

# LOCAL GOVERNMENT BOARD SUBMISSION

## The future of Local Government Review

### Stage 2 – Options Paper

Submission by Latrobe & Kentish Councils

17 February 2023



## 1. Introduction

Kentish and Latrobe Councils again welcome the opportunity to provide a submission in response to Local Government Board 's recent Options Paper titled "The future of local government review- Stage 2" dated December 2022.

The two councils have again agreed to make a single submission and much of the material provided in councils two previous submissions remains highly relevant to the issues raised in the Options paper. The Councils agree with the statements made in the Options paper that the role of Councils is often most highly valued in regional and rural communities such as those that exist in the Latrobe and Kentish areas.

## 2. Pathways for structural reform

The Councils note that the Local Government Board is of the opinion that some form of "scaling up" is critical to delivering the capability that is needed for 21<sup>st</sup> century local government service delivery. The broad approaches to achieving consolidation identified by the Board were:

- 1. Significant (mandated) sharing and consolidation of services.** The first possible pathway to improve councils' capability would be an extensive program of structured service consolidation. Under this option, Tasmania would retain its current structure of 29 councils, but a range of council services would be delivered by central or regional providers. All councils would be required to participate.
- 2. Boundary consolidation to achieve fewer, larger councils.** Under this pathway, the administrative boundaries of Tasmania's current 29 Local Government Areas (LGAs) would be 'redrawn'. A set of new, larger LGAs would be established. New councils would be established to represent and deliver services to these LGAs.
- 3. A 'hybrid model' combining both targeted sharing of services and targeted boundary consolidation.** This would involve some boundary changes (though less than under the second pathway), and some service consolidation, where there are clear benefits.

The Councils will provide comment on each of these three options under section 5 after it has commented on the other issues raised in the Options paper and the Options paper: Appendix which detailed discussion on 8 Reform Outcomes and their Supporting Options.

### 3. The future role for Local Government

The Councils support the proposed role statement for local government in Tasmania as listed on page 17 of the Options Paper with a query made on the comment in item 2 that "local government directs its resources to delivering those things that is shown to work best when designed and delivered at the "sub regional" scale. Council questions whether this should be at the "local" scale and the second sentence in item 2 be amended to read "it also means that infrastructure and services should be delivered at a sub-regional, regional or state-wide level if it is more effective and efficient to do so".

### 4. Reform outcomes and supporting options

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

##### **Option 1.1**

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

##### **Response**

The Latrobe and Kentish councils support the development of a Tasmanian Local Government Charter as outlined.

##### **Option 1.2**

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

##### **Response**

The Latrobe and Kentish councils support councils' further involvement in community well-being programs as part of developing Tasmania's Well-being framework on the condition that appropriate funding is provided.

The state government closed the hydrotherapy pool at Latrobe and left many people without access to hydrotherapy services as part of their rehabilitation programs. After extensive lobbying the state government did provide capital funding of \$400,000 to redevelop the facility however the Council is left with ongoing operating loss each year of over \$100,000.

Councils biggest contribution to community wellbeing is through community grants, promotion of events and community consultation meetings. Supporting businesses with information and services is important. Wellbeing function and services can be supported through community initiation, sporting clubs, art and culture. Adventure experiences can be promoted through mountain bike trails, bushwalking and exercise classes.

Councils can be a service provider for the local community where there is a capability to deliver services effectively. These need to be identified at the local

level and not determined by the State Government, although in many areas, the services should be funded by the State Government. Council is also best placed to be the facilitator of community wellbeing programs with an increased emphasis on collaboration with the community at various levels.

The President of the Mount Roland River Care Group (approximately 80 members) recently presented to the Kentish Council and emphasised the “strength that lies in shared work and joining our community together, encouraging community networks”. She congratulated the Council on the support of the Group over the last 15 years and the impact made on the community. Groups such as this, with the support of their local Councils, strengthen communities and individuals’ well-being.

### **Option 1.3**

Require councils to undertake Community Impact Assessments for significant new services.

### **Response**

The Latrobe and Kentish councils believe there needs to be some criteria around when a community impact assessment is required for a new service. There may have been a different outcome if the whole of the community was involved in the Council’s decision to take over the hydrotherapy pool at Latrobe. Council believed the hydrotherapy pool operation supported community well-being for a portion of the population however this certainly would not be most of the residents in the area. The Councillors are elected by the community to make decisions, and this must be weighed up with taking an economic rationalist approach to new services. The costs and benefits of the facility would be difficult to quantify as the benefits from the hydrotherapy service accrue to the state and Commonwealth governments (preventative health measures) and not to the Latrobe Council on the quantifiable basis.

The councils are also concerned with the use of the term “community licence” suggested as being required for councils undertaking new activities or providing new infrastructure. The questions to be asked with the use of this term are: which community? – local neighborhood? local area? local council? region or sub region?

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

### **Option 2.1**

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

### **Response**

The Latrobe and Kentish councils support this proposal.

### **Option 2.2**

Review the number of Councillors representing a council area and the remuneration provided.

#### **Response**

The Latrobe and Kentish councils support a review of elected member allowances to better reflect the commitment required to adequately represent their communities in an ever-changing world. There may be occasions where it is appropriate to reduce the number of elected members representing a municipal area and the “savings” are used to increase the allowances paid to remaining Councillors.

### **Option 2.3**

Review statutory sanctions and dismissal powers.

#### **Response**

The Latrobe and Kentish councils support increased powers to the State Government to intervene in cases of serious misconduct.

### **Option 2.4**

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

#### **Response**

This will be a particular issue if there is boundary consolidation to achieve fewer, larger councils as per Pathway 2 in the Options paper. Rural communities greatly value their elected member representation and will fight vigorously if the residents feel this is being removed.

If there is consolidation of councils, then the Latrobe and Kentish councils are of the opinion that in the initial life of a new Council (say four years) it would recommend the establishments of wards to ensure the different areas are represented and Councillors from outlying areas are provided an opportunity to gain a profile on the new Council.

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

### **Option 3.1**

Require consistent, contemporary community engagement strategies.

#### **Response**

The Latrobe and Kentish councils support the requirement that each Council develop their own community engagement plan however wish to reiterate that an economic rationalist approach is not always appropriate when councils decide to deliver non-core services-refer comments in section 1.3.

### **Option 3.2**

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

#### **Response**

The Latrobe and Kentish councils support the proposal to establish a public-facing performance reporting, monitoring, and management framework.

### **Option 3.3**

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

#### **Response**

Prior to the contracting out of audit services the Auditor General undertook this role as part of the annual audit process. Tables were produced which indicated for each council, items such as cost per kilometer for sealed road maintenance, gravel road maintenance, reserve maintenance et cetera. Councils were asked by the Auditor General as part of the annual process to explain why there were major deviations from average costs. The Kentish and Latrobe Council's believe there is merit in this process and suggested this option be considered as part of any recommendations in this area.

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

### **Option 4.1**

Implement a shared State and local government workforce development strategy.

#### **Response**

The attraction and retention of skilled staff is a major issue within local government and the Kentish and Latrobe councils support this suggested strategy.

### **Option 4.2**

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

#### **Response**

The Latrobe and Kentish councils support a sector-wide or shared State/local government workforce plan as suggested.

### **Option 4.3**

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

#### **Response**

Feedback was requested from council employees in this area and some of their comments are included below.

There is a critical national shortage of environmental health officers and there has been no mention of any kind of recruiting or strategies to assist manage this shortage.

There are currently technical officers without relevant tertiary training doing regulatory roles that they don't have skills or knowledge for.

There are some universities that are suspending or teaching out Environmental Health courses adding to skills shortage.

There may be options for cadets and on-the-job training for those with applicable science degrees while they complete the environmental health course.

There was strong feedback from current staff that they don't have resources or capacity to complete existing regulatory roles, and this could be exacerbated if amalgamations or resource sharing such as "virtual" regional teams were progressed.

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

### **Option 5.1**

Deconflict the role of Councillors and the role of planning authorities.

#### **Response**

The Latrobe and Kentish councils note the concerns highlighted, however they are of the opinion that this situation only incurs in a very small number of development applications and does not justify the removal of Council's role to act as a Planning Authority.

### **Option 5.1a**

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

#### **Response**

The council's stage 2 submission stated that:

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

The councils continue to support this option and recommends extensive discussion and community feedback on the makeup and role of a proposed Independent Panel.

**Option 5.1b**

Remove councillor's responsibility for determining development applications.

**Response**

The Latrobe and Kentish councils have strong opposition to a proposal to remove elected representatives from the process of determining development applications entirely. While there are some difficulties in separating the role of Councillors acting as a Council and the role of Councillors acting as the Planning Authority Councillors believe the merits of them acting as a Planning Authority far outweigh the very few occasions when there is perceived conflict. The councils believe these issues can be resolved by having an independent planning panel as outlined in Option 5.1a.

**Option 5.1c**

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

**Response**

The Latrobe and Kentish councils support this initiative particularly when read in conjunction with Option 5.1a.

**Option 5.2**

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

**Response**

The Kentish and Latrobe councils support the proposal to have greater transparency and consistency of councils resourcing and implementation of regulatory functions.

**Option 5.3**

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

**Response**

The Kentish and Latrobe Council's support this suggestion.

**Option 5.4**

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

**Response**

The Kentish and Latrobe councils support the suggestion. The Latrobe Council's recent experience with the State Department of State growth on the Latrobe bypass highlights the need for improved strategic planning closer liaising with local government on major infrastructure projects.



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

### **Option 6.1**

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

#### **Response**

The Latrobe and Kentish councils have been a strong supporter of the North West coast regional organisation “Cradle Coast Authority” and believe there is great strength in member councils working together on strategic projects and issues such as climate change response and mitigation.

The State Government has not always been strong on regional planning and infrastructure development and should be working closer with Council’s and regional authorities in these areas.

### **Option 6.2**

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

#### **Response**

The Latrobe and Kentish councils support the Tasmanian Government initiative to develop “regional strategic partnerships” between the Tasmanian Government and the Local Government Association of Tasmania, working directly with relevant “Council clusters” in the respective regions.

### **Option 6.3**

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

#### **Response**

The Cradle Coast Authority has developed a regional framework to assess major projects and initiatives for the region before being submitted, on behalf of the member councils, to the state and federal governments as part of their election campaigns. This initiative has been successful over the last 2-3 years but does not take away from councils seeking funding for their individual projects and initiatives. Unfortunately, “politics is not rational” and there will always be circumstances where one Council or area believes they have been unjustly treated by grants that are given to another Council or area.

### **Option 6.4**

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

## **Response**

The Latrobe Council supports this initiative and has recently lobbied for a Service Tasmania shop front to be established at Latrobe. There is opportunity for this office to be established within the Latrobe Council office.

The Kentish Council also supports this initiative and there is a very close liaison between the Service Tasmania shop front at Sheffield which sits approximately across the street from the Kentish Council office.

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

### **Option 7.1**

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

#### **Response**

The rating system is complex and despite at least two comprehensive reviews over the last 10 years there remains challenges in balancing the idea of rates being a “wealth tax” based on the value of a property and a user pays system for property services.

It is suggested that the state government also review its land tax system as unlike local government the rate in the \$ on land value to levy the land tax only changes marginally when property values are skyrocketing. This provides a “windfall” to the State government and impacts local government as it pays land tax on the property that it owns.

### **Option 7.2**

Enhance public transparency of rating policy changes.

#### **Response**

The Latrobe and Kentish council’s support making Council rating processes more transparent to the public. This should only occur after the review to be undertaken in Option 7.1 is completed as there are discrepancies in the rating system (no cap on rate reductions but an ability to apply a cap on rate Increases). The valuation of large industrial complexes also requires review as they are currently valued on the written down value of the buildings which means that their rating values decrease notwithstanding that they may be having records sales and an ability to pay increased rates if the rating system is to be regarded as a “wealth tax”.

### **Option 7.3**

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

#### **Response**

The Latrobe and Kentish councils agree that this is a very sensitive issue and could have adverse consequences if a true user-pays system is implemented. An

example would be implementing a user pays system for attending Council's waste transfer stations. The stations are generally heavily subsidised as there is likely to be a significant increase in illegal dumping in the bush if the true cost of disposing of waste at transfer stations was implemented.

#### **Option 7.4**

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

#### **Response**

This is a very complex area, and it is unlikely that the general public would take a great interest in how the funds are distributed.

If the Board and the State government proceed with boundary consolidation to achieve fewer, larger councils then it is important that the impact of the State Grants Commissions distribution is understood and the impact it is likely to have on the new councils.

#### **Option 7.5**

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

#### **Response**

This is an area that requires careful consideration if changes are to be implemented.

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

#### **Option 8.1**

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

#### **Response**

The Latrobe and Kentish councils support an overview on how asset lives are determined and the consistency between councils noting that in some circumstances (geography, weather conditions et cetera) there is justification for variation in infrastructure asset lives across the sector.

#### **Option 8.2**

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

#### **Response**

The Latrobe and Kentish councils believe that care must be taken with this initiative as some assets which support community well-being for some people within the community may not be justified when the "whole of life" costs are

determined and published for community feedback. The Latrobe hydrotherapy pool is an example and may not be in operation today if the requirements set out in this option were mandatory. The State Government provided a grant of \$400,000 towards refurbishment of the facility which they closed, and Council incurs an operating loss of approximately \$100,000 per annum. While this may not be justified on a true cost benefit analysis given the benefits are likely to accrue to other levels of government (preventative health) the facility does improve well-being for a percentage of the population.

### **Option 8.3**

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

### **Response**

This initiative has potential to add substantial administrative costs to the Council operations if the reviews are to be undertaken on a regular basis of all Council services. The Latrobe and Kentish councils recommend that before implementation an assessment is made on do the costs justify the perceived benefits. A council would review its operations from time to time although on an irregular basis.

### **Option 8.4**

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

### **Response**

The Latrobe and Kentish councils support this initiative.

## **5. Latrobe and Kentish Councils Preferred Reform Options**

### **5.1. Option 1: Further Progression of Existing Resource Sharing Model – Pathway 1 *Significant (mandated) sharing and consolidation of services***

The Board will be aware that both councils operate under a resource sharing agreement that's unique in the Australian local government landscape. Key tenants of the highly successful model include:

- Both councils operate as equals, one not seeking to profit from the other, with direct costing wherever possible.
- Operation of a 'Municipal Alliance' where representatives meet to discuss areas of mutual interest.
- A single common workforce (and enterprise agreement), including a general manager and leadership team.

The existing shared structure provides a single organisation from an operational perspective, that in many respects is larger than the sum of its parts. Neither council could arguably provide the existing level of service, nor workforce footprint in a singular capacity.

The present agreement is the culmination of an incremental approach across more than a decade that has been led by both sets of elected members, through successive electoral cycles. Such an approach has built both significant institutional knowledge of best practice resource sharing and is underpinned by considerable support and trust in the model from elected members and our communities.

Our councils note and agree with the Board's view that the sector needs to make greater use of resource sharing but are of the opinion that there needs to be greater recognition and understanding of what our councils have achieved and how the associated learnings are of benefit to the entire sector.

In the context of Latrobe & Kentish Councils we see two distinct ways to expand resource sharing and our submission is that we seek to work collaboratively with the Board to progress both aspects.

### **1. *Greater collaboration/resource sharing from a regional/statewide perspective.***

It's noted that a degree of regional collaboration already occurs, such as via the Dulverton Waste Management Authority, or at a strategic level through the Cradle Coast Authority. Examples include, agreed regional funding priorities, or approaches to natural resource management (NRM). This existing approach is primarily strategic in focus and to date hasn't extended to operational issues, especially in relation to better managing a sector-wide skills shortage.

At present our councils also provide planning and environmental health officers to West Coast Council under a resource sharing agreement, due to difficulties that council has with attracting and holding qualified staff.

As occurs with the Latrobe & Kentish model the agreement's ethos is '*sharing,*' rather than a master/servant relationship where one party profits from the other. A council only pays the costs associated with the provision of the service, hence the focus on direct costing.

Put another way, profit isn't part of the equation. This differs significantly from models' other councils have adopted for the provision of skilled staff where the hiring party attempts to profit from the party seeking the services, frequently in the knowledge that the market is unable to offer an alternative.

This approach isn't conducive to building trans-organisational trust or knowledge. It also potentially fails to build confidence, or support at the elected member level for any agreement between multiple councils. In large part this is on account of there being no 'resource sharing' per se. Profit is the primary consideration for the hiring party, which in turn will logically impact the perceptions and associated expectations for the party seeking to hire the service. It also negatively influences how 'value' is determined.

Those comments aside, our councils see significant potential for a greater degree of resource sharing across multiple councils, irrespective of our single workforce model.

Some of these opportunities exist across geographically disparate municipal areas. An obvious example would be in IT support, especially in the context of servicing cloud based operating systems, such as Technology One.

Cloud based operating platforms as a rule provide a greater degree of scope for the provision of e-services, e-customer requests in addition to improved cyber security. It's worth noting that recent movement restrictions associated with Covid could be circumvented via flexible working and remote access to Council's network via the cloud.

The downside of the equation is that cloud-based platforms are expensive to purchase and require significant expertise to configure and maintain. The Latrobe & Kentish approach has been to purchase a single Technology One licence and to adopt a single work process wherever permissible. The platform was configured and maintained by a shared resource. Under the Board's suggested approach of mandated shared services, councils could be required to consider either purchasing a single, shared license, or at a minimum enter into arrangements for the shared servicing/administration of individual licences. If an approach was taken where councils were required to consider a shared cloud based operating platform it would then open the door for potentially greater resource sharing of other skilled staff, as they could work remotely more easily. It's noted that this logic doesn't flow though to positions that may require a physical presence, such as EHO's, or plumbing inspectors, but it would provide an opportunity for better sharing of staff in areas where there's a sector-wide skills shortage, such as planning officers.

## **2. Other councils adopt the Latrobe & Kentish resource sharing model and existing legislative impediments to further sharing be removed.**

It's true to say our existing model is a product of more than a decade's incremental gains that has in large part been driven via elected members as an alternative to 'amalgamation.' It's also a truism that as a rule, regional/rural municipalities place greater weight on local representation and will fight to maintain the status quo.

When faced with questions around long-term sustainability the existing resource sharing model provided an elegant solution to both issues and has broad-scale community support.

Our councils have proven the model works, and we possess the institutional knowledge to aid other councils to take a similar path if they possess the core tenants for successes, such as an appetite to '*share*' rather than '*profit*' and collaborate with another council, rather than publicly criticise.

The Latrobe & Kentish model has shown that individual councils can take separate paths on individual matters, and even publicly disagree on occasion. The 'Municipal Alliance' provides an appropriate forum for respectful discussions and on occasion, disagreement.

Both Councils have indicated a strong desire to expand their existing model and potentially share some services with third parties. We argue that's the preferred approach to reform. Our existing model is continually evolving and adapting to provide for greater collaboration, but under the existing legal and regulatory framework these changes are primarily incidental, rather than transformational.

To fully leverage the gains the existing model provides, consideration needs to be given to amending the *Local Government Act 1993*. It's Councils' understanding that under the present reform framework a review of the Act is to occur *after* the conclusion of the reform process.

Councils' respectful view is that this approach is flawed. The saying goes that 'form follows function.' The present reform agenda rightly seeks an exploration of both aspects, but both discussions are arguably restricted by an absence of consideration of the existing legislative framework, which constrain many areas for potential innovation.

Latrobe & Kentish hold that view having undertaken a body of work in late 2021 to examine if it was possible for both councils to adopt a single budget and related financial management considerations to further streamline our operating model. It was ultimately concluded that the Act presently either expressly or implicitly prohibits this from occurring and inhibits other councils from following our path.

Some of these constraints are simply a matter of the language used in the drafting of the Act. The Act is littered with language in the singular possessive. For example, under section 20A '*a council may perform its functions.*' This section arguably contains an implied prohibition from one council acting on behalf of another in respect to the exercise of its functions, or a council resource sharing an employee with another. Section 20A(2) provides that the '*authorised person need not be an employee of council,*' but that's arguably

read down as that a council can engage labour hire, or a consultant, not that the service could be provided by an employee of another council.

Other examples of the Act being framed in the singular include;

- 61(1) appointment of a general manager
- 82(1) estimates of revenue and expenditure
- 84(1) preparation of financial statements
- 85(1) establishment of an audit panel

The above restrictions are important when considered against Division 2 where 'council's' are required to have individual strategic plans, financial management strategies, asset management strategies and even individual websites (70G).

Latrobe & Kentish Councils have identified the above as areas as where significant streamlining and resource sharing could occur if the existing prohibitions were removed. Many of the gains the existing model have secured could be refined (assuming that both councils wished to do so) if the Act were simply amended to provide for plurality when defining a 'council.'

Complicating matters is that many of the above legislative requirements have associated statutory, or regulatory, deadlines. For example, staff need to prepare annual financial statements (84(1)) for both councils at the same time as they cannot be staggered. This flows through into providing an audit panel (85(1)) where we operate three panels, with one specifically for matters of shared responsibility, in addition to one for each council.

Significant existing duplication could be addressed if the above barriers were removed, which in turn would free up additional staff resources.

Thought was given to the creation of a joint authority as a way around the Act's restrictions, but an initial cost/benefit analysis determined the approach wasn't worthwhile.

Our councils' preferred approach to reform is one that recognises and leverages on the significant reform work that we have already undertaken. This would be achieved via the Board recommending legislative changes to the *Local Government Act* that foster resource sharing generally but would also allow Latrobe & Kentish Councils to consider additional internal reforms.

Such an approach in conjunction with mandating that councils are required to consider resource sharing would incentivise councils to progress this aspect of the broader reform agenda.



The Board could turn to the United Kingdom (UK) for guidance if it was open to reforms to allow the full implementation of resource sharing. The authors are aware of councils that operate from the same building, run a single budget, workforce, and associated financial process while still maintaining two discrete municipalities and corresponding sets of elected members.<sup>1</sup>

## **5.2. Option 2: Consolidation into a Single Municipal Entity – Pathway 2 Significant boundary consolidation to achieve fewer larger councils**

It's our councils' hope that our nominated approach is consistent with the Board's appetite for reform as articulated in their earlier reports. If the Board is ultimately of the view that their reform agenda also requires consolidation of the existing 29 councils, then our two councils are open to a discussion to consolidate into a single municipal entity but note such an approach is inconsistent with the reforms that we have undertaken across the past decade.

Our councils (along with our community) are of the view that consolidation of the existing two municipalities into a larger, single council that revolved around an existing separate and geographically discrete, metropolitan area would be a retrograde move.

This view is informed by, in our communities' view an absence of understanding of broader rural/regional issues, such as;

- Urban encroachment on agricultural land and associated farming practices
- Absence of communities of common or shared experience
- Absence of knowledge maintaining an extensive rural road and bridge network
- Risk of homogenisation of the interests of individual small communities, along with associated representation
- Perception that regional communities will be cross subsidising council programs in metropolitan areas and associated debt
- Lack of institutional knowledge and associated experience with leading natural disaster and associated recovery programs.

In conclusion, Latrobe & Kentish Councils agree with the Board's view that bigger isn't necessarily better and that one size doesn't fit all. Our councils have led the way on local government reform in Tasmania for the past decade and stand ready to carry the mantle further if the Board were agreeable to proposed legislative reforms.

Council is also open to further discussion with the Board in relation to progressing a **“hybrid model” per pathway 3** that would comprise aspects from either or all proposed reform options.

Perhaps then, with the Board's support, other councils will be prepared to follow our lead.

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<sup>i</sup> [Shared services map | Local Government Association](#)