

# SECOND READING SPEECH

## Local Government (Miscellaneous Amendments) Bill 2013

Bryan Green MP  
Minister for Local Government

I move – That the Bill now be read for the second time.

Mr Speaker, the Bill before the House addresses a number of local community concerns while simultaneously providing a framework for securing the long-term future of local government in our State.

The Local Government (Miscellaneous Amendments) Bill 2013 encompasses significant legislative amendments and is vital in order to progress the Government's cooperative reform agenda for local government.

### FINANCIAL AND ASSET MANAGEMENT

Over the past two and a half years, the Government has worked closely with the local government sector to develop and implement a range of reforms to improve the financial sustainability and accountability of local government.



These reforms are not about increasing red tape or imposing unfair requirements on councils. Rather, they are part of a national push to improve the capacity and capability of all Australian councils to manage their finances and assets.

As part of Tasmania's commitment to the national initiative, the Government, in partnership with the Local Government Association of Tasmania, has assisted councils to put in place long-term financial management plans and long-term strategic asset management plans.

Additionally, training and support has been provided to councils to improve their skills, knowledge and expertise in long-term planning.

These initiatives were substantially funded by the Australian Government, through the Local Government Reform Fund.

Mr Speaker, the financial and asset management reforms, which I will outline in a moment, are a holistic package and should not be considered in isolation.



As a package, the reforms will significantly improve the ability of councils to appropriately manage over \$8 billion of assets, which they are the custodians of.

### Long-term Planning

The Bill requires councils to maintain 10-year financial management plans, 10-year strategic asset management plans for all major asset classes, financial and asset management strategies, and an asset management policy.

The Bill also requires councils to develop their strategic plan for at least a 10-year period, rather than the current five years required under the *Local Government Act 1993*.

The purpose of a long-term financial management plan is to express, in financial terms, the activities councils propose to undertake over the longer term to achieve the objectives of their strategic and annual plans.

Long-term financial management plans are underpinned by a financial management strategy.



The objective of a financial management strategy is to provide direction and context to councils for decision-making regarding the allocation, management and use of council financial resources.

Long-term strategic asset management plans provide information about assets, including particular actions required to provide a defined level of service in the most cost-effective manner.

They also provide valuable financial information about capital expenditure requirements for renewing, upgrading and extending assets over the longer term.

Linked to an asset management plan is an asset management strategy.

The objective of an asset management strategy is to establish a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for a council to provide services to the community in a financially sustainable manner.

To round off a robust planning framework, councils will also be required to develop an asset management policy defining the council's vision and service delivery



objectives for asset management in accordance with its strategic plan and legislative requirements.

Asset management policies are a critical component to a sound financial and asset management framework as they guide the development of a council's long-term financial management plan and long-term strategic asset management plan.

The Bill also requires the general manager of a council to advise the Director of Local Government once all of these plans, policies and strategies are in place.

This step will ensure that councils are complying with the legislation.

Mr Speaker, councils will also be required to review these plans, policies and strategies every four years.

This will enable councils to link long-term planning with the electoral cycle, if they wish.

### Accountability

Councils will be required to report on financial and asset management indicators in their financial statements.



These indicators are the same indicators that the Auditor-General reports on in his annual report to Parliament.

Taken together, the indicators will provide a comprehensive picture of council performance in terms of its financial and asset management.

The indicators will also be invaluable in terms of identifying trends and, more particularly, any long-term sustainability issues.

The Bill will also require councils to establish an audit panel.

The overall functions of an audit panel are to provide an independent check on key council processes, decision-making and risk management and to ensure councils are even more accountable for the decisions they make.

Members of this House may recall that in 2012 the Auditor-General, in his report on local government, again raised audit committees, or their equivalent, as an essential part of a strong governance framework.



The Bill also provides a head of power to create Ministerial Orders for the financial and asset management reforms.

The Ministerial Orders will detail standard minimum requirements for each of the long-term plans, strategies and policies.

Some of the content of the Ministerial Orders will be linked to the Australian Accounting Standards, which in time can change.

Therefore, it is far more practical to list the detail of the plans, strategies and policies in Ministerial Orders so that if there is a change to the Standards, the minimum requirements can be amended without the need to table amending legislation.

This is a practical and efficient process which is supported by the Local Government Association of Tasmania.

The Ministerial Orders will:



- outline the minimum requirements necessary for an appropriate long-term financial management and strategic asset management plans;
- outline the minimum requirements necessary for an appropriate financial management strategy and asset management strategy;
- outline the minimum requirements necessary for an appropriate asset management policy;
- list the financial and asset management sustainability indicators on which councils must report; and
- provide guidance to councils on the structure, membership and primary functions of audit panels.

Importantly, the Bill requires the Minister of the day to consult with councils on the development of the Ministerial Orders.

Mr Speaker, these reforms were developed in close association with the local government sector.



Additionally, they have the support of the Local Government Association of Tasmania and have been endorsed by the Premier's Local Government Council.

These reforms also substantially fulfil the Government's commitments to the 2007 Local Government and Planning Ministers' Council decision to endorse nationally consistent frameworks to assist councils across Australia to improve their financial and asset management and planning.

Mr Speaker, in summing up the financial and asset management component of this Bill, I wish to reiterate that these reforms will ensure that councils are strongly placed to be financially sustainable in the long-term.

### DILAPIDATED BUILDINGS

Mr Speaker, another significant reform proposed in this Bill is to provide councils with appropriate powers to remedy the adverse effects of dilapidated buildings on their local communities.

The inability to take action on dilapidated buildings is a concern that has been facing Tasmanian councils and their communities for many years. Providing the local



government sector with the power to take such action is long overdue.

A dilapidated building, Mr Speaker, is defined as a building that because of neglect, disrepair, defacement or damage is deemed prejudicial to the visual amenity of its surrounds.

This definition has been chosen very carefully.

It provides a threshold for the application of the dilapidated buildings provisions, so that councils will not be able to issue dilapidated building orders for buildings, in respect of trivial concerns.

In practical terms, conditions such as broken windows, damaged roofs, peeling paint, graffiti or other defects may contribute to a general manager deciding that a building is dilapidated.

The changes to the *Building Act 2000* are minimal, due to the fact that the proposed process is consistent with existing processes for the issuing of building notices and building orders.



In my opinion, these amendments strike the right balance between resolving local nuisance caused by dilapidated buildings and protecting the rights of building owners.

Importantly, before serving an order to remedy a dilapidated building, a general manager must invite building owner representations.

This provides the owner with the opportunity to express why they should not be required to carry out the proposed building work to rectify issues with the dilapidated building.

Additionally, owners have appeal rights against a building order relating to the dilapidated building.

Mr Speaker, it is also important to note that the proposed dilapidated building provisions will be a tool that a council can use if it wishes to.

The use of the provisions is specifically at the discretion of the general manager.



Of course, the requirements under existing planning, building, heritage and environmental health legislation apply in relation to dilapidated buildings.

## NUISANCES

Mr Speaker, a number of councils have also expressed concern about their ability to effectively deal with nuisances on residential land, particularly in relation to junk or car-wrecks in front yards.

In response to this concern, the Bill provides additional powers under the existing nuisance provisions to allow a council to issue an infringement notice if a person fails to comply with a nuisance abatement notice and does not appeal against the notice to the Magistrates Court.

The infringement notices will carry a penalty of \$390.00 in 2013.

I believe this will enhance the ability of councils to deal with nuisances, such as junk or car-wrecks in front yards, by simplifying the current enforcement process and providing a strong incentive for people to comply with nuisance abatement notices.



The Local Government Association of Tasmania supports the introduction of this amendment to existing nuisance provisions.

## ELECTORAL

Mr Speaker, the Bill also proposes a number of changes to the electoral provisions of the Local Government Act, as requested by the Tasmanian Electoral Commission.

The Bill aims to increase participation in local government elections by providing electors with the opportunity to vote by email if they are not in Tasmania at the time of the election.

Email voting also ensures consistency with State electoral legislation which provides that the Electoral Commission may approve procedures for voting while outside Tasmania.

The Bill also strengthens the provisions around electoral advertising by clarifying that any person placing an unauthorised electoral advertisement can be prosecuted.



This will help to ensure that the relevant electoral advertising regulations are complied with.

The Bill also makes it an offence for a council's logo to be used in electoral advertising.

This is because the current electoral advertising restrictions are limited to the use of the coat of arms of a council.

Importantly, the Bill makes it an offence for a candidate who has been provided with a copy of the list of electors to use that list, except for a purpose in connection with the election.

This ensures consistency with State electoral legislation and safeguards electoral roll information from being used for inappropriate purposes.

The Bill allows the Electoral Commission to publish candidate statements online.

This is proposed in response to requests from the public and will enhance the ability of Tasmanians to make informed choices about who to vote for.



The Bill also clarifies the requirements for entitlement to enrol and entitlement to vote in local government elections, which will clarify ambiguity in the current provisions of the Local Government Act.

Mr Speaker, the Bill also transfers some of the Electoral Commissioner's more discretionary powers to the three member Tasmanian Electoral Commission.

This brings the Local Government Act more in line with the *Electoral Act 2004* and ensures that decisions will benefit from wider input.

Finally, the Bill proposes minor amendments to the electoral provisions, consequential to the Government's recent reform of the electoral system for local government.

Overall, the amendments to the electoral provisions are mostly technical in nature and will assist in the administration of the Local Government Act by general managers, returning officers and the Tasmanian Electoral Commission.



In addition to the changes outlined above, the Bill also includes minor changes to a number of provisions contained within the Local Government Act.

The purpose of these minor and technical changes is to provide clarity to the Local Government Act.

In closing, Mr Speaker, this Bill contains necessary and significant changes to enhance the legislative framework provided for councils and continue the Government's push for reform of the local government sector.

I commend the Bill to the House.