaboration is essential to optimise the best outcomes for communities. This involves collaboration between Councils (particularly at a regional level) as well as between Councils and the various State agencies.

		<p>There are many effective examples of good collaboration (e.g., the Greater Hobart Strategic Partnership (Clarence, Glenorchy, Kingborough and Hobart councils), regional bodies (Cradle Coast, STCA and Northern Tas) as well and the various Joint Authorities that have been established. Waste Management is an example in this regard.</p> <p>Clarification is needed to understand what ‘compulsion’ might be imposed to mandate collaboration and what would trigger the requirement. If collaboration is to be mandated, this requirement must also be applied to the various State Agencies that currently do not engage with Councils. For example, the Greater Hobart Act 2019 is an Act to assist councils in the Greater Hobart area and the Tasmanian State Government to better collaborate with each other.</p>
	Establish stronger, formalized partnerships between State and local government on long-term regional, place-based wellbeing and economic development programs	<p>Effective partnerships are a good way to optimise service delivery. Support for the formalisation of any process needs to be qualified until the detail of such formalisation is understood. Care is needed to ensure partnerships (if formalised) deliver, rather than simply ticking a box.</p> <p>In the experience of the City of Hobart, the State Government who often ‘holds the purse strings’, see councils as the ‘junior partner’ in partnership projects. Local Government can be a critical delivery partner with the State government, however, recognition of local government as a legitimate level of government, and equal partner with significant expertise needs to be a foundation principle of any State and Local Government partnership model.</p>
	Introduce regional collaboration frameworks for planning and designing grant-dependent regional priorities	This concept is supported however more detail on the proposal is required to fully understand the implications. A framework of this nature should be developed by Councils for Councils.
	Support increased integration (including co-location) of ‘front desk’ services between local and state governments at the community level	This concept is supported. The Hobart Service Tasmania team was accommodated at the Hobart Council Centre whilst renovations were undertaken to the Service Tasmania offices, that co-location worked well. Careful thought needs to be given to the ICT implication associated with this initiative.

<p>The revenue and rating system efficiently and effectively funds council services</p>	<p>Explore how councils are utilizing sound taxation principles in the distribution of the overall rating requirement across their communities</p>	<p>Ensuring the taxation principles are appropriate is an important part of councils' long-term financial management.</p> <p>Councils should be empowered to act within a set of principles to enact a revenue strategy that explores:</p> <ul style="list-style-type: none"> • What should be funded from a user pays model and rating to fund public services and benefits. • Whether the rate burden falls appropriately across different types of ratepayers. • Whether the rating system is practical and cost effective for Council to administer. • Whether the rating system is transparent, simple to understand and comply with. • Does it maximise economic efficiency e.g. does it encourage development in the City and population growth or stifle it. • Is the rating system sustainable and generate a reliable revenue source for Council and is it flexible in changing conditions. • Does it support those ratepayers with least capacity to pay? <p>A balance should be struck between rating to fund public services and benefits versus private services to specific groups or individuals which are often better funded through user fees and charges.</p>
	<p>Enhance public transparency of rating policy changes</p>	<p>The City of Hobart agrees that revenue policy should be informed by community consultation and be clearly communicated.</p>
	<p>Examine opportunities for improving councils' use of cost-reflective user charges to reduce the incidence of ratepayers subsidizing services available to all ratepayers, but not used by them all</p>	<p>Generally, councils provide services that either provide a public or a private benefit to the community. Generally, public services are those from which users cannot be excluded and collecting a fee would be difficult, such as parks and roads and are therefore charged through Council rates. Private goods or services are those that the community can choose to use or not, such as applications for planning and building approvals. In general the City provides private services on a fee-for-service basis, either fully or partly.</p>

		<p>The City of Hobart agrees that fees charged under a fee-for-service model should appropriately consider the cost to deliver the service as well as any policy objective of the council.</p>
	<p>Consider options for increasing awareness and understanding of the methodology and impacts of the State Grants Commission's distributions of Federal Assistance Grants</p>	<p>The City of Hobart recommends that the State Government review and adjust how the Federal Assistance Grants are distributed, particularly in the context of current and projected population growth.</p> <p>Specifically, the City of Hobart recommends the State Grants Commission implement a population growth disadvantage cost adjustor to account for the additional costs experienced by rapid population growth. This cost adjustor would recognise that councils are incurring costs <i>now</i> for a forecast growing population. The Western Australian method for estimating a population growth cost adjustor based on predicted population growth will better suit this situation – with the relevant Tasmanian data source being Treasury population projections.</p>
	<p>Investigate possible alternative approaches to current rating models, which might better support councils to respond to Tasmania's changing demographic profile</p>	<p>A joint State and Local Government Review of Tasmania's Valuation and Local Government Rating (review) was undertaken from 2009 to 2013. The review, which was requested by the Local Government Association of Tasmania (LGAT), was a direct response to the concerns of ratepayers and councils about the impact of property valuations on council's rating processes and on the options available to councils in determining rates.</p> <p>The review concluded with a series of recommendations, which were accepted by the then Minister for Local Government. However, as no legislative change was made to mandate the recommendations, it was left to individual councils to determine the appropriate rating strategy for their municipal area.</p> <p>There is also a clear need to implement a system to require developer contributions similar to other jurisdictions which provides an important revenue source to help local government manage development within its municipal area.</p>

Councils plan for and provide sustainable public assets and services	Standardise asset life ranges for major asset classes and increase transparency and oversight of changes to asset lives	This reform is supported as long as there is genuine engagement with Councils to agree on the standardisation proposed.
	Introduce requirement for councils to undertake and publish 'full life- cycle' cost estimates of new infrastructure projects	This reform is supported; however criteria will need to be developed to identify the size of new infrastructure projects which are to be the subject of the assessment.
	Introduce a requirement for councils to undertake regular service reviews for existing services	This proposal is supported in principle. However, rather than being mandated, Councils should have the flexibility to review its services in an order and frequency that makes sense for that Council, rather than a mandated process.
	Support councils to standardize core asset management systems, processes, and software across councils	This reform is supported in principle however engagement with Councils will be necessary as there are many software systems in place that have been the subject of considerable (and recent) investment by Councils. It is also important to note that different Councils have different levels of technical maturity.

Building Local Government Capability and Capacity

Do you agree with the Board's assessment that Tasmania's current council boundaries do not necessarily reflect how contemporary Tasmanians live, work, and connect?	Yes, the last change to boundaries was in 1993, there has been significant change on a range of fronts since that time. Noting also that some council boundaries were not changed in 1993, many of those councils have not undergone the organisational change (modernisation) that would have otherwise been the case.
We have heard that councils need to be "big enough to be effective and small enough to care". How big is big enough to be effective?	Connection to community is the key issue and this is not determined by the size of a Council. For example, a large Council can establish process and systems to ensure it maintains 'touch points' with all areas of its community. Councils need to have systems and processes to fully comprehend the makeup and needs of their communities, and to be effective in meeting the diverse needs of those communities.
How small is small enough to care?	
What factors determine that?	

<p>How do we strike the balance between these factors?</p>	<p>Previous reviews have talked about the retention of a 'community of interest'. This becomes more difficult for Councils with larger geographical footprints that may have more than one identifiable community of interest. Striking the balance is made more difficult in Tasmania with relatively large areas with sparse populations. A Council that has intensive residential settlement and / or highly developed commercial areas should not be combined with more sparsely populated rural areas.</p>
<p>Thinking about Tasmania now, and how it might change over the next 50 years, what are the most important things to consider if we were to 'redraw' our council boundaries?</p>	<p>Ongoing technological change and advancement, settlement patterns along with the longer-term population projections.</p> <p>Ensuring that potential economic and industrial growth and development is factored in.</p> <p>Considering longer term planning being undertaken by a range of State Agencies and Councils.</p>

Structural Reform – 3 Potential Pathways

<p>Which of the three broad reform pathways do you think has the best chance of delivering what the community needs from local government? Why? What would be your biggest concerns about changing the current system? How could these be addressed?</p>	<p>With a population of just over 500,000 Tasmania is not best served by the continuation of 29 Councils. Some consolidation is required. However, it is recognised that boundary change proposals have always been difficult to achieve in Tasmania, such change, whilst establishing larger (and more robust / sustainable) councils will not result in the extent of reform required.</p> <p>There is potential for significant efficiency and effectiveness gains through the aggregation of services. However, without boundary realignment, the aggregation of services could negatively impact Councils' sustainability.</p> <p>With any change process, it is critical that adequate workforce planning is undertaken to ensure people are supported and that Councils are adequately skilled to deliver its functions.</p> <p>On balance, the City of Hobart supports the Hybrid Model which involves both the realignment of council boundaries and the aggregation of service. Service aggregation would need to be first step in this process. The clarification of service delivery requirements will then help inform the size and boundary of the Councils.</p> <p>Arrangements for the compulsory aggregation of services needs to be negotiated with Councils, rather than mandated for them.</p>
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	Clarity is also required to understand if the Board is considering aggregation and delivery of the identified service by a new authority, or if shared services where one Council takes the lead and delivers a service to other Councils, or a combination of the two.
In any structural reform process, how do we manage the very different needs and circumstances of rural and urban communities?	As outlined above, previous reviews have talked about the retention of a 'community of interest'. This becomes more difficult for Councils with larger geographical footprints that may have more than one identifiable community of interest. Striking the balance is made more difficult in Tasmania with relatively large areas with sparse populations. A Council that has intensive residential settlement and / or highly developed commercial areas should not be combined with more sparsely populated rural areas.
Other factors	It is clear many of the reforms identified will require significant legislative change to enable implementation. Close and meaningful engagement with Local Government will be required on both the detail of the reforms proposed and the legislative change needed.