

# Local Government Reform

## Introduction

The TCCI Board has been discussing the need for Local Government Reform for several months. This has included calls for reform of our State Parliament and restoration to 35 seats. I have prepared this paper to initiate a discussion and the determination of a position for the TCCI at our June Board meeting.

TCCI is concerned that the clumsy micro management of our state is preventing strategic, whole of region/ state planning for infrastructure and service provision. This has best been exemplified in the Taswater imbroglio, which highlighted the constructed conflict of interest, where a state-wide service provider is governed by 29 separate Local Government authorities.

TCCI believes that the necessary confidence in "the rules of the game" that would encourage private long -range investment cannot be adequately developed for the benefit of the entire state under current local government arrangements.

Three Tasmania Reports commissioned by TCCI evidence inequitable distribution of services, opportunity, investment, capacity and confidence.

## Background:

The most recent process to reform Local Government was initiated by the Liberal Government in 2015.

The key reform proposals established by Government were

1. Be in the interest of ratepayers
2. Improve the level of services for communities
3. Preserve and maintain local representation
4. Ensure that the financial status of entities is strengthened.

These requirements are so anodyne as to prevent reform.

Three years on we can see that there has been no reform.

## Servants of the Public in Tasmania

For a population of over 500,000, Tasmania has:-

4000 Local Government employees

23,000 State Government employees

3,468 Commonwealth Government employees.

Crudely calculated, this amounts to:-

- 1 employee for every 16 people
- 1 employee for every small business in the Tasmania.

In addition, one third of the Tasmanian population or 166,000 people received some kind of Commonwealth benefit according to the Examiner, (20/8/14).

It is open to conclude that with so many people guaranteed employment with excellent conditions (including generous superannuation) and so many others receiving benefits from the Commonwealth that reform and innovation will have to be driven externally by the private sector.

## What do Local Councils Do?

A cursory study of a range of Councils' Annual Reports (where they have been published) shows that there is no consistency in the type or frequency of services provided.

This same cursory study identifies that some Councils exist merely to employ Council staff.

## The Auditor General

A desktop review of the Auditor General's reports on the performance of Councils shows few are meeting their **Sustainability Objectives and Indicators**.

***In the Local Government Performance Report for 2014-2014 (publishes February 2016) the report states "The Sector has returned underlying deficits for the last seven years."***

***"At June 2014 seven Councils had not developed long term financial management plans."***

***"At June 2014 Nine Councils were still to develop and adopt long term financial and asset management plans".***

Similarly, a number of Councils do not have a published Strategic Plan, as required by the Local Government Act.

It is clear that ratepayers do not have the necessary information to understand their local Council performance.

### Representation

Currently there are 263 Councillors in the State or over 10 times as many of our State representatives.

### Consultation/Research

The CEO and I have met with the Director of Local Government.

The CEO has met with the Minister for Local Government.

**Know Your Council, Victoria** website allows ratepayers to compare services on a cost and maturity basis with like Councils and communities of interest. It also provides the opportunity for individual Councils to comment on or explain performance.

### Proposal

The TCCI adopts a policy of urgent reform of local government in Tasmania proposing 3 local authorities based on the former telephone districts.

The TCCI calls for transparent and timely performance measures for each local council.

The TCCI facilitates a "Know Your Council" website

The TCCI publicly deplores the state of decay in the current local government model as is evidenced by the Glenorchy City Council.

Susan Parr

TCCI CHAIR