

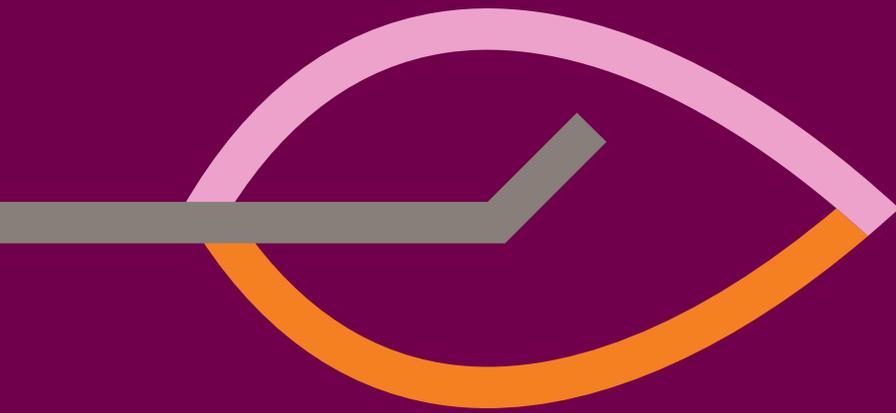
Interim Report
Section 4: Opportunities, issues, and challenges

Review Stage 1 – June 2022

The future
of local
government
review



Let's All Shape the Future
of Local Government.



The Local Government Board is seeking submissions in response to the Consultation Questions on [page 8](#) of the Interim Report until the 25 August 2022.

Please visit www.engage.futurelocal.tas.gov.au to respond to the questions online.

Alternatively, you can provide a written submission to:

LGBoard@dpac.tas.gov.au or

Future of Local Government Review
GPO Box 123, HOBART, TASMANIA 7001

Section 4: Opportunities, issues, and challenges

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Section 4: Opportunities, issues, and challenges

In this section, we identify and discuss a range of issues, opportunities, and challenges for local government in Tasmania across our seven Review Themes. The things we talk about have all come up strongly during the discovery and engagement phase in one form or another: be it through community and stakeholder feedback via the formal engagement processes, written submissions, or our own research and analysis.

In a number of areas, these sources of data and evidence have allowed us to see common issues from different angles, and in the process, have given us a broader sense of some underlying structural drivers that we believe cut across all our Review Themes. Those are the areas where we are recommending further investigation in Stage 2, and which we set out in the next section.

Each of the Review Themes are broad, reflecting the scope and diversity of functions and services that councils currently deliver across the State. In this section, we want to focus on the key issues as we see them. For those who want to get a better idea of the current range of roles, responsibilities and services councils are involved in under each of the themes, the Board has published a series of short fact sheets that explain this in more detail (see [Appendix 4. Review Theme Fact Sheets](#)).

This section is structured so that for each of our Review Themes we:

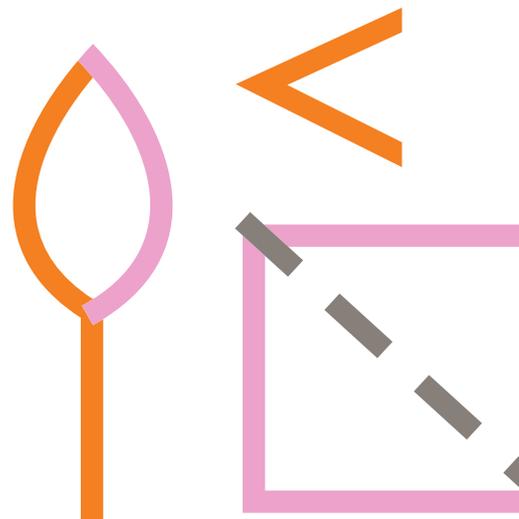
1. Provide an overarching summary of the things we think are important to focus on, and how this informs and is relevant to our broader Priority Reform Areas in [Section 5](#);
2. Set out a 'future vision', which translates the proposed role for local government and the high-level capability aspirations we discussed in [Sections 2](#) and [3](#) into a more tangible set of desired outcomes for each of the core functional areas that councils are currently involved in; and
3. Explain in more detail the main structural issues, challenges and opportunities as we understand them - at the broad, system-wide level - including how they either support or potentially hinder the future vision.

What does 'success' look like? – explaining our review theme 'future visions'

For each Review theme, we have developed a 'Future Vision' statement. These statements have been designed using our developing understanding of the future role of local government and the Capability and Outcome Aspirations discussed in [Section 3](#) of this Report. Importantly, our Future Visions do not pre-empt any structural design for the sector, nor do they imply any existing service failure. They have been used to assess and better understand the community feedback and other evidence we have brought together in Stage 1.

Consultation questions:

- *Do you think the Future Visions capture what 'success' would look like if all our councils were working well? Is there anything you would add or remove?*
- *Thinking about the Future Visions and how we might achieve them, are there any other opportunities, issues, and challenges under the Review Themes that you think the Board might have missed?*



Review theme 1: Infrastructure provision and management

Overview

Councils manage more than \$11 billion worth of vital infrastructure across the State, ranging from major arterial roads through to local playgrounds and barbecue facilities. The infrastructure councils decide to provide and maintain is important to local communities, but it can also have significant social, economic, and environmental impacts at both the regional and state-wide level. For instance:

- Councils are responsible for a significant amount of Tasmania's passenger transport and freight routes, owning and managing approximately 80 per cent of the State's total road network. Well-maintained local roads are essential to support both safety and economic productivity;
- Councils can, and do, play a strong and positive role in planning and shaping urban and suburban environments to support a range of wellbeing objectives, particularly through the provision of infrastructure (e.g. green corridors, transport accessibility, supporting community sport and recreation and local cultural activities); and
- The design and provision of stormwater infrastructure is crucial in helping to protect local communities from the impacts of extreme wet-weather events, which are predicted to increase with the effects of climate change.

Tasmanian councils – like those across the country – are under pressure to balance spending across both new and existing infrastructure assets, while also meeting new demands for a broader range of community services. At the same time, many smaller councils struggle to build and maintain both the revenue and the mature strategic asset management **capability** they need to ensure infrastructure investment decisions support their long-run **financial sustainability**.

The Board believes that better **strategic coordination and consolidation** of councils' infrastructure funding, procurement, and delivery – particularly for large projects, whose impacts reach across municipal boundaries – is likely to deliver enhanced overall value to the community overall, while minimising unintended externalities.

Given the vital importance of sound asset management to councils' financial sustainability, improving **strategic capability** is also crucial. Engineers are in short supply and high demand, and asset management skills are currently spread too thinly and unevenly across the sector. We need to look at structural options that will attract and retain the skills we need while improving consistency and overall quality in asset management systems and approaches state-wide.

Future vision - infrastructure provision and management

Councils plan for, provide, and manage their infrastructure assets in a strategic, efficient, and sustainable way, such that they respond to and meet the current and future needs of the local communities they serve, while simultaneously supporting regional and state-wide social, economic, and environmental objectives.

Councils can do this because they:

- Have the sustainable financial capacity to plan, fund, and build required new infrastructure, while also managing their existing renewal and replacement obligations;
- Consistently adopt best-practice strategic asset management and procurement practices;
- Are supported by highly competent professional staff, working with high quality data and asset management systems; and
- Operate within a broader infrastructure planning, funding, and delivery framework that provides the right incentives for them to make economically efficient and equitable infrastructure investment decisions that maximise the overall net benefits to Tasmania.

What we have learned – issues, opportunities and challenges

Councils are coming under increasing financial pressure to maintain and renew their assets, while at the same time are being asked to meet a range of new service expectations

In 2020–21, both urban and rural councils in Tasmania spent roughly half of all their capital investment allocation on renewal of existing assets, and the other half on new or upgraded assets. For many Tasmanian councils (particularly rural councils), diminishing rates bases, largely fixed grant revenue, and increasing service demands in other areas will pose serious challenges to their financial capacity to fund maintenance and renewal in the future.

This is one of several areas where we have heard there are significant tensions between councils' 'traditional' and ongoing role as a provider of 'services to property', and increased pressures on councils to provide a broader range of social and community services.

Managing substantial infrastructure renewal backlogs is an issue for the local government sector nationally. The ALGA's 2021 'State of the Assets Report'¹⁰ indicates that, across Australia, 30 per cent of all local government assets are not in 'good' condition, 10 per cent require significant attention, and 3 per cent need replacement (at a total estimated cost of \$51 billion for the latter).

Deferring asset renewal can result in substantial economic and social costs through reduced service levels, as well as more expensive remedial works to address damage caused by maintenance not being performed. In the latter case, councils often require support from other levels of government to bring severely degraded infrastructure back up to appropriate standards.

Tasmanian councils are required to report on a number of asset management indicators, including the 'asset sustainability ratio'. This ratio provides a comparison of the rate of a council's spending on its existing infrastructure, property, plant, and equipment through renewing, restoring, and replacing its assets, accounting for depreciation.

¹⁰ Australian Local Government Association, 2021. *Australia's Local Government 2021 National State of the Assets*. (alga.com.au/app/uploads/ALGA-2021-NSoA-Technical-Report-FINAL.pdf)

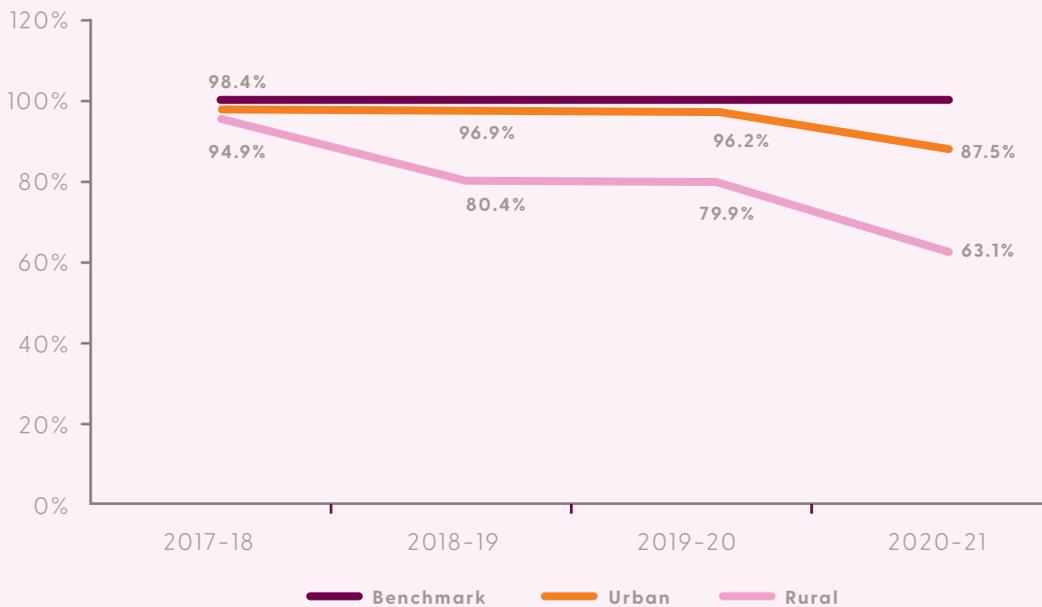


Figure 2: Asset Sustainability Ratio, Rural and Urban Councils, 2017-18 to 2020-21 Source: Tasmanian Audit Office, 2022. Auditor-General's Report on the Financial Statements of State entities -Volume 2 Audit of State entities and audited subsidiaries of State entities 31 December 2020 and 30 June 2021

Figure 2, above, shows the average asset sustainability ratio for Tasmania's rural and urban councils over the past four financial years. An asset sustainability ratio higher than 100 per cent indicates that councils are maintaining operating capacity through renewal of their existing asset base. Ratios lower than 100 per cent indicate a shortfall in asset renewal spending¹¹.

The Tasmanian Audit Office (TAO) notes that, over the past four years, most councils failed to meet the benchmark, with only 10 councils having an asset sustainability ratio on average equal to or above 100 per cent over the four year period. Three councils averaged above 90 per cent, with 11 below 80 per cent. Councils not meeting the benchmark include a mix of both rural and urban councils. Looking further back over a seven-year period (2014-15 to 2020-21), the data indicates that urban councils, on average, had had a lower overall asset sustainability ratio than rural councils.

Spending on asset renewal can be deferred in the short-term if there are insufficient funds available from operations, and borrowing is not an option. However, as noted above, deferred maintenance and renewal beyond a certain point can cost communities significantly more in the long run.

A lack of sector-wide consistency in asset life, valuation and depreciation treatments also persists across the Tasmanian local government sector, which can make it difficult to obtain a clear and comparable picture of councils' current and future renewal requirements. This issue appears to remain, despite a series of recommendations made by the TAO in 2013¹². From 2013 to 2020 Tasmanian councils had the lowest rate of depreciation of assets of all states, suggesting that their mix of assets is anticipated to last longer than the mix in other states¹³.

¹¹ The benchmark is based on a council expending the equivalent of its annual depreciation expense on asset renewals within the year (noting that because many assets are long-lived this will not always occur evenly or consistently on a year-by-year basis).

¹² Tasmanian Audit Office, 2013. *Report of the Auditor-General No. 5 of 2013-14 Infrastructure Financial Accounting in Local Government*

¹³ Australian Local Government Association, 2021. *Australia's Local Government 2021 National State of the Assets*. (alga.com.au/app/uploads/ALGA-2021-NSoA-Technical-Report-FINAL.pdf)



The Board will be investigating this issue in more detail in Stage 2 to understand the extent to which councils – both rural and urban – are under pressure to defer renewal in order to fund other activities. We will also look at whether ‘useful asset lives’ are being unreasonably established or extended to minimise depreciation costs and manage other expenditure or operating pressures. The extent to which either or both things may be occurring has potentially significant ramifications for the scope and associated cost of future infrastructure renewal across the sector and, therefore, the current and future financial position of councils.

Strategic asset management maturity and capability is highly uneven across the sector, and this is being exacerbated by skills shortages and a lack of clear regional coordination and cooperation

Effective long-term strategic asset management requires informed decision-making based on reliable data about asset life, condition, depreciation, and replacement costs, which is subject to regular testing and review.

We have heard during Stage 1 that it is generally accepted – including by the local government sector itself – that the sophistication and maturity of asset management practices is highly uneven from council to council. This is likely to be driven principally by capability differences, and, in particular, the lack of access to skilled civil engineers and asset management professionals at some councils.

Local Government Act 1993 (LG Act) sets out the minimum requirements for councils’ asset planning and management practices. These requirements commenced in 2014 as part of a broader set of reforms designed to improve councils’ financial and asset management and sustainability, including through greater accountability measures. These requirements include councils implementing and monitoring effective asset management policies and strategies (which should cover required service levels, asset lifecycle and other financial considerations) and establishing a 10-year strategic asset management plan for major infrastructure classes, including roads, bridges and stormwater).

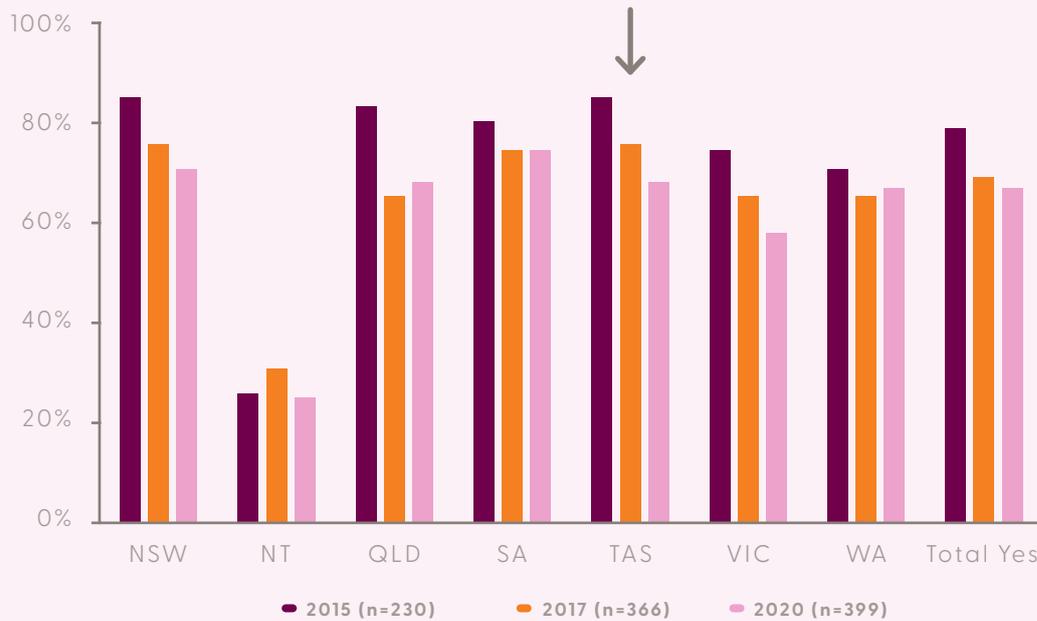


Figure 3: Councils with current long-term strategic asset management plans
 Source: ALGA (2021) The National State of Assets Technical Report

Together, the long-term plans, policies and strategies are intended to form an integrated package of detailed planning documents that directly inform and relate to the council’s broader strategic plan and long-term financial management plan. Under the Act, all these documents must be reviewed at least every four years.

It appears many Tasmanian councils find it difficult to maintain up-to-date long-term strategic asset management plans in line with their statutory requirements. ALGA’s 2021 National State of Assets Technical Report¹⁴ indicates that in 2020, 30 per cent of Tasmanian councils did not have a current Strategic Asset Management Plan (down from 15 per cent in 2015).

Figure 3 above, however, shows that these challenges are not a uniquely Tasmanian phenomenon and are an issue for local government nationally. For example, 30 per cent of all surveyed local councils across Australia reported not having a strategic asset management plan.

Both LGAT and the State Government have provided guidance and resources to support improved asset management capability - for example, LGAT offers access to asset management services via its shared procurement portal for councils, and provides support to the Tasmanian Asset Management Group – but persistent skills shortages and supporting capability constraints (e.g. data and asset management systems) appear to be hampering further practical wholesale improvements. In Stage 2, we will continue to build our understanding of options to build consistency and capability in asset management across local government.

¹⁴Tasmanian Audit Office, 2022. Report of the Auditor-General No. 5 of 2021-22. Auditor-General’s Report on the Financial Statements of State entities. Volume 2. (www.audit.tas.gov.au/wp-content/uploads/AGR-2020-21-Vol-2-Full-Report.pdf)

Better consolidation and coordination of council civil works contracting would likely deliver better value for money

The Board would like to understand whether significant differences in size and purchasing power across Tasmanian councils is resulting in material differences in the delivered cost of comparable infrastructure from one municipality to another. If that is the case, there could be significant cost efficiencies for councils and communities if infrastructure procurement were planned and executed at greater scale. We will be investigating this issue further in Stage 2 to understand the extent and scale of cost differences.

Councils' capital works programs routinely require the purchase of services from civil contractors. Therefore, the efficiency and effectiveness of procurement and contract management processes is also critical to delivering cost efficient infrastructure. Good procurement processes are an essential part of making sure that councils and their communities achieve sound value for money.

Tasmania's Auditor-General has completed two recent performance audits in respect of procurement in local government, in 2019 and 2020. While the audits focused on only a selection of councils, they did point to some substantial systems and capability issues at those councils, particularly for staff skills, training and support and supporting systems and processes. A third performance audit is expected to be published this year and will provide further evidence to inform Stage 2.

The civil construction industry in Tasmania is dominated by a small number of major players, who are also regularly contracted by the State Government for various major projects. This means that currently, councils and/or the State Government may be at any given time simultaneously approaching firms to procure construction services. This can put upward pressure on contract prices.

Therefore, there are likely to be potential cost and other benefits of better aligning the planning and delivery of major capital works across councils and between local and state governments to facilitate a planned 'pipeline' of projects. We are interested in exploring these opportunities further in Stage 2 of the Review.

Fragmentation in strategic land use and infrastructure planning, funding, and delivery is a real issue, despite regional structures designed to improve coordination

Tasmania's current system and structure of local government can make it difficult to align and coordinate effort across council boundaries, and this is particularly the case when it comes to long-term land use and infrastructure planning at the regional level. Competition between councils for residential development to support their individual rate bases (while rational) can and does act as a serious barrier to strategic land use and settlement planning, driving urban sprawl and negatively impacting liveability.

A lack of strategic coordination between land use planning and infrastructure delivery – both across councils and between councils and state government – can lead not only to the inefficient or inequitable allocation of scarce public resources, but also impose costs on the broader Tasmanian community. For example:

- Approval of new developments can impose costs on councils and their communities in terms of new infrastructure requirements (or impacting existing infrastructure). If not managed well, this can lead to unfair cost distribution and subsidies, and substandard infrastructure;



- Investment to increase the capacity of roads that serve car-reliant peri-urban settlements can induce further demand in those areas, in turn creating political pressure to provide, often at significant cost to taxpayers, new or enhanced infrastructure and services to serve those communities; and
- Potential inequities and cross-subsidies can also arise between councils where major community facilities (e.g. aquatic centres) are funded by one council's rates base but enjoyed by the residents of another (noting that efficient user charges will off-set this, at least to some extent). In its submission to the Review, Launceston City Council referred to this as the 'spillover effect'.

Acknowledging these challenges, attempts are being made to improve strategic land use and infrastructure planning, particularly at the regional level; for example, through the three council regional authorities and the development of regional land use strategies. It is unclear if the current system – given the inherent inter-municipal competition it creates – can provide sufficient incentives at the individual council level for highly effective strategic planning at the inter-council, regional and state-wide level, for example to support efficient and effective infrastructure investments in key freight and tourism routes. We will look at this further in Stage 2 by considering the effectiveness of current regional governance models.

Funding mechanisms also play a role here. Local councils fund infrastructure through a combination of self-funding and capital grants from the State and Australian Governments (e.g., Roads to Recovery, the Local Roads and Community Infrastructure Program, and other Specific Purpose Payments). While over the last four years 75.8 per cent of councils' capital spending was self-funded¹⁵, in general terms rural councils rely more heavily than urban councils on grants funding, as they have less capacity to raise own-source revenue.

We have heard that capital grants to councils can provide much-needed infrastructure investment in communities, but they also create long-run maintenance requirements for those communities, which needs to be managed as part of councils' overall long-term financial and asset management planning. If not managed in a coordinated way, multiple funding streams from State and Federal Governments also have the potential to create or compound issues with fragmentation in infrastructure planning and delivery at the regional and state-wide level. The Board would like to build its understanding of these tensions and options to resolve them in Stage 2.

¹⁵ Tasmanian Audit Office, 2022. Report of the Auditor-General No. 5 of 2021-22. *Auditor-General's Report on the Financial Statements of State entities. Volume 2.* (www.audit.tas.gov.au/wp-content/uploads/AGR-2020-21-Vol-2-Full-Report.pdf)

Review theme 2: Finance and administration

Overview

The local government sector currently employs close to 3,500 full-time equivalent (FTE) employees, with total operating revenues of about \$900 million annually, and assets worth about \$11.5 billion. In 2020-21, Tasmanian councils collected over \$0.5 billion in rates and levied \$144 million in other fees and charges. Councils also receive significant funding in the form of grants and transfers from the State and Australian Governments (\$126 million in 2020-21), both on a recurrent basis, and for specific projects and programs.

As with any level of government, sound financial management and competent and professional public administration are essential at the local council level to ensure that all public funds are spent **efficiently, effectively, and transparently**.

It is imperative that local government extracts the maximum overall social and economic benefit to the Tasmanian community from funds it receives from its local residents and ratepayers, and the Australian and Tasmanian Governments.

While some Tasmanian councils have established shared or common services arrangements, in most cases councils still fund and administer their key functions and services in relative isolation. This inevitably results in a level of fragmentation, duplication, and inconsistencies, between councils in terms of capability, systems and services, particularly for common 'back office' functions like IT and human resources. Employee costs vary substantially from council to council.

We believe that there are likely to be a range of areas where **functional consolidation** and greater scale economies would drive substantial cost efficiencies and deliver better value for the Tasmanian community overall.

More importantly, such consolidation would better support the development of a 'critical mass' of **strategic capability** in technical regulatory and other service delivery areas where many councils are currently struggling and a reinvestment and redeployment of savings into locally-focused customer-facing areas, which can only result in **higher-quality, more locally responsive services**.

Future vision – finance and administration

Councils are financially sustainable and fiscally responsible, raising revenue and investing in their communities in a manner which is efficient, transparent, and equitable, and enables the provision of high quality, value-for-money services which are responsive to current and future community needs.

Councils can do this because they:

- adopt sound financial planning and management practices linked to clear and sustainable strategic goals and informed by the needs and aspirations of their communities;
- consistently utilise best practice procurement and contracting practices that deliver value for money;
- are able to attract and retain skilled professionals to enable them to effectively and efficiently meet their statutory and non-statutory functions and individual community needs;
- proactively seek cooperative approaches to resource and service sharing which allows for equitable and sustainable delivery of services across municipal areas; and
- operate within a system of grants and transfers from other levels of government that supports sustainability, efficiency and innovation.

Council staff should also benefit. More capable and mature organisations provide better working environments, including for skills development, promotion opportunities, and depth and diversity of work.

Funding sources and models for local government – including grants and transfers – will need to be looked at closely as the Review progresses, but any convincing case for substantive change will first need to be supported by evidence that councils are operating as **efficiency and effectively** as they can. Transition support for any major structural changes will of course also form a key part of this conversation.

What we have learned – issues, opportunities and challenges

Many smaller rural councils will continue to experience shrinking rates bases, combined with growing service pressures and ongoing challenges attracting and retaining skilled professionals. This will impact on financial sustainability in the medium to long-term, without structural change.

Whether our current system of local government can support the delivery of high-quality services to local communities on a financially sustainable basis is a central and fundamental question for the Review. Rural councils already rely substantially more on grants and transfers compared to urban councils because of smaller rates bases and limited other revenue streams.

Demographic trends will place rural councils under further pressures, as our population ages and increasingly moves to the urban and suburban fringes. Recent research revealed that 17 of Tasmania's local government areas were either in structural population decline¹⁶, or on the cusp of such decline. When considered alongside the largely fixed grants pool from the Australian Government, and the limited capacity to pay for those residents who remain, this paints a highly challenging picture for many of these councils from a financial sustainability perspective.

¹⁶ University of Tasmania, Institute for the Study of Social Change, 2019. *The Changing Nature of Work in Tasmania*. University of Tasmania. (www.utas.edu.au/___data/assets/pdf_file/0004/1048891/InsightOne.pdf)



Figure 4 – Tasmanian Councils 10-year Average Underlying Surplus Ratio
Source: Council audited financial statements

Trend analysis over the past 10 years shows that, on average, 11 of Tasmania’s 19 rural councils did not meet the TAO benchmark of a ‘break even’ underlying surplus ratio¹⁷ position (four of the 10 urban councils also had negative ratios over this period). See Figure 4, above.

What this means is that, without some form of structural change, grants and transfers will need to significantly increase or expenditure on services will need to be reduced to ensure those councils with diminishing access to own-source revenue can remain sustainable.

The Board has commissioned detailed financial sustainability analysis covering a 10-year period to better understand the current and likely future position of Tasmania’s 29 councils, having regard to key demographic trends. Gaining a clear and accurate picture of councils’ current and future infrastructure asset renewal requirements will be central to this work.

However, the capacity to deliver higher quality and more efficient services to the community - including by minimising cross subsidies where possible - will be more important for the Board than the ‘financial survival’ of councils when considering reform options in Stage 2.

¹⁷The underlying surplus ratio shows a council’s operating surplus as a percentage of its operating revenue. A negative result indicates a deficit that cannot be sustained in the long term.



There is broad consensus that significant benefits – both financial and strategic – could be achieved from service consolidation in the local government sector, but there are a range of views on what this looks like and how it should be achieved.

The Board has heard there is a general acceptance that councils will need to undertake some form of service consolidation, to achieve economies of scale, ensure operational sustainability, build consistent capability, promote efficiency and effectiveness of service delivery, and align regional activities to provide maximum benefit to communities.

However, there is not yet any clear consensus on the best model for that consolidation. Differing approaches expressed across the written submissions include:

- Wholesale changes to council structures and borders based on models of shared regional profiles or urban-rural divides;
- Consolidation of a wide range of council services into shared service entities responsible for delivering these services consistently across the State. Services commonly identified include asset management, back-office functions such as accounting, payroll, IT, human resources, procurement, economic development, land use planning, waste management, environmental health, economic development, planning and roads; and
- Pooling of technical council staff into a resource shared by councils to address regional workforce shortages. Key positions identified include planners, economic development officers and environmental health officers.



- The Clarence City, Sorell, Tasman and Kingborough Councils have established Southern Waste Solutions, which includes the Copping C-cell and landfill facilities;
- The South East Region Development Association (SERDA), made up of Sorell, Tasman, Clarence and Glamorgan Spring Bay Councils, acts a ‘jobs hub’ to connect local people to local businesses and provide free business advice for small businesses;
- Kentish and Latrobe Councils have effectively undertaken an ‘administrative merger’ with both councils supported by a single, shared bureaucracy;
- The Cradle Coast Authority – a joint authority of North-West councils has supported a number of shared initiatives, including joint telecommunications procurement, and is now collaborating on recycling services; and
- Brighton Council, through its Common Services Model historically provided services to other councils directly on a fee-for-service basis.

What we did hear clearly was that, for consolidation to be successful and ensure the best outcomes for communities, it must be appropriately structured, and driven by sustainability and capability, not purely cost efficiency. In other words, any consolidation must ultimately enhance councils’ ability to deliver better services.

We know there are a variety of approaches to resource and service sharing already in place across the sector. For example:

- TasWater was established in 2013 to manage the State’s water and sewerage infrastructure, but remains under the majority ownership of councils, on behalf of the Tasmanian community;
- Kentish, Latrobe, Devonport and Central Coast Councils have established Dulverton Waste Management as a joint authority;

However, these types of arrangements remain the exception rather than the rule, despite previous analysis that has showed a range of significant potential benefits¹⁸. It appears that the current structure of Tasmania’s local government system makes it difficult for these kinds of arrangements to evolve and persist.

The Board has heard that the development of more structured and deliberate shared services models might be one way of achieving the benefits of scale economies, while preserving local representation, and we are open to considering this further as one element of the suite of potential design options we will be unpacking during Stage 2. As part of this, we are commissioning work to understand the key drivers and outcomes of shared services models that have been delivered in Tasmania and other jurisdictions.

¹⁸ See for example the South East, Northern and Cradle Coast Voluntary Amalgamations and Shared Services Studies.

Council procurement is a clear target for increased service consolidation, whichever model is pursued

Some councils specifically flagged procurement as one function where there are likely to be significant benefits from increased consolidation and coordination. This is particularly the case for systems like IT – where commonality between councils can facilitate further shared working – and for expensive civil construction projects (e.g. roads). This aligns with the findings of previous Tasmanian shared services studies and is reinforced by the efforts that some councils are already making, including with the support of LGAT through its shared procurement panel.

While opportunities in this area extend across multiple council services, the opportunities in relation to the consolidation of procurement activities is discussed in more detail within the Infrastructure Provision and Management theme discussion.

Councils need to be appropriately funded to perform their allocated roles and functions, and that funding should be collected and distributed in an equitable, efficient, and transparent way

The Board has heard that councils can struggle to deliver some functions in the context of current funding arrangements, particularly when it comes to their responsibilities for managing major infrastructure assets, like local roads. There are frequent suggestions from the sector of ‘cost shifting’ to local government, without commensurate funding support.

Councils receive funding from several grants and transfer programs, including specific-purpose capital grants from other levels of government and untied and roads-specific Financial Assistance Grants, which are funded by the Australian Government and distributed through the State Grants Commission.

At the national level, ALGA continues to lobby the Australian Government for an overall increase to the Financial Assistance Grant funding pool and LGAT contends that Tasmanian councils should receive a greater share of heavy vehicle revenue to support maintenance for damage caused by freight vehicles on local roads.

Any discussion about potential changes to grants and transfers from other levels of government also needs to consider the knock-on impacts on the rating effort of councils, and implications for the overall equity and efficiency of funding arrangements for local government. Getting this balance wrong, for instance, might allow councils to operate with less own-source revenue than otherwise would be raised or, alternatively, to deliver a standard of service above its communities’ willingness and capacity to fund – either way, it means that taxpayers will have to pay for that cross-subsidy.

Councils still rely on rates as their main source of revenue. While Tasmania does not have rate ‘pegging’ or ‘capping’ arrangements like some other jurisdictions, councils are still constrained to an extent by the capacity and willingness of their ratepayers to pay when setting rates. In Tasmania, rating in any given municipal can and does vary significantly and is influenced by factors such as rating methodology.

While the Board appreciates that further inquiry into local government funding mechanisms will be required during this Review, it is necessary that this exploration is first be led by a deliberative analysis of the options for the future role and functions of local government in Tasmania.

Review theme 3: Planning and other regulatory functions

Overview

Councils play a pivotal role in the Tasmanian planning system, leading strategic land use planning for their council area and acting as the approval authority for new developments. As well as planning and building functions, councils are responsible for other regulatory functions, such as the making of by-laws under the *Local Government Act 1993*, pollution control responsibilities under the *Environmental Management and Pollution Control Act 1994* (EMPCA) and public health responsibilities under the *Public Health Act 1997* and *Food Act 2003*.

This regulatory role gives councils a major influence over their local environment, local economy, and the community. With larger developments, the decisions made by one council can impact neighbouring council areas, and beyond to the broader Tasmanian community and economy.

There is general agreement that councils should play a leading role in making the strategic land use plans that guide the types of development appropriate to their council area. There is disagreement, however, whether councils should be responsible for assessing and permitting controversial developments under those plans.

Some believe councils should be fully empowered to reject, on a case-by-case basis, developments they believe will damage local

amenity and identity. Others believe that councils should set the parameters in a strategic land use plan, but leave it to an independent authority to make permitting decisions that conform with that plan. This group believe that councils have an inherent conflict of interest in representing their community while making decisions with much wider implications.

In Stage 2 of the Review, the Board will consider the appropriate **role** for councils in planning, and how it relates to their responsibility as **local representatives**.

A related issue is whether councils can access the technical expertise they need to assess and plan for complex developments and their impacts. Small councils said that they have difficulty getting the advice they need to assess large developments and to plan for complex emerging issues like climate change. While some issues such as climate change impacts have been codified in the State Planning Scheme, we will examine the options for giving councils the **strategic, regional and operational capability** they need to make these decisions, and other regulatory decisions. We will also consider the technical and regulatory support, such as common information or standard permit conditions, which might be put in place to support **sound and consistent** decision-making.

Future vision – planning and other regulatory functions

Future vision – planning and other regulatory functions

Councils deliver strategic and sustainable land use planning and other regulatory services which:

- appropriately balance community priorities and strategic metropolitan, regional and State objectives;
- consistently apply all relevant functions in accordance with the law, and in a manner free from bias or pre-judgement; and
- provide services for all Tasmanians in a responsive, equitable, transparent, and cost-effective manner.

Councils can do this because they:

- understand their roles and responsibilities within planning and other regulatory systems, and the strategic regional and State objectives;
- have engaged with their communities where appropriate, and understand their priorities;
- are supported by highly competent professional staff, working with high quality data, and with access to specialist technical and legal advice; and
- have delegated decision-making to the appropriate person or body where relevant.

What we have learned – issues, opportunities and challenges

Councils play an essential role in ‘place-making’

In the Board’s consultation, there was a strong view from councils, community members, and community groups that councils play a vital role in ‘place-making’ – that is, facilitating a collaborative approach to planning, designing, and managing public spaces to promote people’s health, happiness, and wellbeing. There was general agreement that councils are well-placed to do this because of their knowledge of their community.

There was also broad agreement that councils should continue to be responsible for strategic land use planning – developing the local provisions schedules that guide the types of developments that can be permitted in the council area and the conditions that apply to them.

In Stage 2 of the Review, we will consider how to make the best use of councils’ local knowledge in its role of shaping the local environment for the benefit of its community.

There is disagreement over whether councillors’ role as approvers of controversial development conflicts with their role as community representatives.

One of the main areas of disagreement we heard during Stage 1 was whether councils should continue to be responsible for permitting major and controversial developments in their municipal area. When considering controversial developments that are opposed by their communities, councillors can find their role as a planning authority conflicts with their role under the LG Act. The LG Act states that the functions of councillors include representing the community, acting in the best interests of the community, and facilitating and encouraging the planning and development of the municipal area in the best interests of the community.

When deciding on a development permit, a council is required to act in accordance with the *Land Use Planning and Approvals Act 1993*. This Act requires the council to make a decision in accordance with the planning scheme. As the planning scheme could have been made by a previous council, councillors may find themselves constrained from making decisions they consider are in the best interests of the community at the time of the decision.



Whether a council approves or rejects a development, their decision may be overturned on appeal by the Tasmanian Civil and Administrative Tribunal. This has occurred many times. This can delay the decision-making process and increase costs for development proponents, and for councils.

Some councils (and members of the local government sector) have said the State Government should establish an independent body to make decisions on controversial development applications. This view was put forward by some council staff, some development industry groups and some community members. These stakeholders also felt major project approval pathways could be used to achieve this outcome for controversial projects that are also major projects, and those pathways are not being used as often as they should be.

Another option put forward by selected participants to reduce the risk of role conflicts was for councillors

to delegate more of their development approval decisions to council officers, a practice which is already relatively common.

There was a strong counter view to this, however, from many community members, community groups, some council staff, and elected members. They felt councils should be fully empowered to reject inappropriate developments, where this is in the interests of their communities. They see this as an important and vital role for councils in protecting local community amenity and identity.

In a related issue, several stakeholders (principally council staff) said councils can face a conflict of interest when they are both proponents of a development and responsible for issuing the development permit. In those instances, it was suggested the approval role should be able to be referred to another body, such as another council or an independent planning authority.

In Stage 2 of the Review, we will explore mechanisms for resolving this apparent conflict between a council's role as a planning authority for controversial developments, and its role representing the interests of its community.

Councils lack the expertise needed to assess and plan for complex developments and impacts

There is general agreement from all stakeholders that some councils lack the technical expertise to assess large and complex developments. Major projects can have regional or state impacts (both positive and negative) that the responsible council may be ill-equipped to consider. While councils can refer major projects to the Minister for decision by an independent Assessment Panel, this does not always occur. Councils can come up against legal and technical barriers when considering new and innovative development types. For example, councils may have little experience in assessing and regulating medium density housing, which remains relatively uncommon in Tasmania.

For smaller rural councils, the challenge of assessing complex developments is even greater. Access to a skilled workforce is a problem for councils in many parts of Tasmania. All councils struggle to attract and retain planners, as well as other skilled professionals involved in the development approval process such as engineers, traffic engineers and heritage consultants. This can affect both the quality of the impact assessment, as well as development approval times.

Specialist technical skills are also needed for strategic land use planning. For example, planning for the impacts of climate change on coastal erosion, bushfire risk and flood risk requires complex modelling and analytical skills. It would be inefficient for all councils to maintain these skills in-house, and it can be challenging for councils to access them when needed.



We heard a range of solutions suggested for this problem during our Stage 1 engagement. There was support from many stakeholders for consolidating development assessment and planning services in a common pool, so that a multi-skilled team is available to a number of councils. Circular Head Council said in its submission,

it is not feasible for small Councils such as Circular Head to retain this diversity of specialisms [sic] in-house therefore we would propose that a pool of planners be established, potentially on a regional basis and with skills relevant to the region, for councils to tap into.

A wide range of models of consolidation were put forward, ranging from simple shared service arrangements managed by councils through to a single state-wide service managed by the Tasmanian Government. Resource sharing arrangements for planners have already been established by some councils. For example, Kentish



and Latrobe councils provide planning and environmental health services to West Coast Council.

In addition to service consolidation options, there were proposals to simplify the development assessment process so that councils would not need such highly skilled technical staff. For example, greater centralised support could be provided on the shared information base and common standards for matters, such as natural hazard mapping (e.g. landslip, bushfire, flood).

In a similar vein, standardised approaches for specifying, costing and approving the infrastructure associated with subdivisions (such as roads and stormwater drains) could reduce the technical challenge for councils. They would need fewer in-house skills for assessing and adequately budgeting for this infrastructure and its maintenance. Initiatives are underway to address this. The LGAT has a state-wide set of standards for engineering in

place, and the State Planning Office has agreed to fund a revision of the Standard Subdivision design and engineering guidance.

During Stage 2 of the Review, the Board will explore shared service arrangements for the skills needed for both development assessment and technical support for strategic land use planning. We will consider this in our exploration of shared services for a range of council functional areas, such as finance, information technology and waste. We will look at the lessons from current shared service arrangements and consider the costs and benefits of expanding or combining existing arrangements or establishing new ones.

Smaller councils can struggle to fulfil their broad regulatory and enforcement obligations

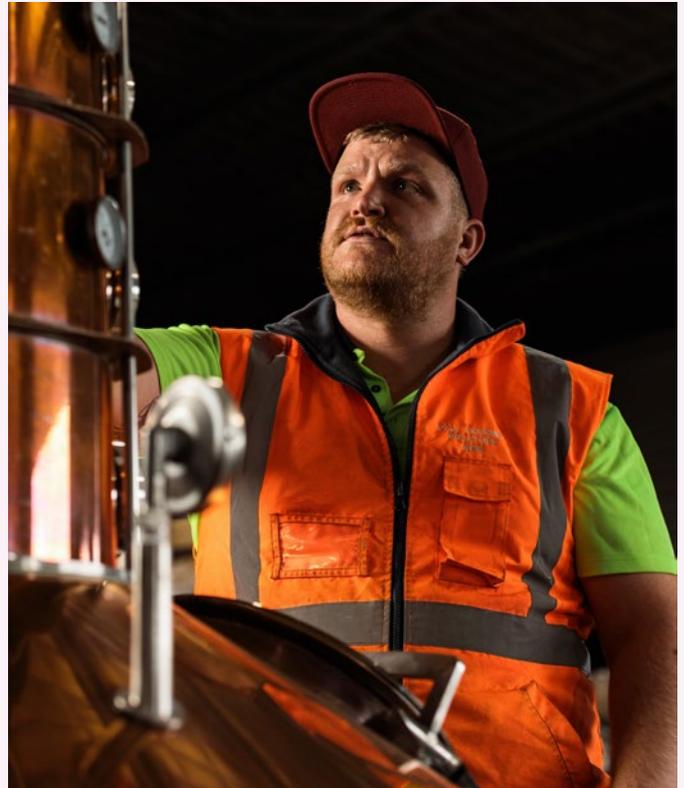
The feedback from consultation with the local government sector and state agencies was that councils face challenges fulfilling all the other regulatory functions they currently have. The effective delivery of these other regulatory functions depends on many of the same factors as planning functions, namely:

- the availability of suitably qualified staff;
- access to technical and legal advice; and
- appropriate record-keeping systems.

Skills shortages are a particular limitation, and this has been explored in detail for Environmental Health Officers (EHOs) (refer to the *Environment* theme discussion, below). A 2018 workforce survey of Tasmanian councils¹⁹ found that 69 per cent of councils were experiencing a skills shortage and 50 per cent were experiencing skills gaps. The top areas of skills shortage were identified as engineers, town planners, EHOs and building surveyors. The key reasons for skills shortages were:

- location of the council;
- inability to compete with private sector on remuneration;
- lack of suitably qualified/experienced candidates;
- reputation and public image of councils; and
- lack of vocational education and training providers in Tasmania.

When it comes to councils' compliance and enforcement role for building and plumbing permits, there is evidence of structural and capability challenges for councils. A recent survey undertaken by Consumer, Building and Occupational Services found councils' interpretation and implementation



of the plumbing provisions, including available enforcement actions under the *Building Act 2016* were applied inconsistently between councils, and in cases where compliance actions were considered, there was difficulty finding qualified plumbers willing to do that work, despite the lucrative opportunities in the private sector. In response, council officers have said there is a lack of clarity about council and State Government responsibilities for this function.

During Stage 2 of the Review, the Board will develop a broader understanding of councils' current performance of core regulatory and statutory roles, including differences in cost efficiency, quality, and responsiveness of services which may be caused by skills gaps and shortages. We will also investigate whether there are cost and capability benefits in consolidating regulatory services at some scale, as we are doing with planning services.

¹⁹ Local Government of Tasmania, 2018. *Local Government Workforce and Future Skills Report. Tasmania.* (www.lgat.tas.gov.au/___data/assets/pdf_file/0028/662329/LG-Workforce-and-Future-Skills-Report-Tasmania-Sept-2018-FINAL.pdf)

Review theme 4: Economic development and local promotion

Overview

Councils undertake a range of functions, services and activities that aim to increase local economic activity, facilitating improved community wellbeing, amenity, sustainability, resilience, and quality of life. They also play a key role in constructing local economic advantage through building skills, connections, and human capital. This is done either through active, focused effort, such as the delivery of programs to attract specific investment and economic activity, or through councils' other services and regulatory tools. For instance:

- The efficiency and consistency of council's process for assessing, approving, and setting conditions on development and business permit applications contribute to the investment appeal of their municipality;
- Councils build and maintain strategic relationships with key industries, businesses, State Government,

councils and economic development bodies to promote economic growth and diversity;

- Based on extensive local knowledge and community connections, councils are well placed to construct regional economic advantage by providing a bridging function in networks and supply chains. In this way, councils can function as the vital 'connective tissue' between the private sector, workers, civic or non-government organisations, and other tiers of government;
- Councils provide and maintain a wide range of economic and community infrastructure and services, which support economic activity and participation, and promote their municipality as a desirable place to live and visit; and
- Councils can and do provide direct support to prospective developers or investors in the form of 'rates holidays' or other forms of support.

Councils are well placed to understand the

Future vision – economic development and promotion

Councils effectively advocate for sustainable investment in, and economic development of, their municipalities, representing local needs while supporting the delivery of broader regional and state-wide economic goals. Investors have confidence that their development proposals will be assessed consistently and transparently, and that associated fees and charges will be based on fair and efficient cost attribution.

Councils can deliver this because they:

- understand the needs and aspirations of their local communities and the natural advantages of their local areas;
- have a robust understanding, and commitment to, regional and state-wide economic development objectives and work

within these frameworks to identify how their individual communities' competitive strengths and capabilities align with and can support these;

- proactively identify new and emerging opportunities for local promotion, investment, and development in collaboration with other councils, peak bodies and other levels of government; and
- have sufficient organisational capability to perform their role efficiently and expertly in administering development proposals, having regard to relevant statutory obligations and identified project costs and benefits for council and the community.

key economic drivers, and the weaknesses, vulnerabilities, and opportunities for their communities. However, because of this local focus, they are also at risk of acting without considering the regional, state, and national context, which can lead to conflicts between councils and duplication of economic development activity.

The Board believes that greater focus on regional **strategic collaboration and consolidation** between councils, State Government and regional development bodies should help councils strike the right balance between local economic objectives and achieving regional and state-wide economic development goals.

The Board also observes a lack of clarity around council's role and responsibility in undertaking economic development, with the only legislative mandate for councils to undertake economic development activities being the broad function

under the LG Act to "represent and promote the interests of the community". Better **defining council's role and responsibility** would allow councils to determine the mix of skills and capabilities they need to embed **strategic capability** into their economic development activities.

What we have learned – issues, opportunities and challenges

There is often misalignment of economic development planning and activity between councils, regional development corporations and the State Government

Economic development was identified through community engagement as the least important role which councils perform. While there was general support for councils playing a role in economic development, due to their knowledge of local

markets and community needs, many Tasmanians we heard from also identified issues with economic development being confined to ‘their patch’, and that improvements for economic development activities and outcomes ‘for all Tasmanians’ could be achieved through better coordination and increased economies of scale.

We heard a range of suggestions, such as establishing an overarching shared economic development entity and strategy for state and local government. Another option suggested was the sharing of economic development officers between councils within a region, to address workforce challenges and build shared professional capabilities in economic development, whilst still retaining local knowledge. These proposals were suggested as a means of facilitating enhanced resource and infrastructure sharing, and improved coordination of activities and action towards achieving common economic goals.

There is a perception in parts of the community that fragmented activities and duplication of effort across levels of government represents a waste of rate payer funds and a missed opportunity for regional coordination, which could be managed more efficiently.

Other submissions noted that the State Government is better equipped and resourced to manage economic development and can better ensure an even distribution of economic development activities and outcomes across the State. However, councils can play a key role in advocating for investment and funding for their region.

The Board recognises there is significant proactive collaboration between councils to support regional economic development, as demonstrated through the regional development bodies and instances of regionally aligned strategic planning and activity (such as the [2016 Sustainable Murchison 2040 community plan](#)). However, submissions have suggested that due to the largely voluntary nature

of these mechanisms, they have faced ongoing challenges in keeping their members invested, contributing and satisfied with outcomes. Some of these challenges can be a product of transient personalities, council and individual self-interest and questions about value for funding. As the UTAS research we commissioned found,²⁰ regional collaborations and partnerships need to be highly intentional, appropriately resourced, and have the long-term commitment of all parties in order to endure and deliver good outcomes.

We have observed that despite these challenges, there is, and will continue to be, tangible benefits to be realised through aligning economic development in Tasmania’s regions. In Stage 2 of the Review, we will explore opportunities for increasing the coordination and efficiency of economic development effort through measures such as:

- shared economic development entities and strategies;
- clarifying roles and responsibilities with other levels of government;
- greater sharing of skilled staff and infrastructure between councils, formalising existing and future collaborative endeavours; and
- structural changes to councils with shared regional profiles and dependencies on key infrastructure.

Current models of grant funding can discourage collaboration on regional economic development

During Stage 1, we heard from stakeholders across the local government sector that councils are in the unenviable position of having to attain and stitch together various sources of funding in order to craft their own economic development strategies. This

²⁰ University of Tasmania, Tasmanian Policy Exchange, 2022. *Place-shaping and the future role of local government in Tasmania: evidence and options.* (www.futurelocal.tas.gov.au/wp-content/uploads/2022/06/FoLGR-UTas-Paper-3-Place-shaping-and-the-future-role-of-local-government-in-Tasmania.pdf)

leaves councils with little room or appetite to pursue collaborative efforts. This competition for funding for strategy development applies equally to councils competing for economic development opportunities.

Individually, councils seek to increase their populations and visitors, and attract government funding and investment, often without consulting or considering the needs of, or impacts on, other councils in their region. There is evidence that this competition is often propagated, by both Australian and State Governments, through administration of competitive funding programs²¹. Strategic inter-council relationships can be fractured when councils are competing directly for funds. This is further exacerbated by strategic capability issues, particularly for grants funding, where smaller councils have less capacity and expertise to apply for grants, and may not have the financial capacity to attract larger grants that require matched funding.

During Stage 2, we will explore options to improve the capacity and capability of councils to collaborate in economic development activities. This could include models of grant funding that support collaborative regional projects and initiatives to deliver more naturally aligned objectives.

There are challenges in balancing economic development and tourism with the wellbeing and needs of local communities

Councils' role in balancing tourism and other economic developments with the ongoing needs of their resident communities was raised frequently by community, council and business stakeholders during Stage 1 of the Review. There are concerns councils are not always able or willing to develop their infrastructure to support increasing tourist capacity. There was also a view that councils must better consult and engage with their communities to ensure people do not feel left behind from the

effects of tourism development – particularly where there are impacts on housing and infrastructure.

Tourism is a key industry in Tasmania, and a key driver of economic activity across the State. Tourism in Tasmania directly and indirectly contributes around \$2.95 billion, or 9 per cent, to Gross State Product (GSP) and supports 14.9 per cent of total employment. Councils provide a range of services and activities to attract visitors to their local government area. Many submissions noted that tourism is the 'lifeblood' of their communities, but councils need to better manage for influxes of tourists and ensure this is done in a manner which supports and includes local residents. During Stage 2 of the Review, we will explore how councils can better engage with their communities and businesses on council priorities, and development priorities, for their municipal area.

We also heard through our consultation that in trying to attract or support individual businesses in their region, councils can create inequality in markets. These submissions note a tension between councils promoting economic development through attracting or 'propping up' businesses in their municipality and ensuring the viability and competitiveness of other businesses. These issues will also be explored by the Board during Stage 2 in considering how councils can balance economic development priorities and decisions in a way which considers their broader communities.

²¹Pugalis, L., Tan, SF., 2017, *The Role of Local Government in Local and Regional Economic Development*, University of Technology Sydney.

Review theme 5: Environment

Overview

Local government plays a key **advocacy and partnership role** in the development and delivery of local, state, and national strategies/reforms in areas of environmental concern; including waste management, circular economy²², and climate change.

Tasmanian councils also have a broad range of statutory powers and responsibilities for environmental management and protection, and the regulation of environmental activities. As a key area of public concern when considering future action, climate and the environment are unavoidable topics for councils.

As an historic core component of the traditional “roads, rates and rubbish”, waste management is often a first thought associated with local government. However, as our environment changes, there is growing demand for councils to advocate on other sustainability initiatives at the local level.

In addition, councils struggle to access the expertise they need to factor the effects of climate

change into their core business and environmental service responsibilities, such as conservation and infrastructure renewal. As the burden of climate change increases, consideration must be given to prioritising local action and the opportunities for greater **improvement in efficiency**. For some regions, pooling resources has been an effective way to improve councils’ waste management functions. There may be benefits in applying this approach to other environmental functions, and opportunities to further consolidate waste management functions through State Government reforms.

The Board sees the value in local governments having access to the resources that will allow them to use **strategic planning** to address the changing environment. As an issue that transcends municipal boundaries, there is a growing level of necessary engagement for councillors and their constituents to think of future generations, when making decisions at the local level about climate change.

²²A circular economy describes a model of production and consumption in which design is focused on reuse rather than waste and replacement

Future vision – environment

Councils fulfil all their statutory obligations for environmental protection and have planned for and resourced the achievement of any additional environmental objectives their communities support.

Councils can do this because they:

- Have access to the necessary technical and legal advice, and the necessary systems (e.g. record management, delegations etc), to fulfil their statutory obligations, including for waste disposal, weed control and feral animal control;
- Have access to cost-effective services to deliver both their statutory obligations and any additional environmental objectives they have adopted;
- Have documented all environmental objectives, both statutory and non-statutory, in their strategic planning documents and have appropriately resourced their achievement;
- Have clear local-level plans that support sustainability; and
- Have undertaken the required community consultation on those documents.

What we have learned – issues, opportunities and challenges

Councils need to respond to climate change across several competing fronts

There was wide recognition from all stakeholder groups that climate change poses a major challenge for local communities. It is perceived as a priority area that councils need the capability and resources to address, particularly when they are making critical decisions about land use and settlement planning, and infrastructure planning and provision.

Climate change increases the risk of natural disasters, such as bushfires and floods, which can be devastating to communities. Given councils' local emergency management responsibilities, council staff and elected representatives have said they want to be ready for what the future holds. It is this concern that motivates communities to re-consider the existing practices of councils and to voice their support for change.

As well as being able to respond to crises, councils need to future-proof the infrastructure they are responsible for, and the settlements they are authorising:

*in their role as planning authorities, councils will necessarily become increasingly tasked with ensuring that development, critical infrastructure including stormwater assets, long-term urban planning, and the existing built environment, will be resilient and adaptable to mounting risks associated with global climate change.*²³

Councils have told us that they want the capacity and capability to incorporate the impacts of climate change into their business decisions, especially when it comes to land use planning. In particular, we heard from coastal councils, that these concerns are growing stronger in their planning deliberations. The consequences of failing to do so are very real, with

²³University of Tasmania, Tasmanian Policy Exchange, 2022. *National and international trends in local government and their relevance to Tasmania.* (www.futurelocal.tas.gov.au/wp-content/uploads/2022/05/FoLGR-UTas-Paper-2-comparative-trends-in-local-government-reform-final-220422.pdf)



erosion and landslips threatening people's homes and livelihoods. Through careful and consistent planning across the state, there can be greater confidence in future resilience. The responses from members of the community have also expressed strongly that this is a key area for the future of their councils. Currently, there is some confusion and conflict in roles between the State Government and councils on responsibilities for managing coastal erosion, which needs to be resolved.

As councils hold a major responsibility for establishing and maintaining infrastructure within their municipalities, the concerns related to resilience in the face of climate change are clear in the Board's consultation. The sector workshops and Survey results highlighted the need for a long-term perspective on the resilience of infrastructure, so that local government investments are enduring and cost-efficient.

As a complex global issue that plays out at the local level, councils may be more effective if they collaborate regionally on climate change strategies and actions. Through the consultation process in Stage 1, some stakeholders observed the burden of adapting to climate change needs to be shared for real progress to be made. A number of stakeholders identified opportunities for collective climate action, such as the Southern Tasmanian Councils Authority's work on the Regional Coastal Hazard Strategy. This work is designed to guide "coordinated and consistent coastal adaptation planning across southern Tasmanian councils"²⁴. Joint efforts, such as these, have the potential to strengthen local government as a force for change, and address a broad issue, collectively.

²⁴ Southern Tasmanian Councils Authority, 2022. *Our Projects*. (<https://stca.tas.gov.au/our-projects/>)

We heard that there is a distinct opportunity for more work and alignment of this nature, to be proactive in climate change risk management and implementing practical solutions that will improve the environment for local communities. Currently, capability in councils with regard to integrating climate change risks into 'core business' strategic decision-making appears uneven and underdeveloped.

In 2018, the former Tasmanian Climate Change Office completed a 'Climate Resilient Councils' project. Its desktop review of council strategic planning documentation found that only around one third of councils acknowledged climate change as a risk on their asset management plans, and no councils demonstrated a detailed understanding of climate risks in those plans. The key barriers to addressing climate change risks that councils themselves identified as part of that project included limited dedicated funding, insufficient staff capacity (i.e. number of staff) and capability (i.e. skills), uncertainty of the role of local government, and that climate-related risks are not well understood.

While we understand there is growing awareness of the need (and a clear willingness) to embed climate change risk management in all operational areas, more action is needed. It is critical that councils are supported to build this capability.

In Stage 2 of the Review, we will further explore the benefits, barriers, and enablers to councils collaborating in their response to climate change – we have heard that entities like the Southern Tasmanian Councils Authority have clear views and ideas on how we can improve regional collaboration in this area.

Councils are challenged in maintaining the staff and other resources needed to undertake environmental work

There was a strong view from across the local government sector – both current and former council staff and elected representatives – that councils' responsibilities for environmental



management are increasing and additional resources are needed to address them. In looking to interstate local governments, other council approaches to sustainability have included renewable energy investment projects, e-vehicle promotion and municipal emission reduction targets²⁵. In Tasmania, climate change preparedness and Environmental Health Officer (EHO) functions were raised as two areas of concern.

EHOs play the important role of managing local risks to public health from factors such as air, water and soil pollution, chemical exposure, environmental degradation, climate change and radiation. The 2018 [*Local Government Workforce and Future Skills Report Tasmania*](#) showed that EHOs are the

²⁵University of Tasmania, Tasmanian Policy Exchange, 2022. *National and international trends in local government and their relevance to Tasmania.* (www.futurelocal.tas.gov.au/wp-content/uploads/2022/05/FoLGR-UTas-Paper-2-comparative-trends-in-local-government-reform-final-220422.pdf)



third-highest occupation facing a skills shortage in both rural and urban fringe councils²⁶.

We heard during our engagement that to attract and retain talented staff, the local government sector must be able to offer competitive salaries and increased training opportunities. We also heard that because of the limited staff available, there is a need to better communicate with communities about what councils can and cannot do.

Tasks, such as weed management and cat management, pose challenges that require significant resources. Survey respondents emphasised the importance of these everyday tasks that contribute to the greater overall value of their local environment. Some in the local government sector supported outsourcing these environmental

tasks along with other routine services. The three existing regional waste organisations were referred to as positive examples of collaboration across the State, and their approach to waste management was cited as a model for pooling resources.

During the next stage of the Review, we will explore the environmental management responsibilities councils have, and whether councils can pool resources to achieve more than they would otherwise by working individually. We will also seek to understand current professional and organisational capability, including skills gaps and shortages. This will help us to consider a range of approaches to attracting a skilled workforce to work in the local government sector, which is an issue raised across all theme areas.

²⁶Workforce challenges for EHOs are discussed in more detail in the Planning and other Regulatory Services theme analysis.

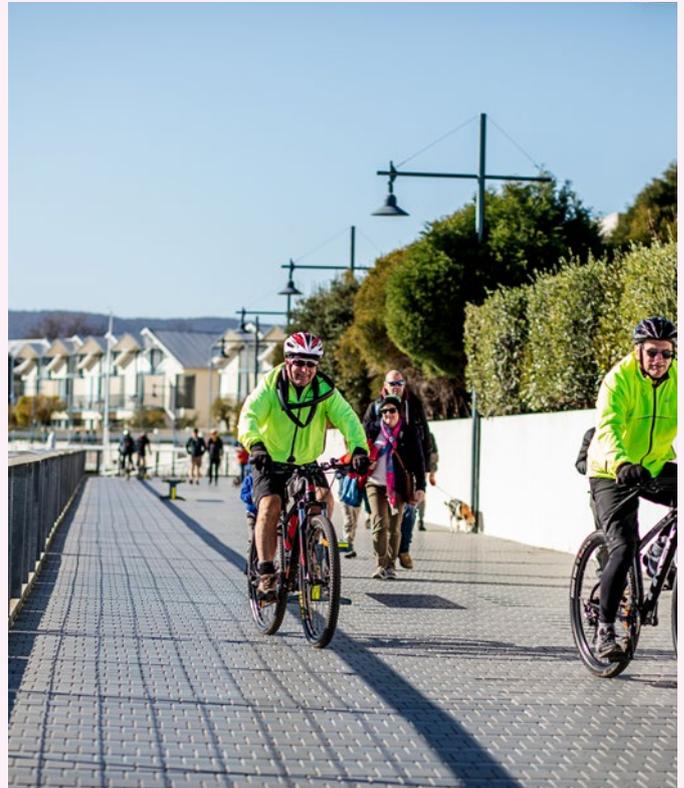
Waste management is changing to reflect the different environmental priorities for councils

Many of councils' environmental roles and functions are currently subject to review from State Government agencies and LGAT. In particular, waste management is the target of key policy and legislative reform through the State Government's Waste Action Plan²⁷, and the *Waste and Resource Recovery Act 2022* has recently commenced. The Act will provide a source of revenue that will support councils regional waste groups to strategically invest in waste and resources recovery and 'circular economy' opportunities at the regional level.

In considering the development of councils' role to now include the variety of environmental practices such as the above, councils may no longer be the only appropriate entity to address the previously core service of rubbish collection and waste stream management. What we heard from our community engagement strongly reinforced this.

While there is high satisfaction with the services being provided (according to the [LGAT 2019 Community Satisfaction Survey](#)²⁸), there are still gaps in the levels of waste management services provided by Tasmanian councils (and between regional authorities). There are large variations in the extent and frequency of kerb-side general waste, recycling, green waste, and food organics collection, and varying approaches to the processing of these wastes.

Feedback to the Review from members of the community and the local government sector suggests that there is an opportunity to improve the current status quo and achieve economies of scale for waste management functions. This would change the delivery across Tasmania and enable



councils to focus their efforts on other priorities that require a more local approach. It bears noting that there is strong community satisfaction with services that are in many cases already currently organised and delivered at a regional level through shared services arrangements.

During Stage 2 of the Review, the Board will consider whether further consolidation in waste management and other environmental services could be more efficient and effective. We will look at a range of different consolidation models, including various levels of involvement by State Government and councils.

²⁷ Department of Natural Resources and Environment Tasmania, 2019. *Waste Action Plan*. (nre.tas.gov.au/environmental-management/waste-action-plan)

²⁸ Local Government Association of Tasmania, 2019. *Community Satisfaction Survey*. (www.lgat.tas.gov.au/tasmanian-councils/2019-community-satisfaction-survey2)

Review theme 6: Governance, accountability, and representation

Overview

Governance, accountability, and representation underpins everything councils do. It includes the way councillors are elected and the quality of that representation, through to the guiding principles and accountability measures that are (or should) be in place. It is this formal and important representative role – a genuine democratic mandate to speak on behalf of local people – that sets councils apart from other local community organisations.

Communities need to feel confident their local decision makers are managing their municipalities with **skill, integrity, transparency** and a strong personal knowledge of the unique needs of their community. They also want their councils to foster engagement, participation and advocacy on the local issues that are important to them.

There have been ongoing concerns with some councillor behaviour, workplace culture and

non-compliance with the Local Government Act. These issues have gained considerable media attention and, as a result, seen a loss of confidence in local government by some members of the community.

We are aware of a great deal of work already being undertaken by both the State Government and the LGAT to address issues of conduct, and fully support reform efforts to address these pressing concerns. With that in mind, this Review is looking to the critical issues that are less behavioural and more structural in their nature.

In terms of representation, we know there are major differences in the number of people represented by each councillor in large and small councils, which some consider unfair or wasteful. There are some who believe Tasmania is ‘over-governed’. Further to this issue is **elected member capability and professionalism**, and the opportunity to better incentivise quality leadership in local government.

Future vision – governance

Tasmanian councils are comprised of skilled, ethical, and effective decision-makers, who operate with integrity and transparency in the best interests of their communities. Communities are able to actively engage and participate in local decision-making processes, and have access to a suite of clear, regular, and consistent information about how their local government is performing to ensure accountability.

Councils and communities are able to do this because they:

- Are elected according to a representative, equitable, and trusted democratic system;
- Genuinely and regularly consult and engage with their communities on important local decisions, through a mix of mechanisms that best support the needs and preferences of those communities;
- Have systems and structures in place which promote evidence-based decisions that transparently demonstrate how relevant expert advice and various costs and benefits have been taken into account;
- Have in place a robust set of integrity arrangements that give the community confidence that any poor conduct on the part of elected members will be detected and dealt with appropriately;
- Report on performance against a set of meaningful indicators which shows how they are performing against their stated priorities, and against the performance of other councils; and
- Provide conditions and a culture that supports the attraction and retention of high quality elected members and staff who want to make a positive difference in their communities.

We know through our analysis of other jurisdictions that **accountability** to the community can be improved by more transparent reporting, which can drive improved performance of councils.

Finally, the Board remains open to exploring innovative options that may further drive greater **community engagement and participation** in local government, ensuring Tasmanians have input where it matters most.

What we have learned – issues, opportunities and challenges

Significant work is already underway to address concerns with councillor conduct and workplace culture, which is essential

The behaviour of councillors has been subject to a lot of media attention and public interest in recent times, including during Stage 1 of the Review. The

Board has observed a number of recent high-profile incidents of councillor behaviour which, understandably, the Tasmanian community paid close attention to.

The behaviour of elected members is undoubtedly a pressing issue for the community and the sector alike. We heard from multiple written submissions that councillor conduct and professionalism is of high importance. The Board wholeheartedly agrees. The loss of confidence in local government that occurs as a result of instances of questionable – and indeed, at times, illegal – behaviour not only threatens the integrity of their status as community representatives, but also may work to discourage quality candidates from putting their hand up to run for council in the future.

We note the significant body of work that is underway to address both councillor conduct and workplace culture in the local government sector.



The state wide Code of Conduct has been subject to several reviews since its formal introduction in 2016, and most recently saw a suite of reforms endorsed by the Government in December 2021 that would look to strengthen the complaints process. Additionally, the LGAT is currently coordinating a cultural review of the sector following recent public and sectoral concern over issues of bullying, harassment, and general workplace ‘toxicity’. Both efforts will look to address the more granular issues of behaviour in the sector, and we will closely follow the progress to ensure any structural governance changes considered in this Review will support emerging reform in this space.

Ensuring quality, equity and diversity of local elected representation is difficult under the current system

During our engagement in Stage 1, there was a strong demand from community members, peak groups, and the local government sector itself for councillors to be skilled, ethical and knowledgeable representatives of their communities. The local government sector suggested that one way to achieve this was to reduce the total number of councillors, where this is accompanied by better remuneration and increased capability of councils.

Achieving equitable and high-quality representation in local government is a key challenge for governance in Tasmania. For a community to be well represented and have its needs met, its local decision-makers need to be attuned to what matters most to their municipality and advocate in line with this understanding.

Our research in Stage 1 clearly identified that voter disengagement was one part of the challenge in achieving quality representation, with voter participation in council elections at an average of 58 per cent across the state in 2018. We note that the Tasmanian Parliament has recently approved legislation to introduce compulsory voting in local government elections, which we consider to be a significant positive step towards improving the representativeness of councillors in Tasmania.

Beyond quality of elected representation is the issue of equity – per head representation varies considerably from one local government area to another, ranging from one councillor for every 137 people on Flinders Island to one per 5,567 in Launceston. 56 councillors in Tasmania’s five largest councils represent 50 per cent of the population, while the remaining 207 councillors represent the other 50 per cent of the population. This raises questions about the appropriateness of the current system, particularly between rural and urban councils.

In Stage 2, the Board will be considering a range of options for both improving elected member capability and professionalism (remuneration, training and development incentives/recognition), and preserving and enhancing local representation, including consideration of councillor numbers, and administrative boundaries and wards.

An increasingly important consideration in terms of council representativeness is the extent to which elected members reflect the diversity of their communities. Factors like age, gender, and cultural background all play an important role in ensuring councils are representative of and attuned to the needs of their communities. While gender diversity in the sector remains an ongoing issue, it has seen considerable improvements in recent years, with the current split of male/female councillors sitting at 60/40 (though some individual councils see greater disparities).



It will be particularly important for the Board to consider Aboriginal representation in the local government sector, with the Pathway to Truth-Telling and Treaty report offering valuable insights. In Stage 2, the Board will be engaging with diverse groups of Tasmanians to understand ways in which we can better encourage local leaders from all walks of life to consider running for their local council.

Community members need to be able to meaningfully engage with their councils

Our Stage 1 research has clearly indicated the importance of the ‘local’ in local government, with the success of local representatives (and councils more broadly) closely linked to their ability to connect and engage with members of their community. The UTAS research papers 2 and 3, identified the recent local government trend that has seen emphasis shift from ‘services to property’ to ‘services to people’, which reiterates the need for

councils to know their communities and be able to consult with them effectively on important decisions and initiatives.

The Local Government Legislation Review identified that achieving meaningful community engagement was a challenge for the sector. It proposed reforms that would require councils to develop and adopt a community engagement strategy after each election to address a perceived deficit of some councils in engaging with their communities, which was accepted by the state government. While we are aware that some councils already have such strategies in place, consistency across all councils would allow for better overall engagement of Tasmanian communities.

Given the clear value in enhancing council connectedness to the community, in Stage 2 we will be looking to further measures that propose innovative models for greater community engagement and participation.

‘What gets measured gets managed’: the need for greater transparency around council performance

We heard from the local government sector, particularly council staff, that transparent reporting on council activity is an important way to be accountable to the community and drive improved performance. There is broad support for more transparent performance monitoring of councils. At the same time, there was some frustration with reporting requirements that were costly to meet, inconsistent with other reporting requirements, and which failed to properly capture the important activity of the council.

A key feature in any democratic government is the responsibility of elected officials to answer to their constituents on decisions made on their behalf, and to be clear about what factors or considerations influenced those decisions. There is substantial literature on the transparency value of

consistent performance monitoring frameworks for local government, particularly in driving practical performance improvements at the individual council and sector-wide level, as well as supporting greater self-regulation and good governance.

The challenge is to ensure that the information and reporting system meets the needs of users and is cost effective. It must focus on the key measures that reflect the performance of the services that the community values. The Victorian Government’s Local Government Performance Reporting Framework and the ‘[Know Your Council](#)’ website has been highlighted by the Productivity Commission as an exemplar that other States should draw on.²⁹

At present, there is an absence of meaningful accountability for a range of council functions, services and core capability metrics in Tasmania. As an initial step in addressing this concern we have published the [Tasmanian Councils Data Dashboard](#) using existing data obtained from councils and other sources. We will further consider the quality and consistency of local government data and reporting processes in Stage 2 of the Review, particularly given the role data plays in assessing the overall financial sustainability of councils. We will also develop the broad architecture and underpinnings for a contemporary, best practice performance monitoring and reporting framework for local government.

There is substantial room for improvement in the regulatory oversight of the sector, but elements of the current system make it hard to pursue more mature, risk-based approaches

Both the Minister and Director of Local Government play a key role in overseeing that councils are performing their primary functions to an appropriate standard. There are a range of mechanisms available under the existing legislative framework

²⁹ Productivity Commission 2017. Local Government, *Shifting the Dial: 5-year Productivity Review, Supporting Paper No. 16*, Canberra. (www.pc.gov.au/inquiries/completed/productivity-review/report/productivity-review-supporting16.pdf)

to respond to poor council performance and/or statutory breaches, including a number of penalties and ability to launch specific investigations conducted by the Director, as well as the ability to recommend that the Minister issue a performance improvement direction should a council fail to comply with one or multiple statutory requirements. The Minister holds the ultimate power to issue directions and can also launch Board of Inquiry proceedings, the result of which can be as significant as the dismissal of all councillors.

While these mechanisms allow for risk management, they can be constrained under the current structural design of local government in Tasmania. This is mainly because they are designed to resolve more serious operational and/or statutory failures. This results in a more reactive response to escalated council issues, where early intervention may have lessened the impact on both the council and government resource expenditure (where it could have been better utilised in other areas of local government).

The Local Government Legislation Review proposed an additional suite of intervention measures, including recommended options like allowing the Director to appoint financial and administrative supervisors to councils, as well as strengthening the outcomes of the investigations process. Beyond the Legislation Review, the Board understands that the Government will soon be tabling legislative amendments to implement a standardised dispute resolution process to be used in the first instance to resolve code of conduct issues. We understand that these measures will act as 'middle-ground' options to better deal with low-medium level concerns, as they emerge.

While we think these reforms will help, there is difficulty in implementing a risk-based regulatory framework to the current structure of local government in Tasmania. The reactive style of the existing approach leaves little space for educating and strengthening self-regulation in councils. This is perhaps exacerbated by the removal of clear oversight functions, such as the once-legislated



Local Government Board periodic general reviews of councils. However, the current reactive approach is largely a necessary response to the highly varied capability and maturity of the Tasmanian local government sector in self-regulation and statutory adherence. Therefore, improved council capability and responsibility are also needed to support more efficient and effective regulatory oversight approaches.

Review theme 7: Community wellbeing

Overview

Almost everything councils do can contribute to the wellbeing of the community. The infrastructure they provide can support healthy lifestyles, the economic development they promote can create local jobs, and their planning decisions can create beautiful places to live and work. By responding to the needs of their residents, and shaping the place they live in, councils are advancing community wellbeing.

As well as this broad contribution, councils deliver specific services designed to advance community wellbeing. These can include general programs to improve physical and mental health, targeted social programs for vulnerable people such as seniors and children, and public safety activities such as disaster preparedness and recovery.

Many of these roles are shared between councils and other tiers of government, without the respective responsibilities always being clear. Being closest to their communities, councils recognise needs that other tiers of government might not be addressing. Councils can advocate to other tiers of government to address

those needs, and they sometimes use their own resources to fill these unmet needs.

Effectively advancing wellbeing is a challenging policy issue for all levels of government, and the Board believes there is a need to define **councils' role** more clearly in community wellbeing relative to those other levels of government. This role should be built around councils' expert knowledge of their own communities, its needs, and its capabilities. With a clearer role, councils can then use their **governance** systems to incorporate wellbeing as core business that drives all their activities. This will allow them to **strategically coordinate** the resources under their control to shape the places they are responsible for, and to collaborate with other tiers of government so all levels are working together to advance the wellbeing of local communities. With a clear role and a wellbeing strategy in place, councils can then foster the **operational capabilities** they need to fulfil their role.

Future vision – community wellbeing

Councils play a clear, effective, and highly valued role in directly improving the physical and emotional wellbeing of the people in their local communities and, consequently, of Tasmanians overall.

Councils can do this because they:

- understand the core wellbeing needs, enablers, and barriers in their local communities;
- have systematically integrated relevant wellbeing considerations into all key council decision-making processes, having regard to their specific local needs and priorities; and
- work collaboratively with other levels of government and each other to target, tailor and deliver services and infrastructure in ways that respond most effectively to local needs, while minimising service overlap or fragmentation.

What we have learned – issues, opportunities and challenges

There are many different understandings of community wellbeing, and establishing some clear common ground is important

Community wellbeing has many dimensions and determinants, and these are all interrelated. During Stage 1, we heard many different interpretations of what wellbeing means to communities, ranging from physical and mental health, through to social harmony and prosperity.

Some jurisdictions have attempted to define the elements of wellbeing as they apply to local government. In Queensland, for example, the Australia Centre of Excellence for Local Government has developed a wellbeing framework with five themes³⁰:

1. healthy, safe, and inclusive communities (includes social interaction, equitable access to services and public safety);

2. culturally rich and vibrant communities (includes sport and recreation, arts and culture, cultural diversity);
3. dynamic resilient local economies (includes work satisfaction, cost of living);
4. sustainable built and natural environments (parks and reserves, footpaths and cycleways, transport, health and education services, local environment);
5. democratic and engaged communities (community engagement, responsiveness).

Before being able to clarify councils' role in community wellbeing, it is necessary to settle on an agreed scope and definition in the Tasmanian context. In Stage 2, we will explore further what wellbeing means for the full range of council activities, and in the context of the Tasmanian Wellbeing Framework announced by Premier Rockliff on 4 May 2022.

As we do this, we will need to understand the contribution that councils are currently making to community wellbeing. We will explore how community wellbeing can be practically measured and reported. This will link to our investigation of council transparency and reporting being explored in Stage 2.

³⁰Morton, A. & Edwards, L. 2012, *Community Wellbeing Indicators, Survey Template for Local Government*, Australian Centre of Excellence for Local Government, University of Technology, Sydney. (www.uts.edu.au/sites/default/files/1367468192_LGAQ_ACELG_Community_Wellbeing_Indicators.pdf)



Councils' roles and responsibilities in community wellbeing are unclear

While all stakeholders felt that councils should have an ongoing role in community wellbeing, they were uncertain how broad that role should be. In particular, they were uncertain how councils' roles should relate to other levels of government, the non-government sector, and the private sector. There were also questions about how appropriate it was for councils to deliver particular services. The provision of childcare, medical practices and immunisations were frequently cited as more appropriately delivered by another level of government or the private sector.

The current range of councils' wellbeing activities varies significantly. It includes both the social and community services they deliver directly as well as the broader role they have in shaping places, supporting the local community and promoting

economic development. A scan of current council activities illustrates this range, which includes:

- mental health programs, such as training community members in positive psychology practices;
- supporting children and young people through child-friendly activities, youth recreation centres and youth health referral services;
- supporting people with disabilities by operating a community volunteer service and providing accessibility maps;
- helping homeless people by providing toilets, showers, lockers, and food services;
- assisting seniors by running social activities, exercise programs and seniors' centres, and providing parking concessions for pensioners;
- operating a community bus service;
- establishing cycleways; and

- requiring green space to be provided as a condition of development consent.

As well as providing services themselves, councils can act as an ‘anchor institution’ to help to broker or coordinate the provision of wellbeing services by others, such as volunteers³¹. In these situations, councils are drawing on the expert knowledge of their own communities’ needs and capabilities.

A number of councils provide wellbeing services that are not otherwise available in their council area but would normally be provided by other levels of government or the private sector. For example, several councils operate childcare centres, and five councils operate medical practices. These councils are filling a service gap that their community considers a priority.

The lack of clarity about the appropriate role for councils extends beyond public health into other areas of community wellbeing. For example, LGAT has highlighted a lack of clarity around responsibility for funding and maintaining bus shelters, particularly in relation to compliance with the *Disability Standards for Accessible Public Transport 2002*³².

During our Stage 1 engagement, both councils and community members raised housing shortages as a community wellbeing issue. *Tasmania’s Affordable Housing Strategy 2015–2025*³³ states that the State and Australian Governments are responsible for funding and delivering new housing supply and homelessness services, while local government’s role

is to regulate statutory planning, building and land use. Grants are provided to councils to construct affordable housing in regional and rural areas where this can assist older people or people living with disability to stay in their community, or where it can house key workers³⁴. Several councils are considering going beyond this traditional role and entering the housing market to provide dwellings or land for affordable housing, independent living units or private rentals. Ensuring new housing investments will meet the specific and future needs in the community is crucial but unfortunately does not always happen.

Given the range of determinants of wellbeing, and the breadth of councils’ influence on their residents’ environment, lives and circumstances, the challenge is to clearly define the role of councils. Uncertain role definition is common to many themes in this Review – that is, which is the more appropriate role for councils. Is it:

- delivering services directly to their residents?
- facilitating access to services provided by specialist providers?
- advocating on behalf of their communities to other levels of government for those services?
- ‘anchoring’ and enabling place-based wellbeing and economic development initiatives, including those funded and delivered by other tiers of government?
- some combination of the above?

³¹For example, Volunteering Tasmania’s Safeguarding Volunteering Project (www.volunteeringtas.org.au/future-of-volunteering/safeguarding-volunteering-project/#/)

³²Local Government Association of Tasmania, 2016. *Submission to Tasmanian Government Draft Transport Access Strategy*. (www.lgat.tas.gov.au/_data/assets/pdf_file/0014/321422/LGAT-Submission-to-the-Draft-Transport-Access-Strategy.pdf)

³³Department of Health and Human Services, 2015. *Tasmania’s Affordable Housing Strategy 2015–2025*. (www.communities.tas.gov.au/_data/assets/pdf_file/0014/30254/AHS_Strategy_Final.pdf)

³⁴Department of Communities 2019. *Tasmania’s Affordable Housing Action Plan 2019–2023*. (www.communities.tas.gov.au/_data/assets/pdf_file/0027/31698/TAH_Action-Plan-2019-2023.pdf)



We will explore these questions further in Stage 2 of the Review to start to build a clear statement of councils' role. Some guidance can be found in *Place-shaping and the future role of local government in Tasmania: evidence and options*, the UTAS background paper commissioned for the Review³⁵. It proposes that:

...councils can play an increasingly important role in relation to three broad functions which will contribute to long term community wellbeing.

1. Specific services which are clearly distinctive at a local scale

2. Building community capacity, connections, trust, and participation as 'anchor institutions'

3. Representation and advocacy in wider systems of governance

Given that many council wellbeing activities are discretionary rather than mandatory, they link to broader discussions in this Review about how councils set priorities and undertake strategic planning. This will be considered in our Stage 2 explorations of council governance.

³⁵University of Tasmania, Tasmanian Policy Exchange, 2022. *Place-shaping and the future role of local government in Tasmania: evidence and options* (www.futurelocal.tas.gov.au/wp-content/uploads/2022/06/FoLGR-UTas-Paper-3-Place-shaping-and-the-future-role-of-local-government-in-Tasmania.pdf)

Councils are well placed to support wellbeing in their communities, if supported to do so

There is widespread recognition in the Stage 1 submissions that councils are best placed to promote community wellbeing in all their activities. In the area of public health, local government has been proposed as the most feasible level of government to take action on underlying health determinants because of its close proximity to community, and because the social determinants of health vary geographically³⁶.

The value of proximity is succinctly described in the *Tasmanian Emergency Management Arrangements*³⁷, which state that councils'

...fundamental role in emergency management is based on their detailed knowledge of:

1. local community networks; and/or
2. knowledge of local resources; and
3. municipal emergency risk profile, including people at risk and special interest groups.

Local government often have a more detailed knowledge of the population dimensions within a municipal area such as people at risk and special interest groups

Even when they are not delivering wellbeing services directly, some councils argue they are best placed to strategically coordinate the provision of those services - for example, in places where multiple community service providers are delivering services in an uncoordinated way, to different schedules, and in different locations. If efforts were aligned and funding was aggregated through local government, there would be a higher quality

of services that are tailored to the needs of the community. During Stage 2 of the Review, we will explore further councils' roles as advocates, facilitators and direct providers of services.

Councils' capacity to support wellbeing is highly variable

There was consistent feedback from all stakeholders that councils lack the resources and many of the capabilities they need to meet the wellbeing needs of their communities.

The available data suggest that there are workforce capability challenges for councils delivering community wellbeing services. While there is a total council workforce of about 100 with health and wellbeing in their responsibilities, there are only between 5 and 10 designated health and wellbeing officers³⁸ in Tasmanian councils.

While the capabilities needed for councils' role in emergency management and recovery are different to those needed for other aspects of community wellbeing, the strategic challenges are quite similar. Finding, retaining and resourcing skilled staff to undertake these roles can be difficult, particularly for smaller councils. A July 2021 survey of councils found 16 of the 29 local councils have appointed a Municipal Recovery Coordinator. This is, generally, part of another role they hold within council. Just over half of the Municipal Recovery Coordinators have been in the role less than a year.

In Stage 2 of the Review, as well as considering the appropriate role for councils in wellbeing, we will consider whether they have the capabilities to fulfil that role and, if not, how they might best access them.

³⁶ Hughes R., 2021. *Building capacity for health and wellbeing promotion in Tasmania: A workforce development strategy for local government*. University of Tasmania, Hobart. (www.lgat.tas.gov.au/___data/assets/pdf_file/0020/1061264/HWB-Workforce-strategy-final-Oct-1-2021.pdf)

³⁷ Department of Policy, Fire and Emergency Management 2019. *Tasmanian Emergency Management Arrangements*. Issue 1. (d2kpbjo3hey01t.cloudfront.net/uploads/2020/02/DPFEM-TEMA-Issue1-13-Feb-2020-DIGITAL-ART.pdf)

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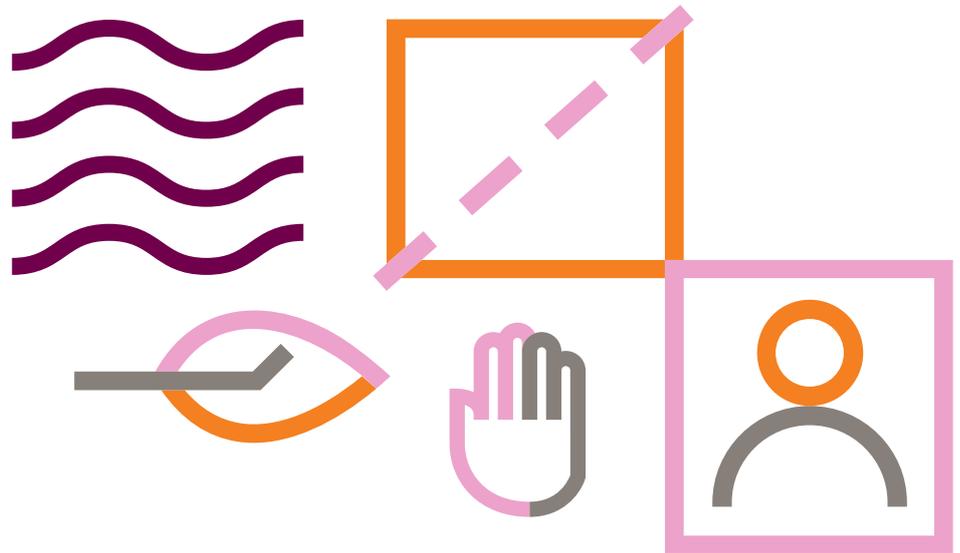
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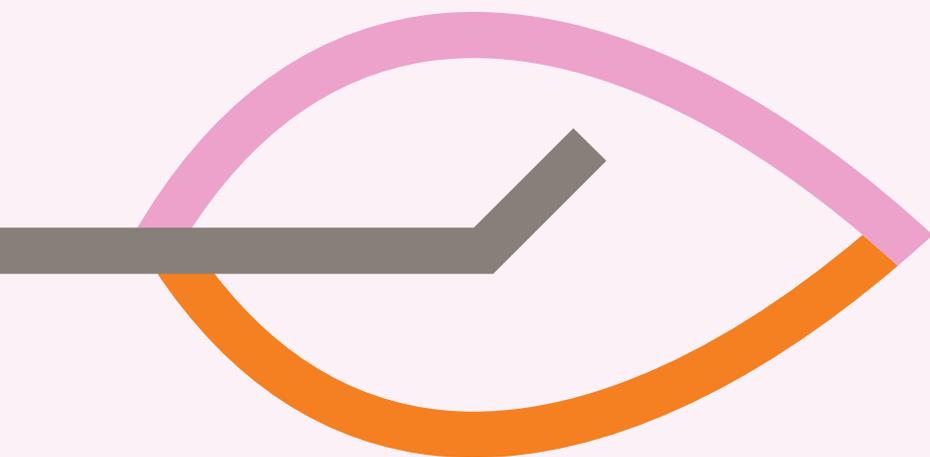
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The future of local government review



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