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**LOCAL GOVERNMENT AMENDMENT (TARGETED REFORM)
BILL 2026 (No. 10)**

Second Reading

[4.17 p.m.]

Mr BARNETT (Lyons - Minister for Justice, Corrections and Rehabilitation) - Deputy Speaker, I move -

That the bill be now read the second time.

Tasmanians need and deserve a local government sector that is democratically robust, underpinned by professionalism and integrity and entrusted by the communities they serve. Contemporary local government is no longer a matter of basic municipal maintenance of roads, rates and rubbish. Today, our councils are economic drivers, complex planning authorities, and on the frontline of supporting community wellbeing. They manage billions of dollars in public assets and deliver services that touch almost every aspect of our daily lives. We need to ensure that we have the right legislative and regulatory frameworks in place to support councils to

deliver their critical role and functions in ways that reflect contemporary community needs and expectations.

The Future of Local Government Review pointed to a number of areas where change is needed. The reforms being brought in through this bill today are critical to delivering that change. The targeted reforms contained in this bill are practical, evidence-based, and supported by the local government sector. They deliver clear and tangible improvements to standards of professionalism, conduct and integrity across councils, and support a high-performing, transparent and accountable sector.

They have been built on genuine partnership with the local government sector and extensive community consultation. Rather than being imposed on councils from the top down, they are the product of thorough engagement and strong consensus, building on the priority areas for change.

Many of the reforms respond directly to the recommendations of the Future of Local Government Review, the most comprehensive examination of the sector in more than a generation. That process yielded a staggering 6500 submissions from councils, staff, peak bodies and the community. The review's final report presented a blueprint for the future, underpinned by 37 recommendations which, except for one, the government has accepted in full, in part, or in principle. A smaller number of reforms have been specifically identified and developed via subsequent discussions with the sector about what it wants and needs to be able to better deliver for our local communities.

Since we announced our Local Government Priority Reform Program 2024-2026, we have undertaken transparent public and targeted sectoral engagement to test and refine the design of our proposed amendments through numerous workshops and by considering over 100 detailed submissions. We have released discussion papers and exposure draft legislation. We have put in the thinking, the consultation and the design work, and now it is time to act, to implement and to deliver.

The bill I'm introducing today deals with the structure of representation and remuneration, standards of conduct and the strategic capability of our councils. I will also be introducing in the coming weeks further legislation to modernise reforms to how our local government elections are conducted, another key element of our extensive reform effort in local government. Together, this suite of legislation will ensure that when the next council term commences in November 2026, councils will be operating under a renewed framework that better supports their success. The changes we're making via the current bill will promote sustainability, good governance and continuous improvement. It will achieve this through reform in three key areas.

Firstly, we're introducing changes to councillor numbers and delivering a fairer allowance structure for elected members. We need to attract and retain high-quality Tasmanians with diverse backgrounds and skills to local government, and these changes are crucial to that goal.

Secondly, we're equipping regulators and decision-makers with more flexible and effective tools to support councils dealing with emerging governance and capability issues, as well as clearer and more decisive avenues for dealing with serious councillor misconduct. We need the right measures in place to ensure councils can get help early when they need to get

back on track, but community trust in the sector always demands that we can deal swiftly and decisively with egregious councillor conduct, whenever it rears its head.

Thirdly, we're enhancing council's strategic capability through better long-term planning, internal auditing and greater transparency for the community. Better engagement with communities and more open sharing of information will build trust and buy-in, and improves local decision-making, delivering outcomes that better meet the unique needs of communities.

Let me first walk members through the important changes we're making to councillor numbers and allowances. Having the right number of councillors to serve a local government area is critical to ensuring effective and efficient governance, representation and service delivery. There is also a natural relationship between levels of representation and appropriate allowances reflecting the individual circumstances of a council, such as population size, geographic spread, asset value and development activity.

Late last year, the Tasmanian government conducted a review of councillor numbers and allowances which applied a new data-driven methodology to determine appropriate and equitable levels of local representation and councillor remuneration. The rationale for this review was that Tasmania has one of the highest numbers of local government elected representatives per head of population of any jurisdiction, and some of the lowest levels of remuneration.

There are also significant inconsistencies in levels of representation across similar councils because of a patchwork of historical opt-in review processes. For example, King Island has nine elected members, while Waratah-Wynyard has eight. This makes no sense. In simple terms, the bill will deliver the model recommended by the review, which:

- assigns councils to a representation category of either nine or seven councillors using a scoring system based on factors like population, infrastructure, development activity and geographic size;
- establishes six allowance categories, with councils' allocation to those categories being determined using that same scoring system, and ensures consistent representation for similar councils and reduces the total number of councillors by 50 to 213 statewide; and
- creates in legislation a new, transparent and predictable model for regular reviews of councillor numbers and allowances every four years, based on the routine application of the new and improved scoring methodology.

In response to strong sectoral feedback, we've decided that no council category should have fewer than seven councillors unless specified councils formally request that they adopt a five-member model within specified statutory provisions. This means Tasmania's five largest urban councils will each have nine elected representatives and the remaining 24 will have seven. Differences in relative complexity and representational demands between councils, as determined by the scoring framework, will be reflected in the allowances category they will sit within.

The Tasmanian government remains of the view that the proposed allowances fairly reflect and recognises the growing complexity of the role of councillors, are appropriate to the

context of a reduction to councillor numbers and will help support the attraction and retention of high-quality Tasmanians with diverse backgrounds and skills to local government.

We also think the proposal broadly aligns with community and sector expectations about councillor remuneration and ensures the level of consistency for Tasmanian councils, with similar councils in other jurisdictions taking into account their responsibilities and representational workload

At a statewide level, the reforms are cost neutral. Net savings at the statewide level are estimated at approximately \$85,000. At the individual council level, some councils will experience modest savings and others small cost increases. These changes represent some of the most important structural reform for local government in Tasmania since 1993 and we have a small window of opportunity as a parliament to bring them about ahead of the 2026 council elections. The new model is a dramatic improvement on the current system, which lacks rigour, logic and consistency. The sector is on board for this change. We have the opportunity as a parliament to deliver for them and for our community, and that is what I'm asking of you all today.

The second critical reform area in this bill focuses on safeguarding public trust in our local government sector through enhanced measures to support integrity, accountability and good governance. The bill introduces three crucial reforms to support the objective. Namely:

- (1) New serious councillor misconduct provisions;
- (2) More flexible early intervention tools to address governance issues at councils before they escalate; and
- (3) New learning and development requirements for councillors to ensure they have the knowledge and skills to confidently and competently serve their communities.

Effective local government demands a fundamental commitment to public trust. As Minister for Local Government, on behalf of Kerry Vincent, I believe we need stronger mechanisms to address instances where the misconduct of a councillor is so grave that it demonstrates both the councillor is unfit to hold office and their continuation as a councillor has the potential to undermine community confidence in local government. When conduct falls so severely short of community standards, we must have the mechanism in place to act to restore trust.

This bill creates a new independent, legally robust pathway for addressing serious councillor misconduct. Under this new framework, the Director of Local Government will be empowered to investigate and refer instances of serious misconduct to the Tasmanian Civil and Administrative Tribunal (TASCAT). By elevating these matters to TASCAT, we guarantee independence, natural justice, procedural fairness and appropriate legal rigour. Serious councillor misconduct is defined as a:

Serious or significant breach of the Local Government Code of Conduct determined by reference to criteria and considerations outlined in the bill and which will be supported further via ministerial guidelines.

The Code of Conduct Panel will be retained in its current form and will continue to consider all other complaints. Serious councillor misconduct complaints will only be able to be referred to TASCAT by the Director of Local Government following a proper assessment and investigation.

In response to a finding of serious councillor misconduct, TASCAT will be able to issue an expanded set of sanctions in addition to those already available to the Code of Conduct panel, including dismissal and disqualification from office for a period of up to seven years and monetary penalties.

Costs may also be awarded against a person where a finding of serious misconduct is upheld. I assure the House that this government does not take lightly the prospect of removing an elected member of council. However, we believe the expanded range of penalties available to TASCAT under this pathway reflects community expectations around fitness for office.

It ensures that where conduct is fundamentally incompatible with the public trust, the tribunal has the power to act accordingly. It also aligns with similar options available to the courts already under the act where a councillor is found guilty of certain offences and is consistent with models in most other jurisdictions. We hope and expect that these powers will be used rarely, but for the sake of protecting councils, including other elected members, staff and the broader community from the corrosive effects of truly malignant conduct, we believe it is essential that they are available.

A modern regulatory framework also requires appropriate, flexible and effective early intervention mechanisms to help reduce the risk of problems escalating to the point where major expensive and disruptive regulatory responses like boards of inquiry are needed. If we only ever act when the public trust is already lost, we're not doing our jobs. To bolster early intervention, the bill provides that the minister will be empowered to appoint an independent temporary adviser to step in where there is clear evidence of emerging governance issues at a council.

Advisers will have the authority to enter council premises, review its operations, request information from the council administration and its audit panel, provide guidance to elected members and senior staff and make recommendations to the council on governance improvements. Their role will be advisory only. Advisers will not take over the administration nor be able to issue binding directives. They will be there to recommend governance improvements and to help the council help itself. At the end of their period of appointment, advisers will provide a final report to the Minister for Local Government and recommend any further action, including regulatory intervention, as they see fit.

We're also making adjustments to existing performance improvement directions provisions so they can operate in tandem with the new temporary adviser model and function as a more flexible early intervention support tool, consistent with their original intent. Good governance relies on councillors fully understanding their statutory obligations and being able to confidently and competently discharge them.

I acknowledge that much of the sector has engaged with ongoing education and training through the system developed by the Department of Premier and Cabinet and the Local Government Association of Tasmania.

This bill provides a new framework to underpin that commitment on an ongoing basis, guaranteeing a consistent baseline of professional capability for councillors new and returning across the board. Within their first 12 months of office, councillors will be required to complete mandatory training focused on their statutory duties, meeting procedures and the principles of good governance. To support councillor development beyond the minimum core training modules, councils will also be required to adopt continuing professional development policies to ensure this standard of leadership is maintained and that learning opportunities can be tailored to the needs of the existing skills of individual elected members.

Our third area of reform establishes the architecture for improving the strategic capability and performance of our councils over time. This begins with a fundamental redefinition of the role and purpose of councils by embedding the contemporary local government role statement developed by the Future of Local Government Review, which has community well-being at its core, and establishing a head of power for a new local government charter to support implementation of this role. Under the bill, council's 10-year strategic plans will now explicitly link to community well-being outcomes. We're also introducing new statutory requirements for councils to have community-engagement strategies and workforce-development plans, ensuring councils have both the mandate and personnel to deliver on their promises.

I acknowledge that data collection and performance reporting are already well established operational duties fulfilled by councils in partnership with state agencies. However, for data to drive accountability, it must be consistent, it must be comparable, it must be visible, and it must be meaningful to the public. This bill empowers the minister to build upon these existing foundations by mandating consistent data collection and reporting methodology statewide via ministerial order. This demand for transparency extends to rates notices. We are also empowering the minister to mandate clearer information, ensuring ratepayers can better understand how their rates change over time.

This legislation also prescribes an internal audit function for all councils, bringing them into line with the standards expected of state government agencies while allowing the flexibility of shared service solutions to manage costs. These new expectations will ensure council audit panels are better supported to fulfil their existing and crucial statutory duties.

Finally, the bill makes several technical amendments to resolve practical operational issues with the current act. Firstly, it includes provisions to enhance and ensure electoral accessibility for voters with a print disability. By expediting these measures, which were originally part of our broader election reform process, through this bill we guarantee they will be fully operational in place in time for the October 2026 local government elections.

Secondly, the bill introduces security provisions to support councils to meet electronically. To ensure absolute confidentiality, councillors attending closed sessions remotely will be legally required to prevent unauthorised persons from viewing or overhearing proceedings. This necessary safeguard allows us to establish a secure framework for electronic attendance, removing barriers to entry for community members with caring or home responsibilities.

Third, the bill includes a number of minor changes that support the effective operation and efficiency of the code of conduct framework, including clarifying confidentiality requirements.

Passing this primary legislation is only the first step. To ensure a smooth and orderly transition for the local government sector, the government has developed a clear implementation road map. While the bill establishes necessary heads of power to prescribe certain operational details through subordinate legislation, our immediate focus is on providing absolute certainty for the upcoming council term.

The October 2026 local government elections will proceed under the new legislative framework for councillor numbers and allowances and with the alternative voting methods for electors with a print disability. These specific provisions will commence as soon as possible following royal assent.

The commencement of the new serious-councillor-misconduct framework is also a priority ahead of the elections. The formal activation of this pathway relies on supporting ministerial guidelines. Formal statutory consultation on these guidelines is targeted to commence once the bill receives royal assent, after which they will be finalised to enable the pathway to go live.

A range of other changes, such as the new temporary advisers, improvements to performance improvement directions and provisions for remote meeting attendance will also commence as soon as possible.

To ensure councils are properly supported, the remaining governance and operational reforms will proceed according to a staged rollout after the October elections. These changes will be staged over the first part of the new local government term to avoid an operational implementation rush around the upcoming council elections to ensure our new cohort of elected members have the chance to shape the details. This bill is a decisive and critical step towards delivering the high performing, resilient and professional local government sector that Tasmanians need and deserve.

I commend the bill to the House.

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