**Individual Response to Terms of Reference for the Tasmanian Industrial Commission Councillor Allowances Issues Paper (January 2018)**

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**Preamble**

As background, I am currently serving as an elected member in Local Government since March 1999 at Hobart City Council, including three terms as Deputy Lord Mayor, retiring from that effectively full time role to complete a PhD. I have served on numerous internal and external committees, representing the Council at community and State levels as an Alderman. I have a deep understanding of local and regional policy development and the role of the elected person in this process.

My tertiary qualifications have centred on public policy and government with an emphasis on understanding Tasmania’s local government and related regional issues. This interest has been spurred by Tasmania’s Councils being opened up and challenged by the 1990s information technology changes and both the successful amalgamation process of 1989/93 and the ill-fated 1997 attempt by the then Rundle Liberal government.

The Honours paper focused on why two sets of Southern Councils chose to resource share rather than amalgamate. The PhD thesis explored the ideas and beliefs underpinning Tasmania’s local government (leadership, voting, localism) as a means of answering the problem of why reform was so difficult and why elected people often chose the interests of their locality over rational responses. After the most recent attempt to “force” amalgamations rather than allow resource sharing to continue by the Hodgman/Gutwein Liberal government, it was with some interest to observe two sets of northern-western councils formalising resource-sharing agreements and the Minister having to front the media endorsing the same.

At both academic and elected levels I have developed a wide understanding of the issues facing elected members and General Managers outside of Hobart through informal and formal interviews. My thesis exposed the problems of Tasmania’s geography and settlement patterns and the consequent impact on the development and governance issues facing local Council both in the past and in the twenty first century. It is no surprise therefore that resource sharing has been favoured.

My submission therefore takes a whole of Tasmania, rather than Hobart-centric response, based on this background academic and elected experiences and knowledge in response to a number of questions posed by the Commission in the Review paper.

**TIC Question: Are there views on the requirement of all councils, regardless of size, to maintain all statutory roles and current functions of the Mayor, Deputy Mayor and Councillors?**

**Response:**

As a Council, the existing statutory roles are limited by the provision of providing “…for the peace, order and good government of the municipal area”. A “black letter” interpretation fails to take into account the dichotomy of today’s local government practices and how the existing *Local Government Act 1993* (as amended) increasingly falls short of what the actual roles of mayors, deputies and councillors are increasingly entailing. The change in roles has been bought about both by State government policy requirements and the globalisation of Tasmania’s economic and social activities. Legislative recognition of this, let alone State government policy, significantly lags. The Commission has identified some of these changes at *Part 7: Significant changes since the last review*.

While concerned with the daily round of infrastructure and waste provision and maintenance, community welfare and provisions of parks and recreation opportunities, and the financing of the same, elected members also act as a planning authority and are increasingly called on to consider strategic and regional development issues beyond their local government border. The responsibilities of local government frequently extend beyond how the Act as “black letter” reads. How to handle what may be in the “best interests” of a particular municipality but not in another, but on a Statewide basis is a “greater good” outcome? The development of TasWater is one example of this. I can foresee that road infrastructure and waste management may well follow the same type of development to optimise whole of State outcomes, as well as “back of house” administrative functions. How Brighton Council supplies “back of house” services to other municipalities is a good example of what might be able to be achieved Statewide.

Tasmania has effectively a multi-speed local government system driven by population, work location and shifting changes in primary and secondary industry. The majority of Tasmania’s population is located in its cities and major municipalities surrounding Launceston, Hobart and strung along the North-west coast. There are developing pockets of population favoured by older people retiring to Tasmania or moving internally. As examples, Port Sorell in the north west, Bridport in the North East, were once holiday towns along the East Coast and southern locations such as Ranelagh, Franklin and Dover. What were once largely rural municipalities are increasingly having to deal with the infrastructure and services either transient holiday populations or retirees. With these populations comes the expectation that the quality and availability of services they received in urban areas would also be supplied in semi-urban/rural areas, or that their local council would have the *capacity* to develop the same.

Few Tasmanians today stay in one place their whole lives and families and friendship networks do not recognise municipal borders. Add to this residential business people who live both nationally and internationally while enjoying the benefits of working and living in Tasmania, and the whole notion of municipal borders crumbles.

As part of this multi-speed reality, the geography of Tasmania impacts on capacity for delivery of services. Population density varies dramatically across the State so actual servicing of ratepayers concerns (development applications, for example) by elected members faces different challenges. Compare ABS population densities for Hobart municipality (664.2) with Glamorgan-Spring Bay (1.7) or Waratah-Wynyard (3.9) or Central Highlands (0.3). An elected member in Hobart can achieve a number of face to face consultations, site visits and attend committee meetings in one day across the municipality. In the latter group, having consulted with elected members about the constraints of local and roads, it can take some hours of travel to achieve a single task. The quality of ICT is often lacking to enable FaceTime/Skype and, speaking from experience and collective elected member experiences, nothing beats visiting on site to understand issues and problems or to sort out solutions.

In terms of planning, this requires elected members to keep in mind both municipal planning as well as regional and State planning considerations. For example, input to and consideration of policy impacts with regional Land Use Planning Strategies to ensure alignment with State Planning Provisions, and yet having to also consider highly localised planning issues. “Undertaking strategic land use planning for the municipal area” is an important responsibility yet in ensuring what is “…in the best interests of the community, now and in the future”, whose and what “community” are we talking about. As examples:

* *Land use planning* - there are numerous examples over the past decade where Councils have got together to talk and plan and develop across borders. The facilitation of light rail between Hobart City Council (HCC) and Glenorchy City Council (GCC) is a current and active consideration of both Councils to the extent lobbying for the same has reached into Federal/State negotiations for a City Deal. GCC stands to develop significant tracts of land with land use planning changes that facilitate increased residential and associated services along the corridor. HCC will be unlikely to realise land redevelopment at a similar scale yet it will benefit from these strategic developments in terms of reduced traffic congestion and access to student and worker streams from the GCC area. The resultant density provisions adjacent to transport corridors will create differences in heritage and residential amenity approaches simply because of the historical development of land in both municipalities. What suits for New Town may well limit Derwent Park and vice versa.
* *Statewide infrastructure* - all twenty nine Councils form part of TasWater, supplying water and sewerage to the whole of the State. Whatever the process by which Councils have entered into this or the impacts of recent State government attempts to take TasWater over, the fact remains that ratepayers in every municipality are now paying for and receiving the benefits of clean water and sewerage improvements across the State paid for by ratepayers across the State and their elected members are making policies in relation to the operation of TasWater that go well beyond the twenty nine defined municipal areas. As mention earlier, there is the capacity to shape waste management in the mould of TasWater, as indeed with road asset management to benefit both tourism and primary industries. How this is approached will obviously be impacted by recent adversarial behaviours of the State government.
* *Regional planning* - strategic land use and economic development policies are undertaken by three groups of Councils as members of the Southern Tasmanian Councils Authority, the Cradle-Coast Authority and Northern Tasmania Development Corporation Ltd. There is a recognised synergy of multiple Council acting together for the benefit of their region, rather than just acting with their municipality. These three regional organisations have a wide brief to benefit their regions and include all the towns and cities regardless of municipal borders within.

While those that the live in a municipality are most likely to stand for election, increasingly elected members own or rent property or run businesses across municipalities, and especially in major urban areas. Urban council staff are not likely to live in the same municipalities. This is reflected in their regional approach to decision making and development of economic and social strategies that likely benefit more than one community. The Act reads as if an elected person stays within/acts within a municipal border. Even where elected members are appointed to a range of boards and authorities, once there, they shed their “local interest” and in terms of good governance, act in the bests interests of the board/authority that often includes some or all of Tasmania’s municipalities within their terms of reference.

In short, it is my opinion, based on knowledge and experience, that the statutory roles and current functions of local government as a whole need to be maintained. This needs to be maintained, as well as reviewed to account for the increasingly regional responsibilities not considered in the Act and until there is a proper review of the roles and responsibilities of State and Local Government, on what “local role and function” means compared to what residents and visitors to Tasmania reasonably expect to find across Tasmania.

**TIC Question: Board is interested in receiving submissions on the value and the justification of the difference in allowance for Deputy Mayors in smaller councils.**

**Response:**

The collective role of Councillors reflects across Tasmania a wide range of skills and abilities brought to the Council table. The key role of Mayors and Deputies is to provide a focal point of leadership. A council is a leadership group and the community make it clear through the ballot box who they want leading amongst leaders. There are synergies to be found where the Mayor and Deputy are a good team. This is especially important in sharing roles and functions as too often, the Mayor has numerous calls on his/her time.

The statutory roles and current functions would benefit from a recognition that for a high majority of Councils over time the Deputy as well as the other elected members do more than “…act in the position of Mayor in the Mayor’s absence or of authorised in writing to do so by the Mayor”. This is an important role in itself and should not be discarded or discounted. Life happens and often Mayors need a back up; more so where pecuniary or conflicts of interest occur.

In my experience, by and large Councils act as a team and bring a range of skills, knowledge and abilities to the table, complementing and reinforcing. Leadership and chairmanship skills are present or able to be developed in all elected members. Where there are committee systems in Councils, and given that all are bound by the Act and Meeting Regulations, there is no reason to think that an Alderman/Councillor is not able to chair a meeting of Council or committees and develops such skills over time. Allowing for the variations in the activities of Councils, the discrete role of acting as Council or a Mayor/Deputy/Councillor for a municipality no longer reflects what happens on the ground of local government in Tasmania in 2018.

The differences in allowance are not so much a matter of what Deputies in smaller Councils receive as to whether the levels of disparity between Councillors, Deputies and the Mayor is justified (refer TIC *Review Issues Paper Table 6*).

Firstly, what “smaller council” categories are under consideration? If we limit this to categories 4 to 7, it has to be taken into account that these municipalities have significant land mass and roading systems that impose the same burden of service on all elected members. If we consider categories 6 and 7 only, (and allowing that Huon Valley and Derwent Valley have much of the landmass of the Southwest enclosed by municipal borders), these Councils are characterised by low voter numbers and small operating revenues but also have very small population densities (ranging from 0.3 to 5.5) and highly isolated populations with transport access challenges. Taking away any allowances from Deputies when acting as Mayor would be manifestly unfair.

Secondly, what is the formula that was developed for justifying the Deputy additional allowance? Was it based on time or some proportion calculation of effort subbing for the Mayor? How does this compare to similar time and effort of other elected members and the significant disparity in allowances? Would it be better to consider a proportional higher service allowance (similar to the public sector) that acknowledges when the Deputy formally acts on behalf of the Mayor?

Thirdly, in relation to the actual formula used for calculating allowances (VxR/1 million), just what is the evidence that the proportion of the total revenue that makes payment of the current Deputy allowance so onerous? There is a public perception that cutting elected member allowances would benefit Councils operating revenue. Has this actually been tested by comparing the allowances to financials and then consideration of the quantum of time, expertise and knowledge given in the role, say, compared to hiring a consultant or outside professional to do the same?

**TIC Question: The Board is keen to hear whether the current formula has proved to be appropriate.**

**Response:**

The current formula, *VxR/1 million***,** lacks subtlety for the following reason and needs a degree of fine-tuning. This may not be able to be achieved within the current Review but it is worthy of future consideration.

* Operating revenue includes Financial Assistance Grants (FAGs) and other grants not tied to specific projects, as well as rates and charges. Events such as the recent freeze in FAGs indexation (now unfrozen) impacts on formula calculations and the long term financial management of Councils.
* The 2016 ABS median wage of a municipal area is, across Tasmania, far greater than the current allowances for councillors/Aldermen. Only by achieving the role of Mayor is there a reasonable parity.
* The number of voters in a municipality is less than the actual population served by a Council. It is acknowledge that with the State Electoral Office managing the Electoral Roll, the majority of eligible voters are included in. However, the inclusion of population density would acknowledge the degree of difficulty in servicing the whole of population in a municipality. The following ranges in each category have been sources from ABS 2016 data sets. Each demonstrates the wide variation in population density which impacts of the capacity of elected member to access their ratepayers due to geographical impacts.

Category 1 ranges from 47.3 (Launceston) to 664.2 (Hobart)

Category 2 ranges from 383 (Clarence) to 50.4 (Kingborough)

Category 3 ranges from 227 (Devonport) to 23.4 (Central Coast)

Category 4 ranges from 97 (Brighton) to 2.5 (Northern Midlands)

Category 5 ranges from 18.2 (Latrobe) to 1.7 (Circular Head)

Category 6 ranges from 5.5 (Kentish) to 0.4 (West Coast)

Category 7 ranges from 3.6 (Tasman) to 0.3 (Central Highlands)

**TIC Questions: Is the cost impact something the Board should take into account, and if so, how should it be addressed?**

**Response:**

My initial response, based on 19 years of elected member experience and networking with other elected members is, “what cost ratepayer representation”? What is the actual proportional cost of elected members compared to replacing them with consultation consultants or indeed the legal costs of Planning Tribunal appeals when some up front consultation of the kind elected members can provide? Given the dramatically different levels of median wages in municipal areas compared to the current allowance, I know that having elected members provides financial as well as non-financial benefits to municipal areas.

A considered response, based on the significant experience of 19 years as an elected member and academic research, is whether there is a better way of assessing the role of elected members in the context of how local and State government services are considered and delivered.

Can the level of services that small councils must provide by legislation/Australian Standards in fact be delivered in smarter ways (for example, looking at the Brighton Council method or through resource sharing)?

If yes, then how can communities still be empowered? I would recommend the TIC consider the New Zealand model of municipal management (see, for example, the Thames/Coromandel area municipal arrangements). This form of highly local town management (necessarily tailored to Tasmanian legislative conditions) dealing with specific projects via a budget allocation (and therefore a lesser allowance level) would be another response to assist the financial planning of smaller municipalities, ensuring a form of elected representation at the same time.

**Do the changes identified above have any implications for allowances; if so, in what way? Are there other changes to the role and function of local government impacting on this review?**

**Response:**

Considering both these questions, I refer to the earlier responses on how the role of elected members and responsibilities of municipalities have changed since the last successful review in 1989/93. Even though numbers have changed, in my experience the demands on elected members have not as society has shifted in how it communicates its needs, how elected members respond and the more sophisticated level of response. It is worthwhile to consider that the administrative arm of Councils are working harder and smarter yet this has not diminished the demands on elected member to ensure the demands and expectations of ratepayers are met. There is an expectation that elected members are as available for consultation today as they were when I was elected in 1999. Yes, we can work smarter using ICT but all all still takes time.

However, allowing for constitutional powers and the incredibly intermeshed arrangements of Federal and State, what has not occurred is any review of the roles and functions of the State government and Local Government in Tasmania specifically based on these two questions:

1. If you lived or travelled around Tasmania, what services would you reasonably expect to access?
2. If you lived or travelled around Tasmania, what services or particularities would you only find in various localities?

To the first, the list would include: sewerage, water, roads, policing, justice, education, biosecurity, health, aged care, public transport, etc. Much on the first list is already managed by the State government, albeit some services contracted to municipalities to deliver. Many of these roles and functions are or are able to be delivered around the State with the appropriate governance. TasWater, for example, is a model for waste management services rather than the convoluted 29 Council arrangements we currently have. Town boards once managed libraries - we now have the LINC. The administrative, financial, legal and planning functions of Councils can be aligned for a statewide model over time, thus ensuring a level of services that may overcome the problem of smaller Councils being able to afford professional staff and attracting such staff to relatively isolated areas.

To the second, the list would be much shorter. For example, tourist attractions, town specific parks and recreational opportunities, primary industries specific to an area. This second list creates a space to consider the *form* of local government that would deliver best value to Tasmania’s small and scattered township and hamlets, especially outside of suburban and urban densities.

**TIC Question: The Board would like submissions on:**

1. **Whether an additional allowance, the current reimbursement practice or other options should be provided to support councillors to undertake relevant governance training.**

**Response:**

To overcome the problems of smaller Councils being able to access and deliver relevant governance training, a whole of State funded and delivered program would be appropriate. Local government is a delegated function of the State’s constitutional powers so it is incumbent on the State to ensure the delegated roles and functions are able to be carried out in the best interests of all Tasmanians. The consequence is uneven levels of knowledge, competence and effectiveness of elected members and across municipalities. Even experienced elected members find is challenging to keep abreast of changes to the legislative and policy context for local government, let alone at times to their own Council’s policies and procedures.

**(b) Should there be mandatory governance training for all Councillors and/or a fixed budget allocation for other professional development requirements?**

**Response:**

Mandatory governance *and planning* training for all elected members is essential to ensure ratepayers are getting the best possible outcomes. Other professional development requirements (IT training, attendance at conferences and seminars) could be dealt with on a Council by Council basis, although a base line allocation semi-funded by the State would be one solution for smaller Councils to ensure best outcomes for ratepayers.

**(c) How (if at all) should previous “recognised experience” be assessed, and**

**(d) Whether it is appropriate to offer an additional allowance for those councillors who have previous experience in governance related to local government?**

In response to both of these questions, elected members bring a range of skills and experiences to the table. How and at what level of remuneration to assess recognised/previous experience would be fraught with inequities. Not all elected members have had equal life and education opportunities. I personally am not in favour of additional remuneration. What is more important is to ensure sufficient funding such that all elected members are adequately trained to start with and are able to engage with continual learning in their role. The most recent LGAT Census illustrates what is a woeful percentage of training engagement (27.7%) and the reasons why (*Review Paper 9.4*). If this was treated as a KPI, an adequate benchmark should be 95% within 12 months of election and with mandatory training at 100% within six months of election. Having elected members making decisions on long term financial management plans and budgets, let alone planning applications, without adequate training is not acceptable. Experience is only useful on a solid foundation of knowledge.

**TIC Question: Whilst in overall terms the number of candidates comfortably exceeds the number of vacancies, is a ratio of approximately two candidates sufficient to provide robust representation of the municipal communities? Secondly, there may be sufficient candidates overall, but are certain demographic categories significantly underrepresented, and is this a matter for concern? If this is the case, what may be the impediments to a diverse council?**

**Response:**

The ratio of candidates to vacancies reflects in part the satisfaction level of ratepayers. What it also illustrates is the problems for possible candidates to undertake the role. I have significant experience in mentoring possible candidates. A factor in taking the final step of nominating is the financial impact on families and career expectations. As such for even later age possible candidates, they have to ensure other levels of support and sacrifice when elected.

Matching the 2016 ABS data for median income in municipal areas with the baseline elected member allowance, it cannot be said that the allowance adequately matches the demands of the role. As commented earlier, attaining the role of Mayor provides adequate remuneration for loss of income if a ratepayer is around the median income. The impact is greater again for professionals. One can talk nobly about public service however it “butters no parsnips”. This situation is exacerbated as one works down the Council Categories comparing median wages with allowances as below:

Category One: $41,833-$46,501 - $35,482

Category Two: $43,498-$47,256 - $28,754

Category Three: $39,056-$43,263 - $21,754

Category Four: $37,494-$43,486 - $14,785

Category Five: $30,186-$42,034 - $12,357

Category Six: $45,545-$34,406 - $10,406

Category Seven: $31,920-$39,165 - $9,106

The consequences is well illustrated around Tasmania’s municipalities in terms of demographics and life experiences, especially in smaller Councils. Having an allowance has certainly widened the possible range of candidates away from significant property owners and businessmen, yet it is still a relatively narrow demographic that is elected compared to the municipalities that are served.

Aligning the allowance determination to a more subtle expression that includes population density and median wage may well bring allowances up to a level that enables a wider range of candidates, yet to what purpose? I return to the question the relevance of how we carry out the roles and functions of local government. Without arguing for an allowances spiral up or indeed a flattening of Deputy or Mayoral allowances, are we necessarily engaging in the best possible model for local government for Tasmania in the 21st century? Until we determine that, what we need to attract to local government on an going basis are candidates who not only share a public service ethos but are adequately supported to carry out their delegated roles and functions.